

This is the first issue of Stewardship, a quarterly PSL publication focused on one of Presbyterian Senior Living's core values. The audience for this publication is very broad – Presbyterian Senior Living staff, residents, and family members. It will be a blend of the philosophical and practical, exploring the reasons why we are committed to stewardship and how all of us can contribute to this effort. In this first issue we will define what we mean by stewardship, and what we are doing to be good stewards in terms of energy consumption.

The Reasons for Stewardship

In recent years the term stewardship has become more popular outside of religious circles. Environmentalists talk about stewardship of the earth's resources. Owners of historic homes talk about being stewards of their property as a reason to add a structure to the historic register of the community. This emerging concept of stewardship is that each of us holds the resources of the world and the organizations we work for in trust for future generations. At its core, there is the recognition that as human beings, our personal and professional lives are relatively short, and that we have a responsibility to leave something of value behind – a legacy that will enable future generations to have a better life. But the concept of stewardship is not a new idea, and has deep roots in our religious teachings.

In the book of Genesis, human beings are given dominion over the earth – not domination. From the beginning, humankind was granted a caretaker role and became accountable to God for how we use these resources during our time on earth. This standard was to be applied to every area of life and everything we possess. Stewardship also includes missed opportunities to do better things

with our time and resources. This expanded concept was concisely and vividly articulated in Matthew chapter 25.

In this parable Jesus describes a property owner who leaves on a journey. In his absence, the property owner gives each one of his three servants a different sum of money to

manage (interestingly referred to as Talents – a measure of weights applied to precious metals). They are given the

freedom to use this money as they see fit, but are aware that the master will return and hold them accountable for their stewardship of what he has given them. Two of the servants invest wisely, and are praised and rewarded when the master returns. The third, being deathly afraid of risk, hides the money in the ground. The master deals harshly with this servant, calling him wasteful and lazy, ultimately taking his money back, and casting the servant out. The message was clear. God has created the world and everything in it, and we are responsible for how we use the gifts God has given us. Doing nothing is not an option.

This understanding of stewardship touches every aspect of our lives – our time, talent, financial resources, and the resources of the world around us. Compared

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The Reasons for Stewardship Continued

to the rest of the world, we live in a blessed society. But just because we can afford to be wasteful does not mean that it is right. Stewardship may have economic consequences, but it comes from a higher calling.

In this issue we are addressing energy consumption as a part of our stewardship responsibility. In future issues we will be talking about environmental stewardship, financial stewardship, stewardship of human resources, recycling,

green construction techniques, water conservation, and a host of other topics. Every one of these topics will have one thing in common – you. Effective stewardship is not a passing fancy or a good idea for someone else. Success will require a sustained, cooperative effort from everyone. We hope that this newsletter will help the PSL family to focus on how each of us can be good stewards of the resources God has given us.

- Steve Proctor, CEO

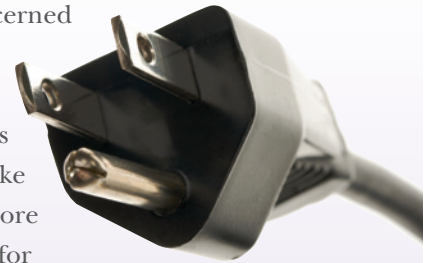
Presbyterian Senior Living's Energy Opportunities

About four years ago I watched a television news show on the growing world demand for energy. On the screen were thousands of automobiles in China stuck bumper to bumper in a traffic jam. The program then flashed back to the same scene five years earlier when it was filled with bicycles. It was clear that someday, probably in my lifetime, we would experience at best significantly increasing costs of energy, and at worse a crisis brought on by world energy demand exceeding its supply.

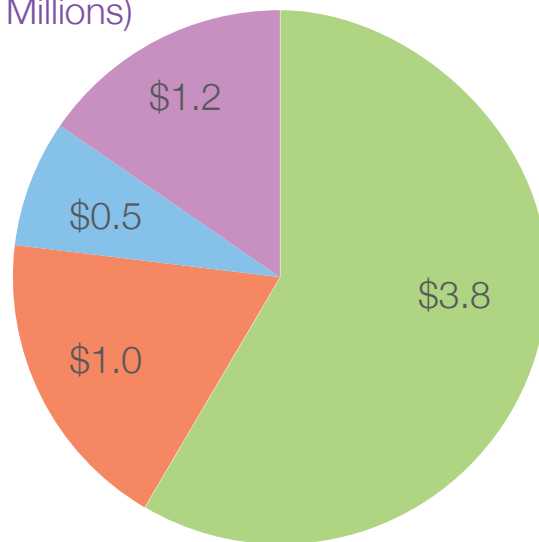
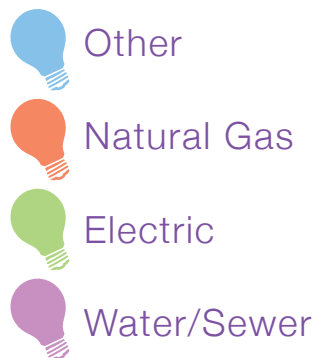
This troubled me for two reasons. The first was a personal responsibility as part of the world to better manage what I

consume. The second concerned Presbyterian Senior Living.

Our most important stewardship responsibility is to our residents. I do not like the thought of spending more on energy, and having less for more direct ways of caring for those who have entrusted us to meet their needs. We decided to respond by forming a dedicated team of individuals to serve as an energy task force to help us to become better energy stewards.



Presbyterian Senior Living Resource Consumption in 2011 (In Millions)



Resource related costs for 2011 were \$6.5 million

Everyone can help, and may be able to produce even more savings than we have so far. Most experts agree that energy consumption can be reduced by 20% or more just through changing our behavior. If every time we use a utility we think about how we could use it less, this could mean over \$1 million in savings to PSL. Turning off the lights, running less

water, setting temperatures back at night or when we are not around. I have turned off lights and left a few people in the dark in the Administrative Office's mens room – the yell of “hey” always lets me know!

Thank you all for your part in saving our world and PSL.
- Jeff Davis, CFO

See below for some accomplishments of the Energy Task Force to date:

- We purchase on the open market in advance virtually all of PSL's electric needs for periods of two and three years. We contract for groups of facilities at various times, and usually save 15% to 25% compared to standard electric rates.
- We also purchase bulk natural gas on the open market on various schedules and quantities. We try to do this at the best times to purchase gas, and often do not place all of our bets on any one contract. This usually gives us similar or greater savings to our electric purchasing.
- Green building techniques have been adopted for all new construction. These include improved windows, insulation, and most importantly if at all possible geothermal heating and cooling systems. Geothermal systems use wells in the ground for both heating and cooling. The geothermal systems use 40% less energy than conventional methods. We have now built 132 living units which use geothermal heat, and have 117 units under construction which will use significantly less energy going into the future.
- Two energy grants have been received totaling over \$1 million dollars which we used to upgrade the heating and air conditioning systems, and do other energy use improvements at Presbyterian Apartments and Geneva House. These improvements will reduce energy consumption at these locations by over 25%.
- We have installed our first small solar panel on the tax credit building under construction at the Long Community. In most cases solar is not economical right now, but we believe it will become so in the future, and are studying the possibility for another location.
- A team which includes an energy consultant and a mechanical engineer has performed an energy review/ inspection at every PSL location. This has identified many opportunities for energy savings in areas such as dishwashers, insulation, lighting, metering, and electric demand management. We have undertaken many of these with the help of facility staff, but there is much left to do.
- Some facilities have responded well to an energy savings challenge we sent out last fall. We have installed new insulation at Woodland Retirement Community. And we are working on taking over Westminster Village Dover's electric sub-station so we may purchase bulk electric at much lower rates.
- At Glen Meadows a resident energy committee has helped identify opportunities. We have replaced all of the old wood windows in the manor house with vinyl energy efficient ones. We have also added insulation, replaced heat pumps, changed lighting and installed thermostats with timers.
- There is a long laundry list of things we hope to get to and find money for. We will be converting the Easton Home's ancient fuel oil heating to natural gas, which will reduce energy costs by 40%. We have a few other locations still using fuel oil, and lighting and heating systems improvements needed everywhere.