



**Regular Meeting Minutes
Monday, November 7, 2022**

The California State University Channel Islands Site Authority (SA) Board and the California State University Channel Islands Financing Authority (FA) Board met on Monday, November 7, 2022, at 11:30 a.m. virtually via teleconference (Zoom webinar).

Site Authority Board Chairperson Linda Parks called the meeting to order at 11:30 a.m. A quorum was established.

Members present:

Supervisor Linda Parks, Chair; Assistant Vice Chancellor Robert Eaton, Vice Chair; Trustee Larry Adamson; John Broome, Jr.; Mayor Shawn Mulchay; President Richard Yao

Regrets:

None

Alternates present:

City Councilmember Laura Hernandez; Laurie Nichols, AVP Administrative Services/HRO, Supervisor Kelly Long (Voting Member)

Others present: Marc Mootchnik, University Counsel; Stephanie Bracamontes, Controller; Thomas Hunt, AVP Facilities Services; John Lazarus, Executive Director of Operations; Barbara Rex, SA Treasurer; Minna Chang, Auxiliary Accounting Manager; Terry Tarr, Associate Architect; Celina Zacarias, Executive Director of Community & Government Relations; Christina Sotelo, Secretary

Guests present:

CohnReznick Auditors Nicole Stan, Aaron Filene

OPENING STATEMENTS

Chair Parks called for public comment (pursuant to Government Code Section 11125.7).

Public Comment Period

Mary Kennedy, a townhome owner in University Glen, expressed her appreciation to speak to the Site Authority Board. She is a member of the Homeowners Advisory Council. Ms. Kennedy proposed the development of a survey instrument to enable the University to take inventory of the untapped resources in University Glen. University Glen residents would help advance the mission of the University. Working together to find potential opportunities for mutual benefit and build on them into the next generation.

Chair Parks thanked Ms. Kennedy for her visions and suggestions. She assured her suggestions will be put into consideration for the upcoming year.

Tobey Wheeler, a townhome owner in University Glen, expressed his appreciation to the Site Authority Board for the 2022 year's work they contributed.

Chair Parks thanked Mr. Wheeler for his appreciation.

Board Member Comment Period

Chair Parks called for board comments.

Supervisor Kelly Long thanked Chair Parks for her contribution to the Site Authority Board and the community.

Chair Parks thanked Supervisor Long.

Mayor Shawn Mulchay thanked Chair Parks for her service. Mr. Mulchay announced he will not be running for re-election and expressed his gratitude to the Site Authority Board.

Chair Parks thanked Mayor Mulchay for his service to the Site Authority Board. She expressed her gratitude for being part of CSUCI's growth. She thanked everyone on the Site Authority Board for their service and contribution.

No further comments were made.

CONSENT AGENDA

- ACTION: Approval of Site Authority Board Minutes of August 8, 2022
- ACTION: Approval of Financing Authority Board Minutes of February 28, 2022
- ACTION: Approval of 2023 Meeting Calendar
- INFORMATION: CI Power/CAISO Update (Hunt)
- INFORMATION: Anacapa Canyon Project Update (Nichols)
- INFORMATION: Site Authority Operations Report (Lazarus)
- INFORMATION: Financial Report (Bracamontes)

Approve Consent Agenda

Motion was made by Larry Adamson to approve the consent agenda. The motion was seconded by Kelly Long and carried unanimously by roll-call vote.

INFORMATION AND ACTION ITEMS

ACTION: Approval of Audited Fiscal Year 21-22 Financial Statements for Site Authority (CohnReznick)

CohnReznick Auditor Nicole Stan thanked Stephanie Bracamontes and her team for a successful audit year. CohnReznick reported a clean opinion, which is the highest level of opinion you can receive. As communicated in the engagement letter, CohnReznick is required by professional standards to perform an audit. In addition, they are required to look at the organization's internal control to see if they are effective and efficient. CohnReznick is required to communicate any significant matters to the Site Authority Board. They did not find anything during the current year to report. Ms. Stan reported CohnReznick did not find any issues of compliance or ethics regarding independence. There were no issues found with management override of control and improper robbing recognition. Ms. Stan reported there were no unreasonable judgments put in place for the accounting estimates. There were no significant or unusual transactions to report. There was no identity of fraud found. When it comes to other significant matters, findings, and issues there was nothing to be reported. Ms. Stan stated in the Communicating Internal Control Related Matters Identified in the Audit report no internal deficiencies, mature weaknesses, or significant decisions were found. These reports for Site Authority had the same outcome for the Financing Authority. Everything stated in the report about the Site Authority audit applies to Financing Authority as well.

Chair Parks thanked Ms. Stan for the comprehensive report.

Larry Adamson questioned if there were any suggested adjustments to the ledger. Ms. Stan clarified there are adjustments made from the moment CohnReznick receives the preliminary trial balance report until they issue the final trial balance report.

Larry Adamson questioned if any recommendations were going forward in the management letter. An informal suggestion was made by Ms. Stan to increase staffing for finance. This was not noted in the report. Mr. Adamson thanked Ms. Stan.

Assistant Vice Chancellor Robert Eaton expressed his gratitude to the staff of the finance team who completed this project.

Motion was made by Chair Parks to approve the action item. The motion was seconded by Robert Eaton and carried unanimously by roll-call vote.

ACTION: Approval of Audited Fiscal Year 21-22 Financial Statements for Financing Authority (CohnReznick)

Larry Adamson suggested to Chair Parks the approval of the Audited Fiscal Year for the Financing Authority. CohnReznick auditors confirmed the report is identical, except for the entity, to the Audited Fiscal year for the Site Authority.

Motion was made by Chair Parks to approve the action item. The motion was seconded by Robert Eaton and carried unanimously by roll-call vote.

INFORMATION: CI Power/CAISO Update (Hunt/McOuat)

Laurie Nichols introduced Travis McOuat, a consultant with HMM Energy Resources. Mr. McOuat shared his presentation on the collaboration between California State University Channel Islands Site Authority and the Department of Water Resources. Mr. McOuat introduced the new agreement the Site Authority signed with the Department of Water Resources. Mr. McOuat explained HMM Energy Resources was involved in the early opening of the power plant with a 30-year power purchase agreement. In 2008 Channel Islands University had the opportunity to purchase the power plant. The University received over two million dollars in revenue from the power plant between 2010 and 2018. In 2017 the power purchase agreement ended. HMM Energy Resources stepped in to help CSUCI renegotiate the Power purchase agreement. A negotiation was made for a two-year Resource Adequacy Contract with Southern California Edison. Following the two-year contract plans were made to retire the power plant. In early 2022 Site Authority prepared for an anticipated Reliability Must Run (RMR) agreement with the California Independent System Operator (CAISO). Negotiations with the California Department of Water Resources (DWR) began in September 2022 for a new energy contract. An Energy Purchase Agreement with DWR and CI Power was signed on October 7th, 2022. This replaced the RMR agreement with CAISO. This agreement gives Channel Islands a higher revenue, lower costs, greater cashflow, no jurisdiction approval, lower risk, more certainty, less administration, and potential for onsite improvements. The negotiations took two weeks to finalize the five-year contract. Compared to the RMR agreement which takes 2-4 months of negotiations and a one-year contract. With DWR they will reimburse the Site Authority \$85,000 in transaction costs. Reimbursement was denied with RMR. Revenue under the DWR contract will be paid as direct monthly payments to the Site Authority. Revenue is performance-based, since the power plant will not be dispatched very often the Site Authority will receive the full available capacity payment. With the DWR contract, the power plant will have an overall lower operating cost. This will save \$600,000 in operating costs. Laurie Nichols intervened due to time restraints.

Chair Parks thanked Travis for the presentation. Chair Parks expressed her enthusiasm for the power plant emitting fewer greenhouse gases, having less maintenance and potentially being battery storage. Larry Adamson asked if the new contract would have an impact on the 2022-2023 budget. Barbara Rex stated it will be three-quarters of a million or higher.

Travis McOuat stated HMH Energy Resources was able to budget all the consulting costs. He shared his excitement about the possibility of adding new technology to the power plant.

Laurie Nichols thanked Mr. McOuat for the presentation.

INFORMATION: Audit Committee Formation (Bracamontes)

Stephanie Bracamontes thanked the Board for the approval of the financial statements. Ms. Bracamontes introduced the first read of the Audit Committee Charter. Staff in consultation with the CO Finance colleagues and best practices recommends the establishment of an Audit Committee. The Site Authority Board is asked to review the audit committee charter and consider approval of the resolution to form the Site Authority Audit Committee and appoint the committee members at the next board meeting.

Chair Parks asked if anyone had questions or comments. No questions or comments were made.

INFORMATION: Investment Policy - Draft (Rex)

Barbara Rex informed the Board of the undergoing review of the investment policy. The investment policy was established in 2009. Staff is working with the Chancellor's office to review policy language for any necessary updates. CSUCI is in alignment with the 2009 policy. Which includes the CAM Reserves and the May 2021 approval to move \$3 million of CAM Reserves to CalTRUST.

Chair Parks thanked Ms. Rex and asked for any questions or comments. No questions or comments were made.

INFORMATION: Higher Education Emergency Relief Fund (HEERF) Update (Rex)

Barbara Rex provided a brief overview of the Higher Education Emergency Relief Grant. It was established because of COVID-19 to provide financial aid to students and to higher education to ensure new expenses associated with the required change in operations. Congress passed three acts, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in March 2020. The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was in December 2020. The final was the American Rescue Plan Act in March of 2021. With a total of \$71 billion in aid provided to higher education students and institutions. Cal State Channel Islands received over \$50 million in HEERF Aid. The University received the aid in three separate tranches. One exclusively for Student Awards, a total of \$20.9 million, one for Institutional Aid for \$26.5 million, and Minority Serving Institutional Supplemental Award for \$3 million. The funding from HEERF was provided to more than 10,000 CSUCI students. More than \$25 million of that total funding has been awarded in student grant aid. Three-quarters of a million dollars were provided in terms of student debt discharge. HEERF provided support to help offset \$33 million of revenue losses. Including housing and Auxiliary services such as dining, catering, and parking. It helped offset of \$5 million appropriation reduction from 2021. It provided funding to help the campus pivot to virtual operations such as installing new technology, providing training, and providing virtual access to students. It supplied funding for COVID monitoring and suppression and faculty and staff emergency pay when the campus was closed. A nominal amount was provided for student services and financial aid outreach. The financial aid outreach ensured

students understood HEERF funds were here to help, and they would not be missing any opportunities for additional support.

Robert Eaton asked about the \$20.9 million that went to the students. He asked if it was separate from the money students received directly. Ms. Rex replied, all the HEERF grant came to the campus and was awarded by the Financial Aid office. It was awarded based on eligibility criteria, greatest needs received the greatest dollars.

Mr. Eaton explained CSU received \$1.9 billion and distributed it out to institutions that did not include funds that went directly to students. Ms. Rex confirmed the HEERF funds came to our campus and were augmented with our institutional share of those funds.

Chair Parks asked for an example of how the funds were used for the students. Ms. Rex explained the student grants were not tied to a specific item. The students were able to use it however needed.

Chair Parks thanked Ms. Rex for the information and asked for any questions or comments. No questions or comments were made.

INFORMATION: University Glen Advisory Group Update (Lazarus)

John Lazarus informed the board that Anacapa Canyon construction continues. The Campus and Kennedy Wilson hosted Safety Day for the University Glen community and it was successful. They hosted Coffee with the Cops for residents to meet and greet their police officers. On Safety Day a presentation from California Fish and Wildlife gave tips and advice for living with wildlife. Mr. Lazarus thanked Chair Parks for her referral from California Fish and Wildlife. University Glen residents are invited to dine at the Islands Café and join local campus events. The percentage of CSUCI employees or retired employees living in University Glen rose from 30.51% in July 2022 to 34.56% as of October 2022.

Chair Parks thanked Mr. Lazarus for the report. She is hopeful to see the number of CSUCI employees living at University Glen at 50% or more.

INFORMATION: CSUCI Early Childhood Care & Education Center (Nichols)

Laurie Nichols deferred to President Yao. President Yao explained timeliness of the CSUCI Early Childhood Care & Education Center is important in relation to Governor Gavin Newsom's Transitional Kindergarten (TK) initiative. Early Childhood Care and Education is one of the University's and Ventura County's top priority. President Yao informed the board of updated figures for the project and what they have accomplished. The total cost of the project is \$46.7 million. Construction costs \$42.7 million and infrastructure and planning cost \$3.92 million. The University received a \$5 million allocation and \$2 million from Assembly Member Jacky Irwin. The University secured \$1.5 million from Kennedy Wilson. Another \$5 million was given from philanthropic support committed. President Yao thanked Chair Parks, Supervisor Long, Carmen Ramirez, and the entire board of Ventura County Supervisors who allocated \$5 million with The American Rescue Plan Act (ARPA) funds. He explained they are halfway through meeting the capital cost. The most recent economic impact study suggested a \$110 million total economic impact through 2029. This is \$18.2 million in short-term capital, spending \$17.1 million in long-term operation, and spending \$75 million in long-term Alumni impact. The University is moving forward with the five-year capital plan submission to the Capital Planning, Design and Construction (CPDC) of the Chancellors office. They requested an additional \$23 million to cover the capital construction cost. President Yao explained the University is looking into a Grant opportunity with the California Department of Social Services. The project will continue to move forward with a project close out in August 2026 with occupation in December 2027.

Chair Parks asked for any questions from the board. Chair Parks thanked President Yao and wished him the best of luck with the project.

No questions were asked.

INFORMATION: Campus Update (Yao)

The President updated the Board on the following items:

- Preparing for the Fall semester to come to an end. Celebrated the University's 20th anniversary. President Yao thanked everyone for being at his Investiture Ceremony. University Hall was renamed Richard R. Rush Hall. The President's Dinner was a success.
- The University of California Office of the President awarded CSUCI associate professor of Education Dr. Kara Naidoo a \$572,000 Grant. To support California Teacher Preparation with a focus on mental health and physical education as professional development. Workshops will be held for Kindergarten to High School teachers at CSU campuses around the state. The workshops will focus on developing classroom conflict resolutions
- Recognition to Vice Provost Dr. Jessica Lavariega Monforti, Ph.D. She received multiple national recognitions for academic leadership and her most recent book publications. Her book titled, "Proving Patriotismo: Latino Military Recruitment, Service, and Belonging in the US" was named one of two winners of the best books on Latino Politics awarded by the Latino Caucus of the American Political Science Association. The American Conference of Academic Deans announced she will receive its 6th annual award for excellence and academic leadership in February 2023.
- CSUCI was awarded \$6 million from The Hispanic-Serving Institutions (HSI) grant. \$3 million to implement the Caminos (Pathways) for Future Counselors, Psychologists, Teachers and Leaders project. \$3 million for Project Student Outreach, Academics and Retention (SOAR).
- CSUCI received \$187,000 in collaboration with Oxnard College. To hire new staff members to support transfer students from Oxnard College to CSUCI.

President Yao thanked Chair Parks for her contributions and commitment to the Site Authority Board. He thanked Mayor Shawn Mulchay for his collaboration on the Site Authority Board.

Chair Parks thanked President Yao for the inspirational report. She requested we close in honor of the victims of the November 7th, 2018, tragic event at Borderline Bar and Grill in Thousand Oaks.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:50 p.m.

APPROVED

California State University Channel Islands Site Authority Board

Christina Sotelo
Christina Sotelo, Secretary

February 27, 2023
Date