

**Clemson University
Clemson, South Carolina**

MINUTES

of the meeting of

THE CLEMSON UNIVERSITY BOARD OF TRUSTEES

Madren Center

Clemson, South Carolina

Thursday, November 12, 1998

After notification as required by the Freedom of Information Act, the Chairman called the meeting to order at 3:00 P.M. with the following members present: Lawrence M. Gressette, Jr., presiding; Bill L. Amick, J. J. Britton, Harold D. Kingsmore, Louis Lynn, Patricia McAbee, Leslie McCraw, Smyth McKissick, Thomas McTeer, William C. Smith, Jr., Louis P. Batson, Jr., Fletcher Derrick, P. W. McAlister, and Thornton Kirby, Executive Secretary

ADMINISTRATION PRESENT: President Curris, Steffen Rogers, Ben Anderson, Scott Ludlow, David Stalnaker, and Cathy Sams

Item 1. Introductions

Statement: The Chairman asked Cathy Sams to introduce guests present for the meeting, and she introduced Dave Breitenstein of the *Anderson Independent*, Kimberly Davis of the *Greenville News*, and Ed McGranahan of the *Greenville News*.

Item 2. Research Turbine for Central Energy Facility

Statement: Chairman Gressette called on Bill Amick to discuss the research turbine for the Central Energy facility, and Mr. Amick asked Provost Rogers to provide an update. Provost Rogers reported that a financing plan has been arranged since the last meeting of the Budget and Finance Committee, and he explained it as follows:

The purchase price of the additional turbine will be \$1.5 million, and the total project cost will be \$2.4 million. Payment will be made by virtue of a loan from the University, with the following security:

- The manufacturer, Solar, has agreed to repurchase the turbine for 60% of the original purchase price, a guarantee worth \$1 million;
- Clemson researchers who will work with the turbine have pledged \$525,000 from their existing research grants to help offset the purchase price; and
- The University projects a reduction in energy costs equal to \$130,000 annually.

Since grant monies and energy savings will not be realized immediately, Provost Rogers intends to evaluate the financial success of the research turbine three years from now. He estimates the University's maximum financial exposure after three years to be \$750,000.

Provost Rogers also noted that the University's energy research group had anticipated the loss of its \$4 million grant from the U. S. Department of Energy (DOE), but the news that Clemson would purchase the research turbine led the DOE to renew its \$4 million annual grant through the year 2002. Because one of our researchers is very well-placed in DOE research circles, the Provost anticipates growth in energy-related research.

Following Provost Rogers' comments, several Trustees concurred that the turbine will maintain a high resale value due to the scarcity of gas turbines currently in production.

Following the discussion, Mr. Amick convened the Budget and Finance Committee and asked for a motion to approve the proposed research turbine. Mr. Smith made a motion to recommend purchase of the research turbine, Dr. Lynn seconded, and the vote of approval was unanimous.

Chairman Gressette reconvened the Board meeting, and he called on Mr. Amick to report on behalf of the Budget and Finance Committee. On behalf of the Committee, Mr. Amick made a motion to approve the purchase of a research turbine for the Central Energy facility, Mr. Kingsmore seconded, and the Chairman asked for discussion. Mr. McCraw suggested that periodic updates be provided to the Board concerning the financial success of the research turbine. Chairman Gressette agreed with the suggestion and instructed Scott Ludlow to prepare such reports. There being no further discussion, the Chairman called for a vote on the motion, and the vote of approval was unanimous.

Item 3. Adjourn

Statement: There being no further business, the Chairman asked for a motion to adjourn. Mr. McCraw moved to adjourn, Mr. Kingsmore seconded, and the vote

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of approval was unanimous. The Chairman adjourned the meeting at 3:20 P.M.

Respectfully submitted,

J. Thornton Kirby
Executive Secretary to the
Board of Trustees