



West Valley - Mission

Community College District

**Board of Trustees
Audit and Budget Oversight Committee**

March 11, 2019

Board Room
West Valley College
14000 Fruitvale Avenue, Saratoga, CA 95070
5:30 p.m. Public Session

Bob Owens, Chair
Susan Fish, Member
Randi Kinman, Member

1.0 CALL TO ORDER – PUBLIC SESSION

- 1.1 Roll Call
- 1.2 Approval of the Order of the Agenda
- 1.3 Oral Communication

2.0 REGULAR ORDER OF THE AGENDA

2.1 Approval of the February 11, 2019, meeting minutes (A) – Chair

2.2 Review of June 30, 2018 Actuarial Report (I)

This item will include a review of the June 30, 2018 Actuarial Report.

2.3 Solar Photovoltaic Generating Systems at West Valley College and Mission College (I)

This item will include review and discussion of proposed solar photovoltaic generating systems and West Valley College and Mission College.

3.0 STAFF MEMBERS COMMENTS

This item offers staff members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

4.0 COMMITTEE MEMBERS COMMENTS

This item offers committee members the opportunity to report on issues not listed in the agenda to which no debate or votes are to be taken.

5.0 ADJOURNMENT

WEST VALLEY/MISSION COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
AUDIT AND BUDGET OVERSIGHT COMMITTEE

Date of meeting: February 11, 2019

UNAPPROVED MINUTES

Membership: Bob Owens, Chair; Susan Fish, Member; Randi Kinman, Member

1.0 CALL TO ORDER – PUBLIC SESSION

The meeting was called to order at 5:34pm by Mr. Owens.

1.1 Roll Call

	Present	Absent
Fish, Susan	X	
Kinman, Randi	X (arrived at 5:37pm	
Owens, Bob	X	

Others Present: Ngoc Chim and Pat Fenton

1.2 Approval of the Order of the Agenda

The order of the agenda was approved as presented. (Fish/Owens, 2/0/0, with Kinman absent and not voting)

1.3 Oral Communication

None.

2.0 Regular Order of the Agenda

2.1 Approval of the January 14, 2019, meeting minutes (A)

The January 14, 2019, meeting minutes were approved as presented. (Fish/Owens, 2/0/0, with Kinman absent and not voting)

2.2 FY 18/19 2nd Qtr. Budget Adjustments and Financials (A)

Ms. Chim reviewed the 2nd Qtr. financials and indicated that most funds are on target at 50% revenue and expenditures. The following funds were highlighted:

- Fund 110 – Unrestricted General Fund: \$20M from fund balance will be used to pay-off one of the Lease Revenue Bond debts. The remaining debt will be refinanced to decrease cost to the District and voters.

- Funds 12x & 13x – Restricted General Fund (Grants): Expenditures are below the 50% mark, which is normal for these funds. The colleges’ will catch up on spending as the year progresses.
- Fund 137 – Other Restricted General Fund (Eco Pass): Expenditures are at approximately 8% because payments to VTA have not yet been made.
- Fund 330 – Child Development Fund: Both colleges are managing their budgets. If they continue this trend for the remainder of the year, they will have money left over to add to their fund balance.
- Fund 711 – Associated Students Trust Fund & Fund 731 – Student Body Center Fee Fund: Both colleges are deficit spending and working to resolve the issue.
- Fund 741 – Student Financial Aid Trust Fund: This fund deficit spends until year end, which is when the draw-down from the government is complete. This is the normal trend.

Mr. Owens inquired about the Hunger Free Campus Program noted in the Restricted General Fund. Ms. Chim could not specifically answer the question, but believes it is a federal program with funds being issued through financial aid. She will provide ABOC members with more information at a later date.

There was a motion by Kinman, seconded by Fish, to “accept the FY 18/19 2nd Qtr. Budget Adjustments and Financials and recommend them to the Board for approval.” The motion passed unanimously.

2.3 FY 18/19 2nd Qtr. 311 Report (A)

Ms. Chim reviewed the 2nd Qtr. 311 Report. She indicated that revenues include additional one-time RDA money as well as account for the loss of revenue from having to pay back the 49er’s after they won their tax dispute with Santa Clara County. She noted that this year should be the last year that the District receives significant one-time monies from the RDA. She also mentioned that FTES continues to decline, which could adversely impact categorical programs. The District continues to have a healthy cash flow.

There was a motion by Fish, seconded by Kinman, to “accept the FY 18/19 2nd Qtr. 311 Report and recommend it to the Board for approval.” The motion passed unanimously.

2.4 Levi’s Stadium Property Tax Ruling (I)

Ms. Chim reported that Santa Clara County will refund the 49er’s \$36 million after it was determined the team over-paid property taxes on Levi’s stadium. The District’s share of the refund is \$3.14 million and has already been accounted for

in the District's budget – the money will be taken from future RDA apportionment. Fortunately, the District will not be adversely impacted by having to pay back the money, this is due, in part, to being a Community Supported school.

3.0 Staff Members Comments

None.

4.0 Committee Members Comments

None.

5.0 Adjournment

The meeting adjourned at 6:02 PM.

PREPARED BY: JAVIER CASTRUITA

REVIEWED BY: ED MADULI

APPROVED BY: PATRICK SCHMITT

SUBJECT: GOVERNMENT CODE §4217.12 PUBLIC HEARING REGARDING ENERGY CONSERVATION FACILITIES (“ESA Project”); AND RESOLUTION NO. _____ RELATED TO SOLAR PHOTOVOLTAIC GENERATING SYSTEMS AT WEST VALLEY COLLEGE AND MISSION COLLEGE

CHANCELLOR’S RECOMMENDATION:

That the Board of Trustees Adopt Resolution No. _____ relating to the ESA Project; which:

- (1) Describes the ESA Project
- (2) Establishes that costs for District to make electrical power purchase from the public utility service will exceed the cost for electrical power generated by the ESA Project
- (3) Authorizes District staff to develop an Energy Service Agreement for implementing the ESA Project pursuant to procedures authorized by Government Code §4217.10 et seq. and for subsequent Board of Trustees review and approval.

Funding Source/Fiscal Impact

The funding for this project is through Measure W, line item DS – 04, Alternative Energy projects on the Project Priority List.

Reference(s)

Government Code §4217.12 authorizes the District to enter into energy service agreements to design, build and maintain energy conservation facilities such as the ESA Project on terms in the best interest of the District. Resolution No. ___ authorizes District staff to develop the terms of an Energy Services Agreement for the ESA Project pursuant to Government Code §4217.12. The Energy Services Agreement is subject to Board of Trustees review and approval.

Background/Alternates

In November, 2010, the Board of Trustees authorized development of solar generating power facilities at West Valley College and Mission College pursuant to Government

Code §4217.10 procedures. The solar generating facilities authorized in 2010 have been constructed and are operating to produce solar generating power. Anticipated energy costs savings have been realized by the 2010 solar generating facilities.

With the passage of Measure W and the overall reduction of the cost to implement solar power, the District has determined that it is an opportune time to further advance its sustainability policies with addition of solar photovoltaic power generating systems and energy storage systems at West Valley College and Mission College through the ESA Project.

ESA Project

Upon evaluation of costs, power production and other factors, District staff has determined that the ESA Project consisting of solar photovoltaic generating systems at West Valley College and Mission College along with energy storage systems with the following capacity provide the District with the best value:

West Valley College Storage System	2.94 MW Solar Photovoltaic and 1.0 MW Energy
Mission College Storage System	2.50 MW Solar Photovoltaic and 1.0 MW Energy

Analysis of the anticipated costs for District power purchases and the anticipated costs for implementing the ESA Project are summarized in Exhibit A hereto. The anticipated cost to the District for electrical energy services provided by the ESA Project are less than the anticipated marginal cost to the District of electrical costs in the absence of the ESA Project.

Coordination

This project includes work of the Executive Director of Facilities Maintenance, Operations and Construction; Executive Director of General Services; Vice Chancellor of Administrative Services; and West Valley College and Mission College Administration.

Follow-up/Outcome

Upon Board approval, District staff will develop an Energy Service Agreement for implementing the ESA Project pursuant to procedures authorized by Government Code §4217.10 et seq.

**Exhibit A: California Government Code Section 4217 Net Benefit Analysis for West Valley
Mission Community College District
5,437.9 kW Solar Electric Project at West Valley and Mission Colleges**

West Valley-Mission Community College District 25-Year Cost/Benefit Analysis							
System Specifications and Assumptions							
	Final System Size (kilowatts-DC)						5,437.9
	Solar and Storage Contract Investment						\$21,134,934
	Upfront O&M and Performance Guarantee Investment						\$2,195,454
	First-Year Solar Kilowatt- Hours (kWh) Generated						8,952,500
	Annual Rate of Solar Output Degradation						0.25%
	Average First-Year Utility Avoided Cost Value of Solar (\$/kWh)						\$0.093
	Combined First Year Utility Savings due to Storage (\$)						\$133,725
	Assumed Annual Rate of Utility Cost Escalation						3.00%
	Minimum Solar System Operating Period						25 Years
Operating Benefits and Costs During First 25 Years of Operation							
Year of Solar System Operation	Anticipated Benefit: Solar Avoided Utility Costs	Anticipated Benefit: Storage Avoided Utility Costs	Anticipated Benefit: Storage SGIP Utility Incentive	-	Cost: Energy Storage Operations & Maintenance	=	Anticipated Net Benefits to General Fund
2019	\$0	\$0	\$380,000		\$0		\$380,000
2020	\$292,418	\$85,030	\$456,000		\$8,472		\$824,975
2021	\$807,743	\$144,420	\$152,000		\$17,113		\$1,087,049
2022	\$942,800	\$148,752	\$152,000		\$17,456		\$1,226,097
2023	\$917,686	\$153,215	\$152,000		\$17,805		\$1,205,097
2024	\$942,854	\$157,811	\$152,000		\$18,161		\$1,234,504
2025	\$968,712	\$162,546	\$76,000		\$18,524		\$1,188,733
2026	\$995,279	\$167,422	\$0		\$18,895		\$1,143,806
2027	\$1,008,135	\$172,445	\$0		\$19,273		\$1,161,307
2028	\$1,035,783	\$177,618	\$0		\$19,658		\$1,193,743
2029	\$1,064,189	\$182,947	\$0		\$20,051		\$1,227,085
2030	\$1,093,375	\$188,435	\$0		\$20,452		\$1,261,358
2031	\$1,123,361	\$194,088	\$0		\$20,861		\$1,296,587
2032	\$1,154,169	\$199,911	\$0		\$21,278		\$1,332,801
2033	\$1,185,822	\$205,908	\$0		\$21,704		\$1,370,026
2034	\$1,218,343	\$212,085	\$0		\$22,138		\$1,408,290
2035	\$1,251,756	\$85,975	\$0		\$11,179		\$1,326,552
2036	\$1,286,085	\$0	\$0		\$0		\$1,286,085
2037	\$1,321,356	\$0	\$0		\$0		\$1,321,356
2038	\$1,357,595	\$0	\$0		\$0		\$1,357,595
2039	\$1,394,827	\$0	\$0		\$0		\$1,394,827
2040	\$1,433,080	\$0	\$0		\$0		\$1,433,080
2041	\$1,472,382	\$0	\$0		\$0		\$1,472,382
2042	\$1,512,762	\$0	\$0		\$0		\$1,512,762
2043	\$1,554,249	\$0	\$0		\$0		\$1,554,249
2044	\$1,596,875	\$0	\$0		\$0		\$1,596,875
2045	\$1,085,285	\$0	\$0		\$0		\$1,085,285
2046	\$193,855	\$0	\$0		\$0		\$193,855
Total	\$30,210,774	\$2,638,606	\$1,520,000		\$293,020		\$34,076,361
Anticipated 25-Year General Fund Benefits							\$34,076,361
- Upfront Solar System Cost							\$23,330,387
= Anticipated 25-Year Net Savings to District							\$10,745,974

RESOLUTION NO. _____

**FINDINGS RE: ENERGY CONSERVATION PROJECT
WEST VALLEY COLLEGE 2.94 MW SOLAR PHOTOVOLTAIC and 1.0 MW ENERGY
STORAGE
MISSION COLLEGE 2.50 MW SOLAR PHOTOVOLTAIC and 1.0 MW ENERGY STORAGE
(GOVERNMENT CODE §§4217.10 ET SEQ.)**

WHEREAS, Government Code §4217.10 et seq (“Section 4217”) authorizes local public agencies to develop energy conservation facilities for generation of electrical power through energy services contracts procured pursuant to the procedures established by Section 4217; the District is a local public agency as that term is defined in Government Code §4217.11(j).

WHEREAS, Section 4217 authorizes the District to enter into energy service contracts to provide electrical power service from energy conservation facilities if, at a regularly scheduled public hearing, the District determines that the anticipated cost for electrical energy generated by the energy conservation facility will be less than the anticipated marginal cost for electrical energy costs without the energy conservation facility.

WHEREAS, District Staff has evaluated energy conservation facilities that may be developed and operated at West Valley College and Mission College to meet electrical power requirements and to reduce on-going operational expenses for securing electrical power through PG&E and Silicon Valley Power.

WHEREAS, District Staff has concluded that energy conservation facilities consisting of solar photovoltaic electrical generating systems utilizing solar power installed in parking areas of the West Valley College and Mission College campuses, along with, battery storage equipment and related facilities/improvements (“the ESA Project”) provides the District with the most suitable energy conservation facility.

WHEREAS, District staff has determined that the ESA Project scope consisting of: (a) 2.94 MW Fixed Tilt Carport Solar Photovoltaic power generating system along with a 1.0 MW Energy Storage System at West Valley College; and (b) 2.50 MW Fixed tilt Carport Solar Photovoltaic power generating system along with a 1.0 MW Energy Storage System at Mission College provides the District with the best value when electrical power generation and installation costs are considered.

WHEREAS, on March 1, 2019, the District posted public notice at the West Valley College and the Mission College Campuses of the public hearing relating to the ESA Project.

NOW THEREFORE, the following Resolutions are adopted.

RESOLVED, that the Board of Trustees finds that the anticipated costs for electrical power generated by the ESA Project are less than the anticipated costs for purchase of electrical power if the ESA Project is not implemented.

FURTHER RESOLVED, that District staff is authorized to proceed to develop terms and conditions of an energy services agreement for implementation of the ESA Project in accordance with procedures authorized by Section 4217;

The foregoing Resolutions are adopted by the Board of Trustees of the West Valley-Mission Community College District at the regularly scheduled meeting of March 19, 2019, by the following vote:

AYES _____

NOES _____

ABSTAIN _____

President, Board of Trustees