

## **FUTURE ACTION ITEM #6**

Fiscal Year 2026 Supplemental State Capital Budget Request  
(Leslie Brunelli/Glynda Becker-Fenter/Olivia Yang/Chris Mulick/Chris Riley-Tillman)

TO ALL MEMBERS OF THE BOARD OF REGENTS

SUBJECT: Fiscal Year 2026 Supplemental State Capital Budget Request

PROPOSED: That the WSU Board of Regents approve the WSU systemwide Fiscal Year 2026 supplemental capital budget request for Cougar Energy Initiative Project, \$ 22,500,000, for an additional \$5M in minor capital renewal (building preservation).

SUBMITTED BY: Leslie Brunelli, Executive Vice President, Finance & Administration/CFO

SUPPORTING  
INFORMATION:

The University is requesting an additional \$5M in minor capital renewal (building preservation) to augment the 2025 request of \$40M. The purpose of the additional funds is to address exigency circumstance around building utilities infrastructure failures in several aging facilities in the Pullman campus including Neill Hall, Webster and Fulmer Annex and associated campus utilities. Funds will be expended within the 2025-27 biennium.

Additionally, during the 2023-25 biennium, WSU developed a long-term decarbonization plan, known as the Cougar Energy Initiative (CEI). This plan was developed to meet requirements of the Climate Commitment Act (CCA), House Bill 1390 (HB 1390) and the Clean Buildings Performance Standard (CBPS). These initiatives are designed to reduce greenhouse gas emissions and improve energy efficiency. WSU's Pullman campus is the primary greenhouse gas emissions contributor because of its reliance on two natural gas-fired steam plants that heat most buildings on campus. Average annual greenhouse gas emissions on the Pullman campus exceed 65,000 metric tons of CO<sub>2</sub>e which is well above the state's threshold for a covered entity (25,000 metric tons of CO<sub>2</sub>e). As a result, the CEI's top priority is to eliminate the use of natural gas as the primary heating source on the Pullman campus. WSU utilized the remaining 2023-25 CCA funding to begin construction on the university's first nodal heat pump utility plant, which aligns directly with the CEI's recommendations.

This phase of the CEI proposes to continue build-out of the first nodal heat pump utility plant (adjacent to Schweitzer Engineering Hall), install distribution infrastructure, and convert approximately three buildings to receive low temperature hot water. More specifically, in addition to the distribution infrastructure and building conversions, this proposed project aims to install the second (of two) air-source heat pumps in the new nodal utility plant along with one injection well for the future open loop ground-source geothermal heat pump system. The injection well will initially serve as a test well to validate the geothermal heat pump strategy and then transition to an injection well for the completed system. Future funding will be required to complete the full build-out of this nodal utility plant to include two geothermal heat pumps with multiple supply and injection wells.

Project Schedule:

Date	Step
Design	Request for Regents Future Action Project Budget Approval
Construction	Request for Regents Action for Project Budget Approval

Project Budget:

Professional Services	\$2,300,000
Construction (including contingency)	\$17,500,000
Project Administration	\$1,200,000
Sales Tax	\$1,500,000
Design and Construction Project Budget	\$22,500,000

Source of Funds:

2026 Supplemental State Capital Funds.