

**California State University Channel Islands Site Authority
MINUTES of the Regular Meeting
Monday, December 4, 2017**

The California State University Channel Islands (CSUCI) Site Authority (SA) met on Monday, December 4, 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 11:34 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: Vice President Ysabel Trinidad.

Others present: University Counsel Marc Mootchnik; John Gormley, Missy Jarnagin, Diane Mandrafina, Pamela Abbott-Mouchou, Stephanie Bracamontes, Caroline Doll, Deanne Ellison, and Alisha Price from the Division of Business and Financial Affairs; Jake Friesen and Nick Bridges from Kennedy Wilson; Bill Robe, Chair of the University Glen Community Advisory Group; Francis Freire; Bob Hunt; Rolland Vasin; and Darcey Lober, University Glen resident.

2. Public Comment Period (Pursuant to Government Code section 11125.7): Chairperson Considine called for public comments.

Ms. Lober discussed the herbicide spray used near the houses and decomposed granite pathway around the community, which terminates the replacement plants. She also asked if the rosemary will be replaced around the homes due to it being a fire hazard. Ms. Lober mentioned that succulents are fireproof.

Mr. Gormley assured Ms. Lober that the herbicides are highly regulated and in compliance with state regulations. Regarding the plant request, he commented that Facilities Services and Kennedy Wilson were working together on the landscaping plan for the 32 Acre project that can transition to the rest of the campus if funds allow. Mr. Gormley requested Ms. Lober send photos and documentation of concern areas to Mr. Friesen with Kennedy Wilson.

3. Board Member Comment Period: Chairperson Considine called for board comments.

Supervisor Long mentioned that her office met with CSUCI staff regarding the Boating Center. She appreciated the use of the facility on Fridays, Saturdays, and Sundays, and hopes for greater utilization in the future.

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 October 2, 2017 Meeting
6. ACTION: Approval of October 2017 Preliminary Financial Report
7. INFORMATION: Home Sales Report
8. ACTION: Approval of 2018 Meeting Calendar

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 Zaragoza, seconded by Supervisor Long, and approved unanimously.

INFORMATION AND ACTION ITEMS

9. INFORMATION ITEM: Campus Update

President Beck commented on the flurry of excitement across campus with the end of the semester approaching. The closing date for student applications was November 30, and there is enormous interest in enrollment next fall. CSUCI is hiring 14 new tenure track faculty members. For four years in a row, the Nursing Program has received a 100% pass rate for the National Council Licensure Examination (NCLEX) with the national average being 81% passing. CSUCI was ranked #18 in the nation by CollegeNet Social Mobility Index. Dr. Cynthia Wyels was awarded the Distinguished Mentor Award from the Society for the Advancement of Chicanos/Hispanics and Native Americans in Science. President Beck also thanked the University Glen residents for their support of the Dolphin Pantry and gave background on the programs available to students in need.

10. ACTION ITEM: Approval of the Financial Statements and Independent Auditor's Report

Mr. Vasin commented on the Site Authority and Finance Authority audits that were conducted. He explained that there are thousands of human interactions that occur which do not have monetary value, and while these audits represent the dollar amounts, they do not tell the entire story of the institution. Mr. Vasin confirmed that the audit was conducted conforming to the generally accepted auditing standards. He pointed out the management discussion and analysis on pages 3-6 indicate that the financial statements are consistent. Mr. Vasin pointed out that because the Site Authority and Finance Authority have a wide number of activities like selling houses, electricity, and rent, the balances fluctuate but in its entirety, the amount of funds increased due to sales of homes and those funds helped decrease the amount of debt.

Supervisor Long asked Mr. Vasin to explain the auditing process and if there was room for improvement from the Board.

Mr. Vasin explained the auditing process as observing assets or confirming the assets with outside parties, understanding liabilities, and determining that revenues and expenses are in the correct categories. He commented that if deficiencies or weaknesses are found in an organization's finances, a management letter is sent. No items were found to be of significance to notify management or the Board.

Supervisor Long and Supervisor Zaragoza thanked Mr. Vasin and expressed the importance of ensuring that the Site Authority is in accordance with the accepted principles.

Chairperson Considine called for a motion to approve the audit findings as provided by Mr. Vasin. The motion to approve the audit findings was made by Supervisor Long, seconded by Supervisor Zaragoza, and approved unanimously.

11. ACTION ITEM: Approval of Executive Order 1108 Recommendation

Ms. Ellison reminded the Board that in August, CSUCI became a smoke and tobacco free campus, and the question of how that applied to Site Authority land was being reviewed. The impact to the University Glen community was brought to the residents through meetings and surveys. Based on feedback from the community, Mr. Robe provided a memorandum to the Board outlining the recommendation of the University Glen Community Advisory Group to permit smoking inside residential units and in privately owned patios where legal and in compliance with existing federal and state laws, county, and local ordinances, and adopt the recommendation that smoking be prohibited in common areas of Site Authority property.

Mr. Mootchnik confirmed that in regards to cannabis, the University remains drug free.

Chairperson Considine called for a motion to approve the recommendations as stated. The motion to approve the recommendations as stated was made by Supervisor Zaragoza, seconded by Supervisor Long, and approved unanimously.

12. ACTION ITEM: Approval to Execute Memorandum of Understanding with the County of Ventura regarding Distribution of Tax Increment

Ms. Trinidad provided background on the tax increment legislation between Ventura County and the Site Authority. Recently, the County and Site Authority came to an agreement to resolve and release all claims related to unremitted pass-through and tax increment distributions and claims for interest thereon, and set forth an agreement relating to future pass-through and tax increment distributions.

The total tax increment the County withheld from the Site Authority is \$2,393,092.01 and the County agrees to credit the Tax Increment Payment to the Site Authority, plus accrued interest for a total credit of \$2,408,105.81.

The total pass-through distributions the Site Authority would have been required to make amounts to \$2,005,535.36. The Site Authority agrees to credit the Pass-Through Payment to the County, plus accrued interest for a total of \$2,018,117.70.

The Tax Increment Payment and the Pass-Through Payment shall be deemed paid in full upon the County's payment to the Site Authority of the net balance of \$389,988.11.

Chairperson Considine commended the parties involved for completing this agreement. President Beck agreed and expressed her appreciation for Chairperson Considine and Mr. Mike Powers of the County of Ventura.

Supervisor Long and Supervisor Zaragoza recused themselves from voting.

Chairperson Considine called for a motion to approve the recommendation to execute the Agreement and Release of Claims regarding Pass-Through Payments and distribution of Tax Increment between the County of Ventura and the Site Authority, and authorize the chair of the Board to execute the agreement. The motion to approve the recommendation and authorize the chair to execute the agreement was made by President Beck, seconded by Trustee Abrego, and approved unanimously.

13. ACTION ITEM: CI Power Plant Update and SCE Negotiation Board Authorization

Ms. Trinidad reminded the Board that this item follows the previous meeting's information item. The contract will begin on April 12, 2018 and the end date of the proposed contract is March 31, 2020. The contract proposes that Site Authority sell the full output from the plant. Under the dispatchable structure, converting to Sell All – Buy All was the only working method. The revenue is projected to be over \$1.5M over the life of the contract by being available when called upon to operate the power plant. If the plant is not available to be dispatched, the campus loses the share of the capacity payment. SCE will notify the campus when and for how long the plant will run, and based on discussions, it will run less than 50 hours per year. Under the new agreement, SCE will be responsible for paying Green House Gas emission costs.

Supervisor Zaragoza and Trustee Abrego asked about the cost to maintain the property. Ms. Trinidad explained that there is a proportionate amount to pay for operations beyond the baseline. If the plant runs more, there will be more revenue, which includes the cost associated with running the plant.

Supervisor Long asked if after 2020, will the Site Authority move towards solar. Ms. Trinidad said that they are meeting with staff at the County regarding solar, and post 2020, there are various options to explore.

Chairperson Considine called for a motion to approve the recommendation to allow the Chair to execute the necessary agreements between Southern California Edison and Site Authority. The motion to approve the recommendation was made by Supervisor Zaragoza, seconded by President Beck, and approved unanimously.

14. INFORMATION ITEM: Site Authority Operating Report

a. Kennedy Wilson 2017/18 Capital Improvement Plan

Mr. Gormley updated the Board that work continues on the new Leasing and Amenities Center which will open in the new year. The Cathedral Cove pool should also be done early in the new year, and work will then commence on the Santa Cruz Island pool. The painting in the Town Center and existing apartments is mostly complete. This morning, work began on the repairs and repainting of townhome exteriors.

Trustee Abrego asked if residents have a website to register concerns. Mr. Gormley explained that concerns can be emailed to Mr. Friesen. If there is an emergency, they can call 911 and the police will alert Facilities Services. Ms. Trinidad commented that that process will be improved and is being developed into a 24/7/365 access point.

b. Community Improvements / Landscaping

Mr. Gormley discussed the recent completion of a second phase of tree trimming. At the previous meeting, there was discussion to have Facilities Services complete remediation work. Ongoing irrigation repairs are also being completed.

15. INFORMATION ITEM: Update Status on 32 Acre Development Project

Mr. Gormley provided an update on the ground subleases that should be finalized, reviewed, and signed early in the new year. Ms. Trinidad explained that the original concept was a deal term agreement, then development agreement, and then a master lease agreement. Now, all items that would be contained in the development agreement are in the deal terms. There has been some efficiency created out of the process. Mr. Gormley commented that Kennedy Wilson is moving forward with development and design in getting environmental approvals.

16. INFORMATION ITEM: University Glen Advisory Group Update

Mr. Robe indicated that the two main concerns of the residents are CAM reserves and maintenance. A request was made to discuss the possibility of a few residents participating in the Maintenance Rent budgeting process. The group has identified the most important current issues and are working on solutions that will be tracked at the bottom of their meeting minutes and posted on the website. The CAM collections are a concern particularly now that the homes are 15 years old and showing normal signs of age. At the previous meeting, Ms. Jarnagin and Ms. Ellison presented the CAM collections and reserve contributions since 2002, breaking down the collections by unit type for each year and identifying the reserve component over the past 15 years. Residents remain concerned with expenditures, and Ms. Jarnagin is working on a similar report with respect to that. In regard to landscape maintenance, photos were submitted showing areas needing improvement. Mr. Gormley addressed the concerns and expressed the need to better understand the expectations of the residents in order to meet the standards and budget accordingly.

Chairperson Considine explained the difference between CAM and HOA organizations and fees. He expressed appreciation to those who gathered the information for the residents and suggested that this be available on a

quarterly basis. Chair Considine discussed his appreciation for Mr. Robe and his work with the University Glen Community Advisory Group.

17. ADJOURN: There being no further business, the regular meeting of the Site Authority Board was adjourned at 12:36 p.m.

APPROVED:

California State University Channel Islands Site Authority Board

Respectfully Submitted:

Secretary to the Site Authority

Dated: _____