

Regular Meeting Minutes Monday, November 2, 2020

The California State University Channel Islands (CSUCI) Site Authority (SA) met on Monday, November 2, 2020 at 11:30 a.m. virtually via teleconference, <https://csuci.zoom.us>, CA.

Site Authority Board Chairperson R.J. Considine called the meeting to order at 11:30 a.m. The secretary called roll and a quorum of members was present.

Members present: Board Chairperson R.J. Considine; Supervisor Kelly Long; Trustee Silas Abrego; President Erika Beck; Supervisor Linda Parks; City Councilman Ken Simons

Alternates present: Mayor Pro Tem Carmen Ramirez; Vice President Ysabel Trinidad

Others present: University Counsel Marc Mootchnik; Stephanie Bracamontes; Nathan Bowden; Laurie Nichols; Bill Robe, Chair of the University Glen Community Advisory Group; Rosa Bravo, Site Authority Secretary; Rolland Vasin, Vasin, Heyn & Co.

OPENING STATEMENTS

Site Authority Board Chairperson R.J. Considine called for public comments (Pursuant to Government Code section 11125.7).

Public Comment Period

Dr. Chris Williamson, Homeowner Advisory Council Chair and University Glen homeowner, addressed a letter that had been sent to the Site Authority board, noting that he wanted to request something in writing with regard to the rules and regulations, ordinances, and statues with clear jurisdictions that pertain to the University Glen. Dr. Williamson mentioned that there is confusion on the residential side of University Glen where there is no state law applicable, as in the example of the horses that traffic the community. The campus police cannot stop the horses from walking up the university roads, because under state law, horses are still a viable means of transportation on state roads. The campus police are working on finding a law enforceable. According to Dr. Williamsin, it was surprising to many residents that the community didn't fall under County ordinances.

Dr. Williamson referenced the intent of the letter was to gain an understanding of the state law in relation to the county ordinances with the special districts. Dr. Williamson noted that, within their property tax bill, residents are paying into various special districts like the Fire Protection District, the Camrosa District, and School Districts. Dr. Williamson asked whether that means those districts have jurisdiction in University Glen or do they just provide services. The other confusion noted by Dr. Williamson is around the part fulfilled by the Cal State Board of Trustees on the non-campus area, the residential area. Rules and regulations in regards to COVID-19 are on the Campus but not the residential neighborhood. Dr. Williamson stated that the University Glen seems to be following County guidance in terms of the COVID-19 regulations and asked whether that means the community is within the County's jurisdiction for health issues or the Site Authority decided to follow the County Health Department as a policy decision. The intent of the letter, as noted by Dr. Williamsin, is to direct the Site Authority's general counsel to gather information and provide in writing a bullet list of who has jurisdiction.

Dr. Williamson added that the homeowners are working on suggested changes to the rules and regulations to be in harmony with Kennedy Wilson's lease. However, before that is moved forward, the community is looking to understand what laws apply already and not recommend action that conflicts with a governing law.

Board Chairperson R.J. Considine thanked Dr. Williamson for his public comment and for raising very good points. Chair Considine referred the letter to Marc Mootchnik and asked for legal counsel to further look at the request and provide clarity to the concerns brought forward.

Board Chairperson R.J. Considine closed the public comment period.

Board Member Comment Period (Considine)

Board Chairperson R.J. Considine called for Board Member comments.

Supervisor Kelly Long provided a comment in regards to COVID-19 public health ordinances the County has its own COVID-19 guidelines in place that follows the State guidelines and she referred to the website, www.covid19.ca.gov, for the latest information on Ventura County ordinances specific to businesses, facilities and parks. She also added that individuals can refer to venturacountyrecovers.org for testing locations. The County has been working with school systems very closely to ensure access to testing, and they have multiple sites on the Ventura County recovers website.

Supervisor Linda Parks pointed out to Dr. Williamson that the County did change their general plan to ensure that, in the future when there are site planning issues that may affect the University or University Glen, the County will be providing communication back to the Site Authority and be involved with the process. Supervisor Parks thanked Dr. Williamson for bringing up the suggestion and states that it will help the County and the Campus.

Trustee Silas Abrego asked if the University Glen Community has an attorney or legal advisor. Dr. Williamson mentioned that it does not and would have to budget an action to retain an attorney.

Mayor Pro Tem Carmen Ramirez wanted to recognize President Erika Beck for her promotion and stated it was a bittersweet that she was leaving California State University Channel Islands. Mayor Pro Tem Ramirez noted that California State University Northridge will benefit from President Beck.

President Beck presented Dr. LaSonya Davis, Associate Professor and Assistant to the Nursing Program on campus. She recently became the President's Faculty Fellow to the Inaugural Faculty Fellow Program and is working on a project intended to enhance student success and narrow the equity gaps in student success as well as working on the University's inclusion work. Dr. Davis is learning all about the various roles of the University.

CONSENT AGENDA

Board Chairperson R.J. Considine called for a motion to approve the consent agenda.

- ACTION: Approval of Minutes of August 3, 2020 Meeting
- ACTION: Approval of 2021 Meeting Calendar
- INFORMATION: Update on 32 Acre Development Project
- INFORMATION: Site Authority Operations Report
- INFORMATION: Financial Report

Motion to approve the consent agenda was made by City Councilman Simons, seconded and approved unanimously by roll call.

INFORMATION AND ACTION ITEMS

ACTION: CI Power/CAISO Update and Authorization to Execute Modified Agreement by Tom Hunt

Tom Hunt mentioned the packet has been provided and he will go through the highlights. CI Power has been designated as Reliability Must Run (or "RMR"). He provided further background that the planned RMR agreement with CAISO had to be submitted to the Federal Energy Regulatory Commission (FERC), where it was contested and a judge was appointed. After going through multiple settlement conferences, staff finally reached an agreement. Mr. Hunt mentioned the contract with CAISO is for the remainder of the year 2020 and the subsequent year 2021, with the possibility of further extension. CI Power is looking to engage with a consultant to recommend potential other uses of the site such as using generator interconnection to alternate powers or as battery storage. It is unknown what the best fit for the site would be and staff would like to verify that with a consultant.

Mr. Hunt mentioned the resolution presented is for approval on the agreement that has been negotiated with CAISO and it states that it will be put into effect May 1st. Mr. Hunt noted the average monthly payment under the settlement would be \$260,000, where originally it was \$326,000 a month. There is a refund due back of \$264,000 back to CAISO as earlier payments were received for the \$326,000 amount. There is also a requirement to put in a remote telemetry unit (RTU), the cost of which consultants negotiated would be recovered by the Site Authority in the next three years with linear amortization. The cost is about \$235,000.

Supervisor Parks commented that she is glad that the power plant is up and running. The County has had some issues with power shortages and it is a benefit to the region to have additional energy sources on the grid. She noted that she is glad that the power plant has reached a settlement that is still profitable to the Site Authority. She mentioned it's unfortunate that a refund is owed back. Supervisor Parks then asked about the discussion of battery storage and whether the concept is to set up the plant to generate energy and have that energy go to power storage.

Mr. Hunt answered that the concept is not to use the plant to generate power that would feed the batteries. It would actually be one of two options--either (1) getting the power from Edison, charging the batteries up, and then dissipating during the day when the rates are higher, or (2) using the campus' solar array to be able to generate the power and naturally feed it into the batteries.

Supervisor Parks noted that she has been a proponent of making sure that the plant continues to be used as it is not only a financial benefit to the University but it is also really important to have that additional source. She stated that she is working with the County on a proposal convey wastewater to bio gas. Supervisor Parks asked where the cogen plant gets its natural gas and whether there is a potential to switching to bio gas. Mr. Hunt stated that there are different sources from which the campus gets gas that are fed through the SoCal Gas. Mr. Hunt mentioned that he does not know the answer to whether the plant can switch to a bio fuel plant and will look to consultants for some suggestions on alternatives.

Board Chairperson R.J. Considine next called for a motion to approve the resolution to authorize the Chair to execute the Regulatory Must Run (RMR) agreement with CAISO, based on settlement negotiations, through the end of 2021, along with other necessary agreements to operate the CI Power plant on an RMR basis through the same time period.. The motion to approve the action item was made by Supervisor Kelly Long, seconded, and approved unanimously by roll call.

ACTION item: Approval to Hire for Staff Support Position by Laurie Nichols

Ms. Nichols provided a summary of the operations of the Site Authority. Ms. Nichols explained the need for administrative support to be the first point of contact for the University Glen, including home sales, assistance with Maximum Resale Price evaluations, and assistance with numerous other duties. The request was submitted to the Board to approve the staff support position at a \$60,000 annual salary of one (1) full time support personnel position.

The motion to approve the action item was made by Supervisor Linda Parks, seconded, and approved unanimously by roll call.

ACTION item: Approval of Audited Fiscal Year 19-20 Financial Statements for Site Authority by Rolland Vasin

Mr. Rolland Vasin, an engagement partner of the auditor, reported the approval of the audited financial statements for the Site Authority and the Financing Authority for the year ending June 30, 2020. The audited financials are conducted for several reasons and one of them is that the Chancellor's Office consolidates all 23 CSU campuses' around 90 auxiliaries financial statements into one. He presented a brief report of the financial statements. He mentioned that the auditor uses generally accepted auditing standards to test the books, records, and financial statements for conformity with Generally Accepted Accounting Principles (GAAP). Based on their testing, they believe that the financial statements are fairly stated in accordance with General Accounting principles.

Mr. Vasin briefed the Financial Statements in more detail. First he noted, to the Statement of Net position of the Site Authority, the assets increased a little for the year. The depreciation of the capital assets and current liabilities went down a bit, which was related to timing. He next noted that in the statement of revenues, expenses, and changes in position, the non-operating revenues had a slight increase, with energy sales part of that increase. Operating expenses remained relatively flat. The change in net position was \$1.7M. He noted a change in cash decreasing mostly attributed to paying long term debt of approximately \$3M. Mr. Vasin stated he had no other comments about the financial statements, and all the disclosures that are required are included.

Councilmember Simons asked Mr. Vasin for how many years has been auditing the financial statements, and was informed that he has been auditing for six years . Councilmember Simons asked, based on Mr. Vasin's experience, how the Site Authority is trending with COVID-19. Mr. Vasin mentioned that their audit firm completes a special audit program with respect to potential effects of COVID-19, the key testing is impairment of assets and no items from that test were applicable to the Site Authority. The assets continued to be productive and revenue continued to flow with some changes.

Mr. Vasin next moved on to the Financing Authority, noting its total assets are \$9,000 with little revenue income and expenses about \$6,000. Mr. Vasin stated that they have conducted the audit and the financial statements are fairly stated in accordance with Generally Accepted Accounting Principles.

The motion to approve the action items was made by Mayor Pro Tem Carmen Ramirez, seconded, and approved unanimously by roll call.

Action item: Approval of Restatement of Fiscal Year 18-19 Financial Statements for Site Authority by Stephanie Bracamontes

Mr. Vasin deferred to Ms. Bracamontes to explain the restatement. Ms. Bracamontes mentioned that as the result of the development of the CAISO agreement, staff conducted an analysis of the cost. As a result of the analysis, staff discovered there was approximately \$221,000 of operating cost of the plant in the 2019-2020 fiscal year that was part of 2018-2019 actual cost. They were incurred after the scope period of what the auditor will continue to audit transactions through. Management decided to restate the Fiscal Year 2018-2019 Financial Statements in support of the CAISO agreement.

Mr. Vasin added that in terms of the audit, the financial statements from 2018-2019 had expenses that had been omitted because of the error that occurred in recognizing the liability and corresponding expense. In their estimation as auditors it was not significant to the financial statements in that the financial statements have a much higher materiality level and suggested that it be treated as a financial statement restatement in the current year 2019-2020. However, due to the analysis that was occurring with respect to the electrical generation, management decided that the 2019 financial statement restated, which Vasin Company accommodated. The nature of the error had to do with the tardy submission of the supplier invoice after the scope period. It was determined that it was a one off situation and is not reporting a weakness to internal control.

The motion to approve the restatement of Fiscal Year 18-19 financial statements was moved by Supervisor Parks, seconded and approved unanimously by roll call.

Information Item: Campus Update by President Erika Beck

President Erika Beck stated that she has had the honor to serve Chanel Islands and be part of the Site Authority board.

President Beck noted that an interim president will be selected by the Chancellor's Office, to begin in January. The campus continues to be hard at work with online learning. She remarked that it was anticipated that any university that went to virtual learning would have a decrease in student enrollment. President Beck reported that CSUCI actually exceeded its enrollment target for the fall with strong student retention. President Beck recognized the commitment of faculty and staff in helping make this happen.

The board members thanked President Beck for all of her accomplishments and excellent leadership.

Item: University Glen Advisory Group Update by Bill Robe

Bill Robe mentioned that he has seen a large improvement of coordination between HAC, CAM management and Site Authority Staff.

He is thrilled to hear the approval of the additional support. He mentions it is highly demanding of Rosa and Laurie to respond to the numerous requests received. The Homeowner Advisory Council is structuring different committees like the Rules and Regulation Committee, Landscaping Committee and a Gardening Committee. The group is working on determining if reserve funds are properly insured by FDIC. Mr. Robe also reported that the CAG is working on a solar panel policy for attached homes as well as rules and regulations enforcements. He next noted that Chief Morris will be in the next CAG meeting to explain the police department's role in the community.

Mr. Robe mentioned that Site Authority staff continues to work on the restructuring of the Community Advisory Group.

ADJOURN: There being no further business, the regular meeting of the Site Authority Board was adjourned at 12:31 p.m.

APPROVED:
California State University Channel Islands Site Authority Board

Respectfully Submitted:

Rosa Bravo

Secretary to the Site Authority

Dated: 05/20/2021