The California State University Channel Islands (CSUCI) Site Authority (SA) met on Monday, October 2, 2017 at 11:30 a.m. on the CSUCI campus in the Handel Evans Conference Room in the John Spoor Broome Library, Camarillo St., Camarillo, CA.

1. Site Authority Board Chairperson R.J. Considine called the meeting to order at 11:39 a.m. The secretary called roll and a quorum of members was present. Members present: Chairperson R.J. Considine; Trustee Silas Abrego; President Erika Beck; Supervisor Kelly Long; Supervisor John Zaragoza. Alternates present: Robert Eaton; Ken Simons; Vice President Ysabel Trinidad.

Others present: University Counsel Marc Mootchnik; John Gormley (via conference phone), Missy Jarnagin, Diane Mandrafina, Pamela Abbott-Mouchou, Deanne Ellison, and Alisha Price from the Division of Business and Financial Affairs; Jake Friesen, Sean O’Brien and Ben Gordon from Kennedy Wilson; Mark Wagner from E & S Ring, and Bill Robe, Chair of the University Glen Community Advisory Group.

2. Public Comment Period (Pursuant to Government Code section 11125.7): Chairperson Considine called for public comments. There being no public comments, Chairperson Considine closed the public comment period.

3. Board Member Comment Period: Chairperson Considine called for board comments. Mr. Simons asked for a moment of silence to pay respects to those affected by the tragedy in Las Vegas, Nevada.

4. Approve Consent Agenda: Chairperson Considine called for board comments on the consent agenda comprised of the following items:
5. ACTION: Approval of Minutes of August 7, 2017 Meeting
7. INFORMATION: Home Sales Report
There being no board comments, Chairperson Considine called for a motion to approve the consent agenda. The motion to approve the consent agenda was made by Supervisor Long, seconded by Supervisor Zaragoza and approved unanimously.

INFORMATION AND ACTION ITEMS

8. INFORMATION: Campus Update
President Beck expressed her appreciation for the moment of silence. A CI staff member and two CI students were in attendance at the concert in Las Vegas, but all three are safe and physically unharmed. President Beck commented that we have the largest student body on campus to date with 7,000 students enrolled. Santa Rosa Village has a waiting list for students to live on campus. The significant demand for on-campus housing is great, because it plays a significant role in student success. There have been 19 new tenure-track faculty members and 36 new lecturers hired. Additional vice provosts and budget employees will need to be hired for
Academic Affairs. The Strategic Initiatives Steering Committee is bringing its work to a close this fall with tremendous progress on the CI2025 initiative and graduation rates. CI was recently named the 9th safest campus in the country. Upcoming events include Ventura County STEM later this week and the President’s Dinner on October 14, 2017.

Mr. Simons commented regarding the student housing demand that if interested, the community can be notified that there is need for student housing near the campus. President Beck discussed the challenge in predicting enrollment and funding to support increased enrollment. Supervisor Zaragoza asked if there is a long-term plan of how many students will be enrolled in the next ten years. President Beck indicated that CI cannot accept more students than can be supported and the funds have to be there to support and teach the students in the most beneficial ways. CI is working on increasing the student graduation rate, and that has to be balanced with the support needed to help students be successful.

9. INFORMATION: Site Authority Operating Report

a. Kennedy Wilson Capital Projects
Mr. Gormley described the improvements Kennedy Wilson has undertaken in Phase I which includes improvements on the Town Center leasing office space to add a fitness center, conference room, demonstration kitchen, lounge, and game room which should be opened by the end of November. Work has begun on the Cathedral Cove pool to replace the pool deck and add new furniture as well as converting the fitness center to a pool house. This should also be completed in November, and then work will commence on the Santa Cruz Island Drive pool. These projects are being funded by Kennedy Wilson as part of the original operating and sales agreement.

b. Community Improvements / Landscaping
Mr. Gormley discussed the east campus landscaping improvements. During the last two months, Facilities Services landscapers have been pruning and raising the canopies of the trees, completing mulch work, and removing plant materials. Work is also underway to improve existing natural pathways that were damaged by the winter storms and fix the irrigation challenges.

10. INFORMATION: CI Power Plant Update and SCE Negotiation Update
Vice President Trinidad provided the board with an update on the Non-disclosure agreement with SCE regarding the terms for a replacement PPA for the Cogeneration Plant Project. Background was given of prior attempts to get a new PPA. Previous discussions included a “blend and extend” structure where SCE and CSUCI would terminate the existing PPA early and then enter a new PPA that would extend 5 years beyond the April 12, 2018 expiration of the original PPA. The last version of these discussions occurred in early 2016, but negotiations halted as a result of an inability to reach an agreement on non-pricing items. In early January of this year, discussions resumed with SCE and a proposal was submitted in May requesting a five-year term commencing April 12, 2018, the date upon which the existing 30-year-old contract would end. SCE responded in late June indicating the prices for a five-year term were too high. After further discussions, SCE indicated that it could accept CSUCI’s proposed prices if the term of the contract was shortened to 24 months.
The new contract would begin April 12, 2018 and the contract would terminate March 31, 2020. The agreement is subject to a right of SCE to terminate the agreement if the California Public Utilities Commission (PUC) does not approve the agreement. The new agreement allows for SCE to notify the campus, usually a day ahead, when SCE wants the plant to run and for how long. This “dispatchable mode” will be called upon to operate less than 50 hours per year.

The plant presently provides nearly all thermal energy for campus needs. With the reduction of the power plant operations in the new contract, CSUCI installed new hot-water boilers to meet the campus thermal needs and will not be reliant on the plant for thermal energy.

Several capital improvements to the plant will be required, primarily in the metering and control equipment. A remaining cost of $65,000 is anticipated. In earlier iterations, it was assumed the outstanding debt would need to be refinanced, but now that this agreement will not start until the end of the existing agreement, CSUCI does not anticipate any financing needs for the project.

The power plant has the capacity to generate 28MW. Currently, the campus uses 1.5MW and sells the remaining 26.5MW to SCE. The contract proposes that CSUCI will sell the full output from the plant under a “buy all / sell all” structure. In terms of campus demand, a solar power program is planned that would offset the need to buy from SCE to meet our need.

A fixed capacity payment has been established to cover all of the “fixed” costs. The net present value of that revenue is estimated to be $1.597 MM over the two-year life of the contract. There are additional and separate payments that cover operating and maintenance costs, as well as additional payments to cover costs with operational hours above the baseline hours. In essence, CSUCI will be paid for being available to operate. If the campus is not available to be dispatched, the campus loses a pro-rata share of the Capacity payment.

SCE would become responsible for providing the funding for Green House Gas emission costs with the Air Resources Board when the plant is dispatched.

Negotiations with SCE are anticipated to conclude within the next month. It is understood that SCE will seek filing with the PUC at the end of October 2017. Nothing in the new agreement precludes the possibility that another extension may be negotiated with SCE after this one expires.

Supervisor Zaragoza asked if the megawatt revenue covers the expenses, and Vice President Trinidad affirmed they do. Questions were raised about solar energy on campus. Discussion continued regarding the possibility of carport structures, other solar measures, and how expansive the program could potentially be.

Supervisor Long asked about the change in revenue between agreements. The new agreement being negotiated is $1.6 M in revenue and the current deal is a lot higher at $3 M in revenue. The primary reason for the difference is the type of deal CSUCI has currently with SCE is no longer being offered, and because the power plant has only so much more life cycle to it, the idea is to get as much net revenue possible while there is life cycle capacity on the existing engine.
Mr. Simons asked if the plant has a five-year life expectancy. Vice President Trinidad explained that the life expectancy is based on run hours and size of the plant. For example, SCE is buying from large 100MW power plants versus CSUCI’s 30MW power plant, and CSUCI is not as competitive to negotiate that far into the future. Discussion continued about re-evaluation of the plant at the end of the agreement. Vice President Trinidad explained that the remote physical location of the plant is also a factor, as well as the capacity it can provide, and that SCE looks at all of the factors to determine what value it has to them at peak-demand periods. The power plant is currently an income generator. The cost to manage it ourselves is too great. SCE is the only company to show interest in the power plant, and that is likely the best option to obtain additional revenue.

11. INFORMATION: Update Status on 32 Acre Development Project

Mr. Gormley indicated that collaboration is ongoing with Kennedy Wilson to gather the necessary details to complete and execute the agreements, have a schedule of development and construction, and a parcel map. There is an opportunity to use solar canopies, but they will not produce as much as other areas that are being explored around campus.

a. Community Branding Concept

Mr. Gordon discussed the intention behind University Glen apartments operating at market rate with select apartments at a lower rental rate set aside for faculty and staff. To assist efforts in advertising toward non-university affiliated renters, a marketing group was employed to explore rebranding. They propose renaming the KW-owned 328 apartments in University Glen to Mission Hills Apartments with three apartment clusters to be named Townside, Parkview, and Hillcrest.

As this rebranding was brought to the board as an information item only, the board asked questions regarding the tenant make up in the University Glen Apartments. Mr. Gordon informed the board that there are predominantly families in the market-rate apartments and a few faculty members who are being transitioned to employee-rate apartments as they become available. Of the 328 apartments, 100 are specifically for faculty and staff, and another 10 units are university affiliated.

The decision of renaming University Glen to Mission Hills was discussed. Members of the board expressed concern that the name “Mission Hills” is overused in Southern California.

12. INFORMATION: University Glen Advisory Group Update

Mr. Robe indicated one of the primary concerns of the residents serving on the University Glen Advisory Group is common area maintenance. While the residents see solid progress, they are hopeful that improvements occur at a faster rate, especially with the detached homes and the appearance of the community. Another concern is the Common Area Maintenance fee reserves. Ms. Jarnagin presented at a prior University Glen Advisory Group meeting. The group recommended focusing on a reserves study that would shed light on deferred maintenance, current priorities and costs in relation to the reserves. Another concern is the enforcement of the rules and regulations in the ground sublease specifically in regard to the appearance and maintenance of detached homes, as well as items on which the sublease is silent. The final concern is the difference between resale value of the homes in Phase I and the Phase II homes that will be offered subject to market rate.
13. **ADJOURN**: There being no further business, the regular meeting of the Site Authority Board was adjourned at 12:35 p.m.

APPROVED:
California State University Channel Islands Site Authority Board

Respectfully Submitted:

_________________________________________                    Dated: ____________________
Secretary to the Site Authority