

# **AGENDA**

## **REMOTE MEETING NOTICE**

This meeting will be accessible by remote video conferencing. Please be advised that while the District will endeavor to ensure these remote participation methods are available, the District does not guarantee that they will be technically feasible or work all the time. Further, the District reserves the right to terminate these remote participation methods (Subject to Brown Act Restrictions) at any time and for whatever reason. The public may observe and participate in this meeting remotely via Zoom as set forth below.

### **INSTRUCTIONS FOR USING ZOOM**

- Join the meeting using the link below.
- You must have audio and microphone capabilities on the device you are using to join the meeting.
- When you join the meeting make sure that you join the meeting with audio and follow the prompts to test your speaker & microphone prior to joining the meeting.

### **TO SPEAK DURING PUBLIC COMMENT USING ZOOM**

- The Board President will announce when it is time for Public Comment.
- Click on the Raise Hand icon if you would like to speak during Public Comment.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.

### **TO SPEAK ON AN ITEM USING ZOOM**

- The Board President will call the item and staff will begin the staff report.
- Click on the Raise Hand icon if you would like to speak on the item.
- Your name will be called on when it's your turn to speak.
- When your name is called, you will be prompted to unmute yourself.
- You will have three (3) minutes to speak. When your time is up, you will be muted.
- You will repeat this process for each item you want to speak on.

### **FOR OPEN SESSION PARTICIPATION**

Join Meeting Electronically at:

#### **Join Zoom Meeting**

<https://us02web.zoom.us/j/81596720127?pwd=YjgWMSftsa4eOrQAYpAwmEeGsfNKr1.1>

**Meeting ID: 815 9672 0127**

**Passcode: 004789**

Please attend in person or by submitting your comment via email to:  
RMangus@GoletaSanitary.Org

**A G E N D A**  
REGULAR MEETING OF THE GOVERNING BOARD  
OF THE GOLETA SANITARY DISTRICT  
A PUBLIC AGENCY

One William Moffett Place  
Goleta, California 93117

June 15, 2026

**CALL TO ORDER:** 6:30 p.m.

**ROLL CALL OF MEMBERS**

**BOARD MEMBERS:** Steven T. Majoewsky  
Dean Nevins  
Jonathan Frye  
Edward Fuller  
Joseph Glancy

**CONSIDERATION OF THE MINUTES OF THE BOARD MEETING**

The Board will consider approval of the Minutes of the Regular Meeting of June 1, 2026.

**PUBLIC COMMENTS** - Members of the public may address the Board on items within the jurisdiction of the Board. Under provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. Please limit your remarks to three (3) minutes and if you wish, state your name and address for the record.

**POSTING OF AGENDA** – The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District’s web site 72 hours in advance of the meeting.

**BUSINESS:**

1. PUBLIC HEARING AND APPROVAL OF RESOLUTION NO. 26-733 FOR SELECTION OF AN INSTALLER FOR THE ENERGY STORAGE PROJECT PURSUANT TO GOVERNMENT CODE 4217  
(Board may take action on this item)
2. CONSIDERATION OF DISTRICT’S PROPOSED BUDGET FOR FISCAL YEAR 2026-27  
(Board may take action on this item)
3. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 26-734 APPROVING REVISED EMPLOYEE PAY SCHEDULE AND ORGANIZATIONAL CHART  
(Board may take action on this item)

4. CONSIDERATION AND APPROVAL OF RESOLUTION 26-735 ELECTING TO HAVE SEWER SERVICE CHARGES COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2026-27, DIRECTING THE PREPARATION AND FILING OF REPORT, FIXING TIME AND PLACE FOR HEARING, AND PROVIDING FOR NOTICE THEREOF  
(Board may take action on this item)
5. CLOSED SESSION
  - (i) PUBLIC COMMENTS ON CLOSED SESSION ITEM
  - (ii) DESIGNATION OF STEVE WAGNER, GENERAL MANAGER, AS DISTRICT REPRESENTATIVE FOR LABOR NEGOTIATIONS
  - (iii) CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6 - CONFERENCE WITH LABOR NEGOTIATOR REGARDING AGENCY DESIGNATED REPRESENTATIVE GENERAL MANAGER STEVE WAGNER UNREPRESENTED EMPLOYEES: ALL DISTRICT EMPLOYEES  
(Board may take action on this item.)
  - (iv) PUBLIC REPORT ON CLOSED SESSION
6. GENERAL MANAGER'S REPORT
7. LEGAL COUNSEL'S REPORT
8. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
9. PRESIDENT'S REPORT
10. ITEMS FOR FUTURE MEETINGS
11. CORRESPONDENCE  
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
12. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT  
(The Board will be asked to ratify claims.)

## ADJOURNMENT

***Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's Finance Director at least 3 hours prior to the meeting by telephone at (805) 967-4519 or by email at [info@goletasanitary.org](mailto:info@goletasanitary.org).***

***Any public records which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.***

# MINUTES

**MINUTES**  
REGULAR MEETING OF THE GOVERNING BOARD  
GOLETA SANITARY DISTRICT  
A PUBLIC AGENCY  
DISTRICT OFFICE CONFERENCE ROOM  
ONE WILLIAM MOFFETT PLACE  
GOLETA, CALIFORNIA 93117

June 1, 2026

**CALL TO ORDER:** President Majoewsky called the meeting to order at 6:30 p.m.

**BOARD MEMBERS PRESENT:** Steven T. Majoewsky, Dean Nevins, Jonathan Frye, Edward Fuller, Joseph Glancy

**BOARD MEMBERS ABSENT:** None

**STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Vyto Adomaitis, Assistant General Manager, Rob Mangus, Finance Director/Board Secretary, Guisel Razo, Interim Finance Manager, Reese Wilson, Engineering Manager, and Ryan Guiboa, General Counsel (via Zoom), Lutfi Kharuf, Partner, Best, Best & Krieger LLP

**OTHERS PRESENT:** David Linville, Director, Goleta Water District (via Zoom)  
Tom Evans, Director, Goleta Water District (via Zoom)  
Craig Geyer, Director, Goleta West Sanitary District (via Zoom)

**APPROVAL OF MINUTES:** Director Nevins made a motion, seconded by Director Fuller, to approve the minutes of the Regular Board meeting of 05/18/2026. The motion carried by the following vote:

(26/06/2119)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy  
NOES: None  
ABSENT: None  
ABSTAIN: None

**POSTING OF AGENDA:** The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 72 hours in advance of the meeting.

**PUBLIC COMMENTS:** None

**BUSINESS:**

1. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 26-731 ADOPTING FINDINGS AND DETERMINATIONS RELATED TO THE PRESENTMENT OF OBJECTIONS TO THE PROPOSED SEWER RATES, CONSIDERATION AND ADOPTION OF RESOLUTION NO. 26-732 FINDING ORDINANCE NO. 96 EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND CONSIDERATION AND ADOPTION OF ORDINANCE NO. 96 ESTABLISHING REVISED SERVICE CHARGES

Mr. Wagner and Mr. Guiboa gave the staff report.

Director Fuller made a motion, seconded by Director Nevins to approve and adopt Resolution No. 26-731, adopting findings and determinations related to the presentment of objections to the proposed sewer rates.

(26/06/2120)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy  
NOES: None  
ABSENT: None  
ABSTAIN: None

Legal notice was read to the Board by Mr. Guiboa.

Director Frye made a motion, seconded by Director Nevins to approve and adopt Resolution No. 26-732, finding Ordinance No. 96 Exempt from the California Environmental Quality Act.

(26/06/2121)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy  
NOES: None  
ABSENT: None  
ABSTAIN: None

Kevin Kostiuk, Senior Manager and Journ Galvan, Consultant from Raftelis presented to the Board, detailing the process, findings, and recommendations of the Fee and Sewer Rate Study.

President Majoewsky opened the public hearing at 6:38 p.m.  
There was one Public Comment  
President Majoewsky closed the public hearing at 6:54 p.m.

Director Glancy made a motion, seconded by Director Fuller to approve and adopt Ordinance No. 96 establishing revised sewer services charges.

(26/06/2122)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy  
NOES: None  
ABSENT: None  
ABSTAIN: None

2. REVIEW OF DISTRICT'S PRELIMINARY DRAFT BUDGET FOR FISCAL YEAR 2026-27

Mr. Wagner and Mr. Mangus gave the staff report.

Consensus of the Board was to move item 3 to the end of the meeting.

3. CLOSED SESSION

(i) PUBLIC COMMENTS ON CLOSED SESSION ITEM

(ii) DESIGNATION OF STEVE WAGNER, GENERAL MANAGER, AS DISTRICT REPRESENTATIVE FOR LABOR NEGOTIATIONS

(iii) CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.6 - CONFERENCE WITH LABOR NEGOTIATOR REGARDING AGENCY DESIGNATED REPRESENTATIVE GENERAL MANAGER STEVE WAGNER UNREPRESENTED EMPLOYEES: ALL DISTRICT EMPLOYEES (Board may take action on this item.)

(iv) PUBLIC REPORT ON CLOSED SESSION

Board entered closed session at 7:59 p.m.  
Board returned to open session at 8:43 p.m.  
There was no reportable action in Closed Session

4. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

5. LEGAL COUNSEL'S REPORT

Mr. Guiboa reported on the Supreme Court 2026 decision Louisiana v. Callais, ruling 6-3 that a redrawn Louisiana congressional map containing a second majority-Black district was an unconstitutional racial gerrymander.

6. COMMITTEE/DIRECTORS' REPORTS AND APPROVAL/RATIFICATION OF DIRECTORS' ACTIVITIES

Director Nevins – Submitted his Goleta West Sanitary District meeting report.

Director Frye – Reported that the upcoming Santa Barbara Chapter CSDA meeting has been cancelled.

Director Fuller – No report.

Director Glancy – No report.

7. PRESIDENT'S REPORT

President Majoewsky – No report.

8. ITEMS FOR FUTURE MEETINGS

No Board action was taken to return with an item.

9. CORRESPONDENCE

The Board reviewed and discussed the list of correspondence to and from the District in the agenda.

10. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT

Director Nevins made a motion, seconded by Director Fuller, to ratify and approve the claims, for the period 05/19/2026 to 06/01/2026 as follows:

Running Expense Fund #4640	\$	364,256.25
Capital Reserve Fund #4650	\$	42,033.43
Depreciation Replacement Reserve Fund #4655	\$	65,837.50

The motion carried by the following vote:

(26/06/2123)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy

NOES: None

ABSENT: None

ABSTAIN: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:43 p.m.

ATTEST

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Steven T. Majoewsky  
Governing Board President

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Robert O. Mangus, Jr.  
Governing Board Secretary

# **AGENDA ITEM #1**

**AGENDA ITEM: 1**

**MEETING DATE: June 15, 2026**

**I. NATURE OF ITEM**

Public Hearing and Approval of Resolution No. 26-733 for Selection of an Installer for the Energy Storage Project Pursuant to Government Code 4217

**II. BACKGROUND INFORMATION**

On October 6, 2025, the Governing Board authorized the General Manager to pursue an Energy Storage Project pursuant to Government Code §§4217.10–4217.18 (GC 4217) and to take all necessary and appropriate steps to facilitate the procurement of associated equipment, including scheduling any future public hearings, conducting evaluations of responsive proposals, and recommending award of contract to the Board of Directors for final consideration and approval.

The proposed project consists of the design, procurement, and installation of an 807-kW solar array, a 418-kW/1672-kWh battery energy storage system (battery), and a microgrid controller at the District’s Water Resource Recovery Facility. This energy system is estimated to include 1,552 solar panels and will be integrated with the existing electrical infrastructure.

On December 1, 2025, the Board authorized the General Manager to enter into a purchase agreement with the best-value solar panel and battery equipment vendors in amounts not to exceed \$590,812 and \$1,290,000, respectively. 1,564 solar panels were purchased and were delivered on-site on March 25-27, 2026. Staff are still conducting due diligence on the battery equipment bids and purchase agreement negotiations; however, a purchase agreement is expected before the end of the fiscal year.

A Request for Qualifications and Proposals for final design and construction of the project was issued in accordance with GC 4217 on January 5, 2026, and the District received ten responses. Staff interviewed four of the top-rated teams and requested that the top two firms, Coldwell Energy and Newport Power, submit a best and final offer (BAFO) to the District. Coldwell Energy and Newport Power were selected to provide a BAFO based on their proposed costs, relevant experience, clarity and completeness of bids, and their approaches to several value engineering modifications to the project. A summary of each BAFO is tabulated below.

<b>Bidder</b>	<b>Proposed Panel Racking</b>	<b>Cost</b>
<b>Newport Power</b>	Ground-Mount Solar Only	\$3,336,067
<b>Coldwell Energy</b>	Car Ports and Ground-Mount Solar	\$2,679,573

GC 4217 authorizes public agencies to enter into energy service contracts for these types of projects without competitive bidding if the governing body finds that the anticipated costs of the energy supplied by the project will be less than the anticipated costs without the project. A public hearing was noticed on May 29 and June 5, 2026, to be held on

June 15, 2026, at 6:30 p.m., for the consideration of approving an Energy Services Agreement.

After several rounds of interviews with each firm, the preferred installer is Coldwell Energy, for the proposed cost of \$2,679,573. Throughout the RFQP process, Coldwell Energy has been responsive, efficient, and receptive to the District's requests for value engineering design options.

District staff and legal counsel held a working meeting with Coldwell and TerraVerde to discuss and resolve redlines to the proposed contract provisions. The resulting Energy Services Agreement, drafted by TerraVerde and reviewed by legal counsel, is attached for reference.

### **III. COMMENTS AND RECOMMENDATIONS**

The findings pursuant to GC 4217 prepared by staff include a life-cycle cost analysis along with a comparison of future electrical costs with and without the proposed project. These findings are included as Exhibit "A" to Resolution No. 26-733, attached. Key conclusions include:

- 30-Year Electricity Savings with Project: \$15,782,668
- 30-Year Cost of Project: \$8,768,448
- 30-Year Net Savings with Project: \$7,263,049
- First-Year Savings: Approximately \$254,795 increasing annually with the escalation of energy rates.

In addition to the financial savings, the project provides operational resiliency, environmental benefits, and long-term alignment with State and local sustainability goals. Prior to entering into an Energy Services Agreement, the District must hold a duly noticed public hearing regarding the proposed Energy Storage Project.

Staff recommends that the Board hold the public hearing pursuant to GC 4217. After the close of the public hearing, staff recommends that the Board consider Resolution No. 26-733 making requisite findings pursuant to GC 4217 and authorizing the General Manager to enter into an Energy Services Agreement with Coldwell Energy.

### **IV. REFERENCE MATERIALS**

Notice of Public Hearing  
Coldwell Energy Best and Final Offer With Price Breakdown  
Draft Energy Services Agreement  
Resolution No. 26-733

**NOTICE OF PUBLIC HEARING**

The Board of Directors of the Goleta Sanitary District will hold a public hearing on Monday, June 15, 2026, at 6:30 p.m. at the District Board Room, One William Moffett Place, Goleta, CA 93117. The purpose of the hearing is to consider approval of an energy storage project pursuant to Government Code Section 4217, which authorizes public agencies to enter into energy service contracts when the anticipated project costs will be less than the marginal cost of the agency's energy use if such project was not completed. All interested persons are invited to attend and comment. Written comments may be submitted prior to the hearing. For more information, contact the Goleta Sanitary District at (805) 967-4519.

DATED: May 15, 2026

GOLETA SANITARY DISTRICT

By \_\_\_\_\_

Robert O. Mangus, Jr.  
Secretary of the Governing Board

# GOLETA SANITARY DISTRICT

## Solar & Battery Microgrid Project — Best and Final Offer

Submitted by Coldwell Energy · May 12, 2026

CA License #969149 · OR License #249886 · 500 Menlo Dr #100, Rocklin, CA 95765

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### 1. Cover Letter — Best and Final Offer

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May 13, 2026

Colan Baldyga, Project Manager  
TerraVerde Energy  
On behalf of the Goleta Sanitary District

Dear Colan and the Goleta Sanitary District team,

Thank you for the opportunity to present our Best and Final Offer. We have appreciated the collaborative process throughout this effort — from the site walk and initial proposal through the racking and microgrid discussions that helped us refine our approach. This submission reflects what we have learned about your facility, your operations, and your priorities.

Our recommended layout — Arrays 1, 2, and 6 — delivers 799.24 kW-DC at a P50 annual production of approximately 1.4 GWh. This configuration consolidates the system into the fewest array locations, minimizes underground conduit runs, avoids archaeologically sensitive areas to the greatest extent practicable, and represents the best overall value for the District. Pricing for Arrays 3, 4, and 5 is included in the cost breakdown as alternates, providing full flexibility should scope adjustments be required during permitting or engineering.

The Eos Z3 BESS integration — including the microgrid controller, BESS inverter, concrete pad, and electrical balance of system — is designed around your Sequence of Operations: diesel generators as primary backup, BESS supporting alongside, CHP running continuously as baseload. The system will integrate with your existing plant SCADA and deliver the islanding capability and operational flexibility the District requires.

This is our best and final offer. We are confident in our team, our approach, and our ability to execute this project to the District's standards. We look forward to presenting this tomorrow afternoon.

Respectfully submitted,

**Jordan Comstock**  
CA & PacNW Regional Project Developer  
Coldwell Energy  
661-610-5311 · [jcomstock@coldwellenergy.com](mailto:jcomstock@coldwellenergy.com)

## 2. Pre-Design Electrical Site Audit Scope

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### Purpose

Prior to engineering, Coldwell Energy will conduct a comprehensive pre-design electrical site audit of the Goleta Sanitary District Water Resource Recovery Facility. The audit establishes a verified baseline of existing electrical conditions, identifies any power quality issues or deficiencies, and ensures the solar and BESS microgrid system is designed to integrate seamlessly with the facility's existing infrastructure — without compromising the 24/7 operational continuity of the plant.

### Scope of Work

#### A. Power Quality Baseline Testing

Coldwell Energy will install a calibrated power quality analyzer on the facility's main electrical service (480V / 4,000A) prior to system design to establish a verified baseline of existing electrical conditions. The analyzer will continuously record:

- Voltage sags and swells — caused by large motor starts on blowers, pumps, and mixers
- Total Harmonic Distortion (THD) — generated by non-linear loads typical of water and wastewater treatment facilities
- Power factor — current efficiency of facility electrical consumption
- Transients — switching events, capacitor bank switching, and motor start/stop signatures
- Voltage flicker — rapid variation affecting sensitive controls and plant SCADA
- Neutral current — single-phase loading imbalances

A wastewater treatment facility presents one of the most challenging power quality environments for solar and BESS integration. The combination of large VFD-driven loads, chemical dosing pumps, blowers, and interstage pumps creates significant harmonic content that must be characterized before inverter configuration and harmonic filtering are finalized. The baseline serves two purposes:

- Informs inverter configuration, harmonic filtering design, and reactive power compensation specific to Goleta's electrical environment
- Establishes a pre-installation baseline — if any power quality concerns arise post-commissioning, Coldwell can demonstrate clearly what existed before the solar and BESS system was installed versus what was introduced by it

#### B. Existing Electrical Infrastructure Review

Coldwell Energy will conduct a thorough review of the facility's existing electrical infrastructure to verify all design assumptions and identify any conditions requiring mitigation:

- Main service review: Verify 480V / 4,000A service capacity, breaker ratings, bus bar condition, and available space for solar interconnection equipment
- Switchgear and MCC inspection: Document the existing main switchgear, motor control centers, and distribution panels that will interface with the new microgrid system
- Existing one-line verification: Compare available as-built drawings against field conditions to confirm accuracy — the District has acknowledged that older as-builts may not reflect current facility configuration
- CHP integration verification: Confirm interconnection points and communication interfaces with the existing 160 kW biogas CHP unit commissioned in early 2026
- Diesel generator ATS review: Document existing automatic transfer switch configuration, generator output ratings, and interface requirements for microgrid controller integration
- Revenue meter locations: Confirm metering configuration at all three facilities — Main Plant, Lift Station, and Reclamation Facility — for post-installation rate switch coordination with SCE

### C. Interconnection Feasibility Verification

Coldwell Energy will verify the proposed load-side breaker tie-in interconnection approach prior to design finalization:

- Confirm main distribution bus capacity and available space for solar interconnection equipment
- Verify breaker coordination between the existing utility service, the solar interconnection, the BESS, the CHP, and the diesel generators
- Coordinate with SCE on interconnection application requirements, net generation output metering (NGOM) specifications, and any pre-inspection requirements
- Confirm no utility-side upgrades are required (per RFI clarification received during the RFP process, utility upgrade costs are the District's responsibility — Coldwell will coordinate but not absorb these costs)

### D. Load Analysis and Microgrid Sizing Verification

Coldwell Energy will analyze the facility's actual load profile to verify the microgrid design parameters:

- Review utility interval data (15-minute or hourly) for the trailing 12 months to confirm peak demand (484 kW assumed) and annual consumption (~2.99 million kWh assumed)
- Identify Tier 1 critical loads (process controls, SCADA, lift station, chemical pumps, interstage pumps) and verify their aggregate demand for BESS sizing validation
- Confirm SGIP dispatch requirements are achievable within the Eos Z3 system's operational parameters given the facility's actual load profile
- Validate microgrid islanding capability: confirm combined on-site generation is sufficient to serve all Tier 1 critical loads during a grid outage

### E. Protection Coordination and Arc Flash Study

- Coldwell Energy will conduct a protection coordination study to ensure proper relay and breaker coordination between all generation sources
- An arc flash analysis will be performed on the existing electrical infrastructure in the solar and BESS interconnection zones
- Results will be used to properly set protection relays on the microgrid controller and document arc flash boundaries for District personnel safety

### F. Pre-Design Audit Deliverables

The pre-design electrical site audit will produce the following documented deliverables for the District's review prior to engineering completion:

- Power Quality Baseline Report — waveform analysis, THD measurements, and recommended mitigation measures if required
- Existing Infrastructure Assessment Report — documented field conditions with photographs, one-line verification, and any identified deficiencies
- Load Profile Analysis — 12-month interval data summary with peak demand confirmation and critical load schedule
- Interconnection Feasibility Confirmation — written confirmation of load-side tie-in approach with any required modifications noted
- Protection Coordination and Arc Flash Study — relay settings recommendations and arc flash boundary documentation

### 3. Contract Discussion Items

Coldwell Energy's Contract Discussion Items were submitted with our original proposal dated March 5, 2026 and remain current. We look forward to finalizing contract terms with the District expeditiously following award.

### 4. IRA / ITC Domestic Content Confirmation

**Summary**  
 Coldwell Energy confirms that the proposed system is designed to qualify for the full 50% Investment Tax Credit (ITC) available to the Goleta Sanitary District as a public agency utilizing IRS Elective Pay (Direct Pay): 30% base credit + 10% Domestic Content adder + 10% Energy Community adder. All equipment selections have been made with ITC compliance as a primary design criterion.

#### Equipment Domestic Content Status

Equipment	Manufacturer / Origin	FEOC Status	Domestic Content
First Solar FS-7520A-TR1 (520W)	First Solar — US (OH/AZ)	☑ Non-FEOC	☑ Qualifies — DC Bonus
Eos Z3 BESS (418 kW / 1.7 MWh)	Eos Energy — US (PA)	☑ Non-FEOC	☑ Qualifies — DC Bonus
Ground Mount Racking	Omco Solar — US	☑ Non-FEOC	☑ Qualifies — DC Bonus
Carport Structure (Array 6)	Teichert Solar — US fabricated	☑ Non-FEOC	☑ Qualifies — DC Bonus
EPC CAB 1000 BESS Inverter	EPC Power — US (SC)	☑ Non-FEOC	89% domestic content
SMA SHP 125-US-21 PV Inverters (6 units)	SMA America — German (non-PFE)	☑ Non-FEOC	⚠ Does not qualify individually — offset by modules + racking
Structural Steel / Piles	US-sourced steel	☑ Non-FEOC	☑ 100% required for DC bonus

The combination of US-manufactured First Solar modules, US-manufactured Eos Z3 BESS, US-fabricated racking (Omco and Teichert), and US-sourced structural steel satisfies the IRS Domestic Content bonus requirements under IRS Notice 2023-29 and subsequent guidance. The SMA PV inverters, while of German manufacture, are non-FEOC and non-PFE — they do not disqualify the project from the Domestic Content adder when considered alongside the qualifying modules and racking components.

Coldwell Energy will provide formal domestic content certifications from all Coldwell-supplied equipment manufacturers prior to Notice to Proceed, as required under Section 5 of the Energy Services Agreement.

**ITC Stack Confirmation**  
 30% Base ITC — confirmed eligible for public agency Elective Pay under IRA Section 6417  
 10% Domestic Content Adder — confirmed based on First Solar modules + Eos Z3 + US racking

10% Energy Community Adder — confirmed based on site location qualification  
Total ITC: 50% of eligible project costs via Elective Pay (Direct Pay to the District)

## 5. Assumptions, Exclusions, and Risk Items

### Assumptions

- System size: 799.24 kW-DC across Arrays 1, 2, and 6 as proposed. Final kW-DC is subject to final engineering and module placement within the BAFO memo boundary lines.
- BESS: Eos Z3 — 418 kW / 1.7 MWh (3 cubes). District-supplied and procured directly from Eos Energy.
- PV Modules: 1,537 × First Solar FS-7520A-TR1 (520W). District-supplied. Coldwell receives, inspects, stores, and installs.
- Inverters: 6 × SMA SHP 125-US-21 (750 kW AC total) — Coldwell-supplied.
- BESS Inverter: EPC CAB 1000 (1 MW bidirectional) — Coldwell-supplied. Located on BESS pad exterior.
- Microgrid controller: Coldwell-provided — Schneider Electric or SEL platform. Vendor finalized during engineering.
- Interconnection: Load-side breaker tie-in at existing 480V / 4,000A main service. Zero operational downtime.
- All electrical conduit: 100% horizontal directional boring (HDD). Zero open-cut trenching.
- Foundation type: To be determined by geotechnical report and archaeological sensitivity zone assessment, presented to the District for review during engineering.
- Underground utilities: District to provide most current as-built drawings. GPR scanning and potholing (hydro excavation) to precede all foundation installation.
- Tree removal at Array 5 (if utilized): District handles. Not included in Coldwell's scope.
- Bollards: Excluded per BAFO memo clarification — not required at any array location.
- Prevailing wage: Required — public agency project with federal ITC incentives. Certified payroll submitted weekly.
- SGIP: GSR Energy manages PPM, dispatch compliance, and extension request strategy. June 2, 2026 PPM deadline is a Day 1 NTP priority.
- Geotechnical report: To be commissioned as a Day 1 post-award task. Foundation design is contingent on soils findings.
- Coastal Development Permit (CDP): District-led with Langan as environmental consultant. Coldwell provides technical support. CDP is the critical path driver — December 2026 target approval.

### Exclusions

- District-supplied equipment: First Solar modules, Eos Z3 BESS system. Manufacturer warranties flow directly to the District.
- CDP application fees and environmental consultant costs (Langan).
- CEQA environmental review costs.
- SGIP application fees and incentive processing fees.
- Archaeological and cultural monitoring costs — District responsibility per CEQA mitigation measures.
- Distribution utility upgrades, if required by SCE on their side of the meter.
- Tree removal at any array location — District responsibility.
- CHP physical modifications — Coldwell integrates controls only.
- Diesel generator physical modifications — Coldwell integrates controls only.
- EV Charging Infrastructure (EVCS) — available as a future add-alternate.

- Pre-existing power quality deficiencies unrelated to the solar and BESS installation.
- Soil remediation or hazardous material removal if encountered during foundation work.

### Risk Items

- Geotechnical risk: Foundation design is based on the 2022 geotechnical report. If updated soils investigation reveals conditions requiring deeper or more complex foundations than assumed, this may result in a contract modification. Coldwell will flag this immediately upon receipt of the updated geotech report.
- Underground utility conflicts: Despite GPR scanning and hydro excavation potholing, the District has acknowledged that existing as-builts are not 100% accurate. If previously undocumented utilities are encountered that require boring route modifications, Coldwell will coordinate with the District on a solution. Significant rerouting may result in a cost adjustment.
- Archaeological findings: If cultural resources are identified during foundation work that require additional mitigation beyond what is currently scoped, this is a District-managed risk item. Coldwell will immediately stop work and notify the District per established CEQA protocols.
- BESS lead time: Eos Z3 lead time is estimated at 30-36 weeks from order. District must initiate procurement immediately post-award to avoid schedule impact.
- CDP timeline: Coastal Development Permit approval is the construction critical path. Coldwell's proposed PTO of June 30, 2027 assumes CDP approval by December 14, 2026. If CDP is delayed, PTO will shift accordingly. SGIP extension request will be filed by GSR Energy in July-August 2026 to protect the incentive.
- Racking cost escalation: Teichert and Omco pricing is valid through mid-May 2026. If contract execution extends beyond that window, racking pricing will need to be reconfirmed.

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## 6. Directional Boring Plan — Narrative Description

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### Note

A site plan showing bore routes is included as a separate attachment to this BAFO submission. This section provides the narrative description of the boring approach.

Coldwell Energy's directional boring approach for the Goleta Sanitary District project is a fundamental design decision — not an afterthought. The decision to use 100% horizontal directional boring (HDD) with zero open-cut trenching was made at the pre-proposal stage for four specific reasons:

- Eliminates open-cut excavation in culturally sensitive areas — reducing the potential for archaeological disturbance and associated CEQA monitoring requirements
- Avoids conflicts with the dense underground utility grid across the site — which includes the 16kV electrical line, UCSB/Airport force main, existing electrical conduit banks, and gravity sewer infrastructure
- Preserves surface continuity at an active 24/7 treatment plant — no surface disruption to roadways, working areas, or operational infrastructure
- Reduces stormwater and erosion control requirements compared to open-cut trenching

### Bore Route Description

Proposed bore routes are shown on the attached Solesca site plan rendering included with this submission. Final routes, depths, and conduit counts will be confirmed during engineering based on GPR scanning results, utility as-built coordination, and SCE requirements. All bore routing will respect identified underground utility setbacks and will be adjusted based on field conditions.

## Boring Specifications

- All underground conduit installed via horizontal directional boring — zero open-cut trenching
- Bore depths and routing finalized during engineering based on GPR results, utility as-built coordination, and SCE requirements
- GPR scanning and hydro excavation potholing at all utility crossings prior to mobilization
- Conduit sizing and configuration finalized during engineering
- Experienced specialty HDD subcontractor — proven on complex active-facility bore projects

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Item	Description	Cost included in BAFO (\$)	Cost Not Included in BAFO (\$)	Additional Notes				
Design/Engineering	Estimated cost	\$ 91,342.00	N/A					
Total Battery System equipment and labor costs - full integration scope	District will provide Eos [EOS-Z3-2025 C/4 (3 Units)] batteries.	\$ 685,295.00	N/A					
Solar Array #1 (Southern two-thirds of array preferred)	Cost should include installed cost of array including: mounting, inverters, conduit, and conductors. Provide proposed size of array and describe mounting method in Additional Notes column.	\$ 199,425.00		Number of modules installed:	544	Size of Array (kW DC):	282.88	Description of Mounting Method: Ground Mount
Solar Array #2		\$ 491,541.00		Number of modules installed:	552	Size of Array (kW DC):	287.04	Description of Mounting Method: Canopy 13.5 clear Height
Solar Array #1 (Northern one-third of array)		\$ 72,454.00		Number of modules installed:	194	Size of Array (kW DC):	100.88	Description of Mounting Method: Ground Mount
Solar Array #3		\$ 80,000.00		Number of modules installed:	106	Size of Array (kW DC):	55.12	Description of Mounting Method: Ground Mount
Solar Array #4		\$ 75,000.00		Number of modules installed:	90	Size of Array (kW DC):	46.8	Description of Mounting Method: Ground Mount
Solar Array #5		\$ 80,000.00		Number of modules installed:	108	Size of Array (kW DC):	56.16	Description of Mounting Method: Ground Mount
Solar Array #6		\$ 234,587.00		Number of modules installed:	245	Size of Array (kW DC):	127.4	Description of Mounting Method: Carport 11ft Clear Height
Totals		\$ 934,420.00		<b>Total Modules Proposed</b>	<b>1535</b>	<b>Total kW Proposed</b>	<b>798.2</b>	
Trenching and/or boring	Includes underground conduit, wiring, pavement repairs, etc.	\$ 61,429.00	N/A	(Approximate length and type of underground installation, etc)				
Total Additional Costs for equipment and labor to complete Solar System	Additional costs for all work and equipment associated with turnkey project delivery as stated in the original RFQP; District will provide 807.04 kW DC of First Solar PV modules (Model FS-7520A-TR1:NW)	\$ 798,500.00	N/A					
Solar Inverter Extended Warranty	Describe time period and basics of coverage, variations from basic warranty, etc.	\$ 5,000.00	N/A					
Miscellaneous additional costs	Describe any additional costs not accounted for above. P&P Bonds	\$ 40,000.00	N/A					
<b>TOTAL COSTS FOR TURNKEY PROJECT DELIVERY</b>		<b>\$ 2,679,573.00</b>						

**ENERGY SERVICES AGREEMENT**

**COVER PAGE**

This Energy Services Agreement (“**Agreement**”) is entered into by and between the following parties:

**CONTRACTOR** (“**Contractor**”)  
 Attn: **CONTRACTOR CONTACT**  
**ADDRESS1**  
**ADDRESS**  
 Phone No.: **PHONE**  
 FAX No.: **PHONE**  
 Email Address: **EMAIL**

Goleta Sanitary District (“**Owner**”)  
 Attn: Steve Wagner  
 One William Moffett Place  
 Goleta, CA 93117  
 Phone No.: 805-967-4519 x103  
 FAX No.: n/a  
 Email Address: swagner@goletasanitary.org

<p>A. The “<b>Contract Effective Date</b>” shall be <i>(state date on which the Agreement shall become effective)</i>:</p> <p><b>MONTH DAY YEAR</b></p>	<p>B. The “<b>Final Project Completion Date</b>” or “<b>Completion Date</b>” shall be <i>(state date on which the Project must be 100% completed)</i>:</p> <p><b>MONTH DAY YEAR</b></p>
<p>C. “<b>Required License</b>” (see Energy Services Agreement, § 1): In accordance with Public Contract Code section 3300, Contractor shall have, beginning on the RFP Response Deadline and throughout the Contract Term, the following license classification issued by the California Contractors State License Board <i>(state license classification(s))</i>:</p> <p>B and C-10</p>	
<p>D. “<b>Contract Sum</b>” to be paid to Contractor (see Energy Services Agreement, § 3):</p> <p><b>\$Total amount to be paid to Contractor</b></p> <p>Contract Sum is based on the delivery of Solar Facilities providing <b>&lt;KW&gt;</b> kW-DC of peak power and Battery Energy Storage (“<b>BESS</b>”) of <b>&lt;KW/KWH&gt;</b> size. The Annual Production Estimate of the Solar Facilities during the first year of operation is <b>&lt;KWH&gt;</b> kWh-AC-yr1.</p>	<p>E. “<b>Inspection Distance Limitation</b>” (see General Conditions, § 4.3):</p> <p>Fifty (50) mile radius of the Project Site on which testing or inspection is required</p> <p>F. <b>Liquidated Damages</b> (see Energy Services Agreement, § 2):</p> <p>Delay Liquidated Damages Rate:                  \$1,000 per day per Site                  Administrative Delay Liquidated Damages Rate:                  \$500 per day per site</p>
<p>G. Contractor Required Insurance (see Energy Services Agreement, § 10, General Conditions, Art. 10) <i>(mark each required from Contractor)</i>:</p> <p><input checked="" type="checkbox"/> 1. Commercial general liability, with additional insured endorsement and minimum limits of \$2,000,000 per occurrence/\$4,000,000 aggregate</p> <p><input checked="" type="checkbox"/> 2. Commercial automobile liability, with minimum limits of \$1,000,000 combined single limit</p> <p><input checked="" type="checkbox"/> 3. Statutory workers’ compensation as required by State law and employers’ liability of at least \$1,000,000</p> <p><input checked="" type="checkbox"/> 4. Professional liability, with minimum limits of \$1,000,000 per occurrence</p> <p><input checked="" type="checkbox"/> 5. Builder’s risk/course-of-construction: Contractor to provide</p>	
<p>H. “<b>Project Sites</b>” or “<b>Sites</b>”:</p> <p>As shown on Exhibit B Attachment A Preliminary Engineering Design and Exhibit B Attachment B System Site Assessment Table</p>	

**COVER PAGE**  
**continued**

This Agreement incorporates all recitals, cover pages, Exhibits and Attachments, including but not limited to:

- Cover Page
- Agreement
- Exhibit A – General Terms and Conditions
- Exhibit B – General Conditions and Technical Specifications
  - Attachment A – Preliminary Engineering Design
  - Attachment B – System Site Assessment Table
  - Attachment C – Project Schedule
  - Attachment D – Commissioning Schedule(s)
  - Attachment E – Notice to Proceed to Design Template
  - Attachment F – Notice to Proceed to Procurement & Construction Template
- Exhibit C – Progress Payment Schedule
- Exhibit D – Manufacturers’ Warranties
- Exhibit E – Payment Bond
- Exhibit F – Performance Bond
- Exhibit G – Unused
- Exhibit H – Escrow Agreement for Security Deposit In Lieu of Retention
- Exhibit I – Waiver and Release Forms
- Exhibit J – Certification Regarding Claim
- Exhibit K – Unused

In consideration of the covenants, conditions, and stipulations set forth in this Agreement and for good and valuable consideration, the Parties, intending to be legally bound, agree as set forth in, and execute, this Agreement. Each person executing this Agreement on behalf of a Party represents that he or she is authorized to execute on behalf of, and to commit and bind, the Party to this Agreement.

CONTRACTOR

OWNER

By: \_\_\_\_\_  
Print Name: NAME  
Title: TITLE

By: \_\_\_\_\_  
Print Name: Steve Wagner  
Title: General Manager / District Engineer

AGREEMENT

This Energy Services Agreement for the engineering, system design, fabrication and installation of solar photovoltaic and battery energy storage systems (“**Agreement**”) is by and between GOLETA SANITARY DISTRICT, a SANITARY DISTRICT organized and existing under the laws of the State of California (“**Owner**” or “**District**”), and **CONTRACTOR NAME AND LEGAL ENTITY DESIGNATION** (e.g., California corporation) a contractor licensed by the State of California (“**Contractor**”).

RECITALS:

**WHEREAS**, Government Code sections 4217.10, *et seq.*, authorize Owner, as a public agency, to enter into an energy services agreement wherein Contractor provides conservation services to Owner from an energy conservation facility on terms that its governing body determines are in the best interest of Owner;

**WHEREAS**, pursuant to Government Code section 4217.11(d), “conservation services” include electrical, thermal, or other energy savings resulting from conservation measures, which shall be treated as a supply of such energy;

**WHEREAS**, through this Agreement, Owner intends to contract for the engineering, system design, fabrication and installation of solar photovoltaic and battery energy storage systems including all solar photovoltaic panels and equipment components of the solar photovoltaic system (a “**Solar Facility**”) and the battery energy storage system and all equipment components (the “**BESS**”) (collectively the “**System**”) that will result in energy savings to Owner and which shall be a supply of energy to Owner (the “**Project**”) at the sites as set forth in Section H of the Cover Page of this Agreement (the “**Project Sites**” or “**Sites**”, and each individually a “**Site**”), consistent with the terms of Government Code section 4217.10, *et seq.*;

**WHEREAS**, Owner’s Governing Board, after holding a hearing at a regularly scheduled public hearing and after having provided two weeks advanced notice of such hearing, made all findings required by Government Code section 4217.12 for Owner to enter into this Agreement;

**WHEREAS**, Contractor shall engineer, design, and construct the Project pursuant to this Agreement, including but not limited to certain General Terms and Conditions (“**General Conditions**”; see Exhibit A) and other Contract Documents (as that term is defined in the General Conditions), which Contract Documents are incorporated into the Agreement by this reference;

**NOW, THEREFORE**, in consideration of the covenants hereinafter contained in this Agreement, Owner and Contractor agree as follows:

**1. Scope of Work; Subcontractors.**

Contractor agrees to furnish all engineering, system designs, labor, equipment and materials, including tools, implements, and appliances required, and to perform all the work in a good and workmanlike manner consistent with the level of care and skill ordinarily exercised by contractors in the same discipline, on similar projects in California with similar complexity and with similar agreements, free from any and all liens and claims from mechanics, material suppliers, subcontractors, artisans, machinists, teamsters, freight carriers, and laborers required for the Project as defined by the Contract Documents, all in strict compliance with the objectives, descriptions and specifications of Owner, and the Contract Documents relating thereto. The scope of Contractor’s Work and the Project is more fully and specifically defined in Exhibit B, hereto.

In addition to Contractor assuring that all engineering work is done by properly licensed individuals, in accordance with Section 3300 of the Public Contract Code, Contractor shall hold and maintain Class B and C-10 licenses in good standing for the duration of Contractor’s work on the Project (the “**Required License**”).

**2. Annual Production Estimate.**

The term “Annual Production Estimate” shall mean Contractor’s estimated number of kWh that the Solar Facility shall produce in the first year following the Final Completion Date based on performance modeling using industry standard tools and assumptions (see Section D on the Cover Page).

**3. Distribution Utility Upgrades.**

The Parties acknowledge that the Contract Sum excludes any costs associated with Distribution Utility Upgrades. “Distribution Utility Upgrades” shall mean that scope of work and associated costs that the Distribution Utility requires on the Distribution Utility side of the Distribution Utility meter in order for the System to interconnect to the Distribution Utility system. “Distribution Utility” shall mean Southern California Edison.

**4. Time to Complete and Liquidated Damages.**

Time is of the essence in this Agreement, and, subject to the terms of the Contract Documents, the date for completion of the Project shall be the date listed in Section B on the Cover Page, and the date for the completion of each site shall be as set forth in the Project Schedule (Attachment C of Exhibit B). Failure to complete the Work by such dates and in the manner provided for by the Contract Documents shall subject Contractor to liquidated damages. The actual occurrence of damages and the actual amount of the damages which Owner would suffer if the Work were not completed within the specified times set forth are dependent upon many circumstances and conditions which could prevail in various combinations, and it is impracticable and extremely difficult to fix the actual damages. Damages that Owner would suffer in the event of delay include, but are not limited to, loss of the use of the Project and each individual Site, the energy savings afforded by the Project at each individual Site, disruption of activities, costs of administration, supervision and the loss suffered by the public. Accordingly, the Parties agree that the following dollar figures shall be the amount of damages which Owner shall directly incur upon failure of Contractor to complete the Work within the time specified: \$1,000 for each calendar day by which the Work, or portion thereof, is delayed beyond the Substantial Completion Date set forth in Attachment C of Exhibit B or the Final Project Completion Date is delayed due to the failure to receive Permission to Operate that is the responsibility of Contractor pursuant to Section 7.2.5 of Exhibit A (the “**Delay Liquidated Damages Rate**”), provided that Contractor’s total liability for liquidated damages as described in this paragraph with respect to any Project Site under the Agreement shall be limited to ten percent (10%) of the portion of the Contract Sum applicable to that Project Site. For the avoidance of doubt, if Contractor fails to complete the Work at more than one Site within the time set forth above, Owner may assess liquidated damages cumulatively, taking into account all Sites at which Work has not been timely completed. In no case shall liquidated damages assessed with respect to one Site be greater than \$1,000 multiplied by the number of calendar days by which completion of the Work at that Site is delayed beyond the applicable Completion Date.

Liquidated damages may also be applied to compensate Owner for undue delays in the completion of items that occur following the Substantial Completion of the Project (as defined in Section 7.2.4 of Exhibit A), such as punch list items, Final Binder, site clean-up, demobilization, and miscellaneous contractual obligations after Project Completion has been achieved. The cost to Owner for administration, inspection, mileage, and other similar items would be extremely difficult to determine. For that reason, additional liquidated damages, known as “**Administrative Delay Liquidated Damages**” shall be imposed in the amount of \$500 per day (the “**Administrative Delay Liquidated Damages Rate**”), effective 30 days after Project Completion has been achieved. Charges will be assessed until Owner agrees that all outstanding work has been completed.

Further, Contractor is committed to helping Owner secure all of the benefits associated with the construction of the Project, including the California Self Generation Incentive Program (“**SGIP**”) and the federal Inflation Reduction Act (“**IRA**”).

In order to qualify for the SGIP, the Project must have Permission to Operate prior to the SGIP Reservation Expiration Date. The current SGIP Reservation Expiration Date for the Project is April 7, 2027. Owner will apply for a six-month extension of the SGIP Reservation Expiration Date to November 7, 2027. Provided that Owner receives such extension, the parties agree that if Contractor fails to properly or timely achieve Permission to Operate no later than the extended SGIP Reservation Expiration Date, as may be further extended by SGIP, including submission of any application or other materials required for Project to qualify for or participate in the SGIP, then Contractor shall pay as additional liquidated damages to Owner an amount equal to the portion of the Reserved Incentive Amount as

shown on the Conditional Reservation Letters from the SGIP administrator that would otherwise have been payable to Owner upon satisfaction of the SGIP requirements; provided, however, that if the Project fails to qualify for the SGIP solely as a result of the acts or omissions of Owner, or for any cause that would constitute an excused delay under this Agreement (including a delay by the Utility in granting Permission to Operate that is the fault of the Distribution Utility pursuant to Section 7.2.5 of Exhibit A), then Contractor shall not be obligated to pay the liquidated damages pursuant to this paragraph. .

With respect to the IRA, in the event that the Owner does not qualify for any portion of the credit available under the IRA for the Project, such as the bonus for the payment of prevailing wages and compliance with the apprenticeship requirements of the IRA, as a result of the failure of Contractor to comply with such requirements, then Contractor will be liable to Owner for the amount of such loss. Furthermore, to the extent that Owner has complied with all other requirements of the IRA with respect to the Project and the Owner does not receive the IRA solely due to a delay caused by Contractor in achieving the Final Project Completion Date, then Contractor will be responsible for fifty percent (50%) of the amount of such loss.

Contractor shall be liable for damages in the amount of \$5,000 per occurrence for outages and/or shutdowns of any kind in excess of two instances per site over the duration of the Project.

The liquidated damages set forth in this Section will be sole financial remedy of Owner with respect to a delay in performance by Contractor, provided, however, that nothing contained herein will waive the Owner's right of termination of this Agreement as a result of a material breach by Contractor. If Contractor becomes liable under this Section, Owner shall have the right to withhold any and all retained percentages of payments, and to collect the interest thereon, which would otherwise be or become due to Contractor until the liability of Contractor under this Section has been finally determined. If the retained percentage is not sufficient to discharge all liabilities of Contractor incurred under this Section, Contractor and its sureties shall continue to remain liable to Owner for such liabilities until all such liabilities are satisfied in full.

If Owner accepts any work or makes any payment under this Agreement after a default by reason of delays, the payment or payments shall in no respect constitute a waiver or modification of any Agreement provisions regarding time of completion and liquidated damages.

## **5. Contract Sum.**

As full and complete payment for the Project and Contractor's other obligations under the Contract Documents, Owner shall pay to Contractor in the manner specified in this Section, and Contractor shall accept as payment in full by Owner for the delivery of the Project and its other obligations under the Contract Documents, the contract sum stated in Section D on the Cover Page and as may be adjusted in accordance with the provisions of this Agreement (the "**Contract Sum**"). Any change in the Contract Sum will be subject to the change order request process as set forth in Exhibit A, Article 6 of this Agreement.

## **6. Other Payment Terms.**

Except as otherwise provided in the General Conditions and this Agreement, Contractor shall assume the risk of all costs in excess of the Contract Sum in the performance of such work and shall not be entitled to additional payments because of such excess costs. Should Contractor believe that it is entitled to additional compensation, whether money or time, it must request such compensation pursuant to the procedures in the General Conditions for change orders and claims.

Contractor shall finance the cost of construction of the Project, which costs shall not exceed the Contract Sum, except as otherwise provided in the Contract Documents. Owner shall pay Contractor progress payments pursuant to the following terms and conditions.

a. For services satisfactorily performed and after receipt of properly documented and submitted applications for payment, Owner shall pay Contractor progress payments ("**Progress Payments**") and each individually a "**Progress Payment**") in accordance with the terms of the Contract Documents at the office of Contractor or to such other person or at such other place as Contractor may from time to time designate in writing. The total Progress Payments made shall not exceed the amount of the Contract Sum. The Progress Payments shall be

commensurate with the milestone achieved, invoiced, and signed off by Owner's Inspector or other designated employee to date, all in accordance with the procedures set forth in the General Conditions. Additional terms regarding Progress Payments are set forth in the General Conditions.

b. In accordance with the General Conditions, Owner shall, at Contractor's discretion, either retain an amount equal to 5% of each Progress Payment, or, in lieu of said retention, offer to enter into an Escrow Agreement for Security Deposits in Lieu of Retention ("**Escrow Agreement**") with Contractor, in the form attached as Exhibit H, as set forth in California Public Contract Code section 22300. Release of the retention or funds deposited with Escrow Agent ("**Escrow Funds**") pursuant to an Escrow Agreement between the parties, and the final Progress Payment shall be made in the manner described in the General Conditions.

c. The obligation of Owner to pay Progress Payments hereunder shall constitute a current expense of Owner and shall not in any way be construed to be a debt of Owner in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Owner, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, or moneys of Owner.

Release of retention or release of the Progress Payments shall be in accordance with the General Conditions.

**7. Changes.**

Changes in this Agreement or in the Scope of Work to be done under this Agreement shall be made only as provided in the General Conditions.

**8. Term and Termination.**

The term of this Agreement begins on the date that is indicated on the cover of this Agreement and, unless otherwise terminated in accordance with this Agreement, shall terminate upon the satisfaction of the conditions set forth in Article 13 of Exhibit A. All of the covenants, representations and warranties set forth in the Contract Documents, including indemnification obligations, that are intended to bind the parties after the completion of the Project or termination of the Contract Documents will survive such completion or termination for the periods provided for in the Contract Documents or otherwise allowed by law. Owner or Contractor may terminate the Contract Documents only as provided in the Agreement.

**9. Prevailing Wages.**

Pursuant to the provisions of Section 1770 et seq. of the Labor Code of the State of California, which are hereby incorporated by reference and made a part hereof, the Director of Industrial Relations has determined the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the work is to be performed, for each craft, classification or type of worker needed to execute this Agreement. Per diem wages shall be deemed to include employer payments for health and welfare, pension, vacation, apprenticeship or other training programs, and similar purposes. Copies of the rates are on file at Owner's principal office. The rate of prevailing wage for any craft, classification or type of workmanship to be employed on this Project is the rate established by the applicable collective bargaining agreement which rate so provided is hereby adopted by reference and shall be effective for the life of this Agreement or until the Director of the Department of Industrial Relations determines that another rate be adopted. It shall be mandatory upon Contractor and on any subcontractor to pay not less than the said specified rates to all workers employed in the execution of this Agreement.

Contractor and any subcontractor under Contractor as a penalty to Owner shall forfeit not more than Two Hundred Dollars (\$200.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed. The difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor.

Contractor and each subcontractor shall keep or cause to be kept an accurate record for work on this Project showing the names, addresses, social security numbers, work classification, straight time and overtime hours worked and occupations of all laborers, workers and mechanics employed by them in connection with the performance of this Agreement or any subcontract thereunder, and showing also the actual per diem wage paid to each of such workers,

which records shall be open at all reasonable hours to inspection by Owner, its officers and agents and to the representatives of the Division of Labor Law Enforcement of the State Department of Industrial Relations.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations in accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, 1771.4, 1771.5, and 1771.7 of the Labor Code. This requirement applies regardless of whether the Project will use State funds. Pursuant to Labor Code section 1771.1, a contractor or subcontractor shall not be qualified to propose on, be listed in a proposal (subject to the requirements of Section 4104 of the Public Contract Code), or engage in the performance of any contract for public work, as defined by Division 2, Part 7, Chapter 1 (§§1720 et seq.) of the Labor Code, unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the Labor Code. Contractor shall post all required job site notices pursuant to the Labor Code and related regulations. Contractor shall submit records, including those specified in Labor Code section 1776, to the Labor Commissioner as required by Sections 1771.4(a)(3), 1771.4(c)(2), and 1776 of the Labor Code. Owner may withhold \$100 for each calendar day after ten days from Contractor's receipt of a request to produce payroll records (as described in Labor Code §1776(a)) that Contractor fails to produce such records.

This Project is also subject to applicable provisions of The Inflation Reduction Act ("IRA") (H.R. 5376). Contractor and its subcontractors shall comply with all applicable provisions of the IRA with respect to the payment of prevailing wages. Contractor and its subcontractors shall be liable for payment of all wages, penalties and interests imposed under the IRA as a result of Contractor's or its subcontractor's failure to comply.

**10. Working Hours.**

In accordance with the provisions of Sections 1810 to 1815, inclusive, of the Labor Code of the State of California, which are hereby incorporated and made a part hereof, the time of service of any worker employed by Contractor or a subcontractor doing or contracting to do any part of the Work contemplated by this Agreement is limited and restricted to 8 hours during any one calendar day and 40 hours during any one calendar week, provided, that work may be performed by such employee in excess of said 8 hours per day or 40 hours per week provided that compensation for all hours worked in excess of 8 hours per day, and 40 hours per week, is paid at a rate not less than 1½ times the basic rate of pay. Contractor and every subcontractor shall keep an accurate record showing the name of and the actual hours worked each calendar day and each calendar week by each worker employed by them in connection with the Work. Contractor and every subcontractor shall keep the records open at all reasonable hours to inspection by representatives of Owner and the Division of Labor Law Enforcement. Contractor shall as a penalty to Owner forfeit \$25.00 for each worker employed in the execution of this Agreement by Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than 8 hours in any one calendar day, and 40 hours in any one calendar week, except as herein provided.

**11. Apprentices.**

Contractor agrees to comply with Chapter 1, Part 7, Division 2, Sections 1777.5 and 1777.6 of the California Labor Code, which are hereby incorporated and made a part hereof, as well as the requirements of any federal or state grants or other financing being used by Owner in connection with this project, including but not limited to the IRA. These sections require that contractors and subcontractors employ apprentices in apprenticeable occupations in a ratio of not less than 1 hour of apprentice's work for each 5 hours of work performed by a journeyman (unless an exemption is granted in accordance with Section 1777.5) and that contractors and subcontractors shall not discriminate among otherwise qualified employees as indentured apprentices on any public works solely on the ground of sex, race, religious creed, national origin, ancestry or color. Only apprentices as defined in Labor Code Section 3077, who are in training under apprenticeship standards and who have signed written apprentice agreements, will be employed on public works in apprenticeable occupations. The responsibility for compliance with these provisions is fixed with Contractor for all apprenticeable occupations. To the extent applicable provisions of the IRA impose greater requirements than state law, Contractor shall satisfy the greater requirements under the IRA. Contractor, and its subcontractors shall be liable for payment of all wages, penalties and interests imposed under the IRA as a result of Contractor's or its subcontractor's failure to comply.

**12. Indemnification, Insurance and Bonds.**

a. Indemnification. Contractor shall make reasonable professional efforts to ensure the finished project complies with all standards imposed by the Americans with Disabilities Act, section 504 of the Rehabilitation Act of 1973, disability access requirements of the State Building Code and any other laws applicable to disability access. If a court, administrative agency or other trier of fact later determines that Contractor has violated any of the above-referenced laws, or Owner, because of Wrongful Acts or Omissions, has violated any of the above-referenced laws, Contractor shall remedy the violation at its own cost. Contractor shall indemnify, defend and hold Owner harmless pursuant to this Section of this Agreement against claims brought by a party other than Owner due to any breach of these provisions due to Contractor's negligence, recklessness or willful misconduct. In the event that Contractor is or becomes aware of possible non-compliance with the foregoing standards, Contractor shall have a duty immediately to notify Owner in writing of the possible non-compliance.

Contractor represents and warrants that Contractor has the legal right to license any and all copyrights, designs and other intellectual property embodied in plans, specifications, studies, drawings, estimates or other documents that Contractor or its consultants prepares or causes to be prepared pursuant to this Agreement. Contractor shall indemnify, defend and hold Owner harmless against claims brought by a party other than Owner pursuant to this Section for any breach of this representation due to Contractor's negligence, recklessness or willful misconduct.

Contractor shall defend, indemnify, and hold harmless Owner, the governing Board of Owner, each member of the Board, and their officers, agents and employees against claims arising out of, pertaining to, or relating to negligence, recklessness or willful misconduct of Contractor, Contractor's officers, employees, or consultants in performing or failing to perform any work, services, or functions provided for, referred to, or in any way connected with any work, services, or functions to be performed under this Agreement, except to the extent such claims are due to the negligence or willful misconduct of Owner or its officers, agents or employees. For purposes of this Section only, "claims" means any and all claims, demands, actions and suits brought by a party other than Owner for any and all losses, liabilities, costs, expenses, damages and obligations, and the defense obligation shall include but not be limited to payment of Owner's attorneys' fees, experts' fees, and litigation costs incurred in defense of a claim. This indemnification shall be in addition to the other indemnification provisions contained in the Contract Documents.

b. Public Liability and Property Damage Insurance. Prior to the commencement of services under this Agreement, Contractor shall furnish to Owner a certificate of insurance, Additional Insured Endorsement and Declarations Page for the period covered by this Agreement, for public liability and property damage with an insurance carrier satisfactory to Owner, under forms satisfactory to Owner, to protect Contractor and Owner against loss from liability imposed for damages (1) on account of bodily or personal injuries, including death, disease and sickness, accidentally suffered or alleged to have been suffered by any person or persons that may be caused directly or indirectly by the performance of this Agreement, and (2) on account of injury to or destruction of property, including the resultant loss of use of the Project or other Owner facilities or equipment, resulting from acts of commission or omission by Contractor, or otherwise resulting directly or indirectly from Contractor's operations in the performance of this Agreement. Owner shall be named as an additional insured on all such policies.

The following insurance shall be maintained by Contractor in full force and effect during the entire period of performance of this Agreement, including any extensions, and shall be written on an "occurrence" basis: Commercial general liability insurance, excluding coverage for motor vehicles, shall be in amounts not less than Four Million Dollars (\$4,000,000) general aggregate, Four Million Dollars (\$4,000,000) personal and advertising injury aggregate, with a per occurrence limit of Two Million Dollars (\$2,000,000) (total limits required may be satisfied with an excess or umbrella policy); Automobile liability insurance covering motor vehicles shall be in an amount not less than One Million Dollars (\$1,000,000) combined single limit.

Contractor's insurance policies shall contain a provision for thirty (30) days written notice to Owner of cancellation and for ten (10) days written notice to Owner of non-payment of premium. Contractor shall name Owner as an additional insured on the general liability, automobile liability, and excess/umbrella policies. The Additional Insured Endorsement included on all such insurance policies shall state that coverage is afforded the additional insured with respect to claims arising out of operations performed by or on behalf of the insured. If the additional insureds have

other insurance which is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the insurer's liability shall not be reduced by the existence of such other insurance. Contractor shall not commence work under this Agreement until all required insurance certificates, declarations pages and additional insured endorsements have been obtained and delivered in duplicate to Owner for approval subject to the following requirements. Thereafter Contractor shall produce a certified copy of any insurance policy required under this section upon written request of Owner.

At the time of making application for any extension of time pursuant to the Contract Documents, Contractor shall submit evidence that insurance policies will be in effect during the requested additional period of time.

If Contractor fails to maintain such insurance, Owner may, but shall not be required to, take out such insurance to cover any damages of the above-mentioned classes for which Owner might be held liable on account of Contractor's failure to pay such damages, and deduct and retain the amount of the premiums from any sums due Contractor under this Agreement.

Nothing contained in this Agreement shall be construed as limiting, in any way, the extent to which Contractor may be held responsible for the payment of damages resulting from Contractor's operations. Each of Contractor's consultants shall comply with this Section, and Contractor shall include such provisions in its contracts with them.

c. Worker's Compensation Insurance. Prior to the commencement of services under this Agreement, Contractor shall furnish to Owner satisfactory proof that Contractor and all engineers, experts, consultants and subcontractors Contractor intends to employ have taken out, for the period covered by this Agreement, workers' compensation insurance with an insurance carrier satisfactory to Owner for all persons whom they may employ in carrying out the work contemplated under this Agreement in accordance with the Workers' Compensation Laws of the State of California. If Contractor employs any engineer, expert, consultant or subcontractor which it did not intend to employ prior to commencement of services, it must furnish such proof of workers' compensation insurance to Owner immediately upon employment. Such insurance shall be maintained in full force and effect during the period covered by this Agreement including any extensions of time. If Contractor is self-insured, Contractor shall furnish a Certificate of Permission to Self-Insure and a Certificate of Self-Insurance satisfactory to Owner.

d. Employer's Liability Insurance. Prior to the commencement of services under this Agreement, Contractor shall furnish to Owner satisfactory proof that Contractor and all engineers, experts, consultants and subcontractors Contractor intends to employ have taken out employer's liability insurance with an insurance carrier satisfactory to Owner. During the course of Contractor's services, if Contractor ever intends to employ additional or different engineers, experts, consultants or subcontractors, before so employing them Contractor shall furnish such satisfactory proof of insurance to Owner. Such insurance shall be maintained in full force and effect during the period covered by this Agreement including any extensions of time. If Contractor is self-insured, Contractor shall furnish a Certificate of Permission to Self-Insure and a Certificate of Self-Insurance satisfactory to Owner. Any such worker's compensation insurance shall include a provision that Owner will receive 30 days' notice of cancellation and 10 days' written notice of non-payment of premium.

e. Errors and Omissions Insurance. Prior to the commencement of services under this Agreement, Contractor shall furnish to Owner satisfactory proof that Contractor has errors and omissions insurance on a claims made basis with limits of at least One Million Dollars (\$1,000,000) with a deductible in an amount not to exceed the sum of One Hundred Thousand Dollars (\$100,000), and Contractor will maintain such coverage for a period of five (5) years following completion of the Project.

If not covered by Contractor's coverage, each of Contractor's professional sub-consultants (including consultants of Contractor's) shall carry coverage and limits proportionate to each such sub-consultant's scope of work, and Contractor shall include such provisions in its contracts with them. If any policy carried by any of the sub-consultants offers 50% or less of the limits required of the Contractor hereunder for an analogous policy, Contractor shall notify Owner of the proposed coverage to be carried by such sub-contractor, and Owner shall have the right in its reasonable discretion to approve or reject the proposed coverage in each such case.

f. Bonds. Contractor shall provide performance and payment bonds as required by the General Conditions. Notwithstanding anything to the contrary in the Contract Documents, the liability of the surety on the performance bond will cease one (1) year after completion of construction on the Project. Any warranty or guarantee required of Contractor by the Contract Documents shall be the sole obligation of Contractor after termination of the surety's performance bond liability. The liability of the surety on the payment bond shall continue only so long as required by law. Any guarantee of performance hereunder shall not be deemed to be covered by the terms of the payment bond or the performance bond.

**13. Representations, Warranties and Covenants of Owner.**

Owner represents and warrants to Contractor that:

a. Owner **is a public wastewater agency**, duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Agreement and to perform all of its obligations hereunder.

b. Owner's governing body has duly authorized the execution and delivery of this Agreement and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability.

**14. Representations and Warranties of Contractor.**

Contractor represents and warrants to Owner that:

a. Contractor is duly organized, validly existing and in good standing as a contractor and licensed contractor under the laws of the State of California;

b. Contractor has full power, authority and legal right to enter into and perform its obligations under this Agreement, and the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate actions on the part of Contractor and do not require any further approvals or consents;

c. The execution, delivery, and performance of this Agreement do not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which Contractor is a party by which it or its property is bound;

d. There is no pending or, to the knowledge of Contractor, threatened action, or proceeding before any court or administrative agency that will materially adversely affect the ability of Contractor to perform its obligations under this Agreement.

**15. Project Acceptance.**

Owner shall acknowledge final inspection and completion of the Project by executing a Certificate of Acceptance and recording a Notice of Completion in accordance with the General Conditions.

a. Owner shall accept completion of the Agreement and have the Notice of Completion recorded when the entire Project including Contractor's punch list(s) and Owner's final review comments shall have been completed to the satisfaction of Owner. The Project may only be accepted as complete by action of Owner's Governing Board.

b. A final walk through to determine completion of the Agreement and to record the Notice of Completion shall occur only upon a valid claim by Contractor that the Project is complete except for minor corrective and/or incomplete items. Any erroneous claims of completion by Contractor resulting in a premature walk through shall be at Contractor's sole cost and expense and Owner shall make adjustments to the contract price by reducing the amount thereof to pay for any costs incurred by Owner due to the erroneous claims by the Contractor that the Project is complete. Minor corrective and/or incomplete items shall be identified in the final walk through of the Project.

**16. Entire Agreement.**

This Agreement constitutes the entire agreement between the parties, and supersedes any prior or contemporaneous agreement between the Parties, oral or written, including Owner’s award of the Project to Contractor, unless such agreement is expressly incorporated herein. Owner makes no representations or warranties, express or implied, not specified in the Contract Documents. The Contract Documents are intended as the complete and exclusive statement of the parties’ agreement pursuant to California Code of Civil Procedure section 1856. Notwithstanding any provision to the contrary in the General Conditions or other Contract Documents, it is understood and agreed that in the event of a conflict between term or provision of this Agreement and any other Contract Document, the terms of this Agreement shall govern.

**17. Execution of Other Documents.**

The parties to this Agreement shall cooperate fully in the execution of any and all other documents and in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Contract Documents.

**18. Execution in Counterparts.**

This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

**19. Binding Effect.**

Contractor, by execution of this Agreement, acknowledges that Contractor has read this Agreement and the other Contract Documents, understands them, and agrees to be bound by their terms and conditions. The Contract Documents shall inure to the benefit of and shall be binding upon Contractor and Owner and their respective successors and assigns.

**20. Severability/Governing Law.**

If a court of competent jurisdiction shall hold any provision of the Contract Documents invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision hereof. The laws of the State of California shall govern the Contract Documents. The venue for any dispute arising out of or relating to this Agreement shall be in the California County in which the System is located.

**21. Amendments.**

The terms of the Contract Documents shall not be waived, altered, modified, supplemented, or amended in any manner whatsoever except by written agreement signed by the parties and approved or ratified by the Governing Board.

**22. Assignment of Contract.**

The Contractor shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations hereunder without the prior written consent of the surety on the payment bond, the surety on the performance bond, and Owner. Contractor’s assignment or transfer of rights, burdens, duties or obligations without the above required approvals shall be void.

**23. Notices.**

Any notices or filings required to be given or made under this Agreement shall be served, given, or made in writing upon Owner or Contractor, as the case may be, by personal delivery or registered mail (with a copy sent via fax or regular mail) to the respective addresses given below, or at such address as such party may provide in writing from time to time.

If to Contractor:

\_\_\_\_\_  
Phone No.: PHONE  
Email Address: EMAIL

If to Owner:

Goleta Sanitary District  
Attn: Steve Wagner  
One William Moffett Place, Goleta, CA 93117  
Phone No.: 805-967-4519 x103  
Email Address: [swagner@goletasanitary.org](mailto:swagner@goletasanitary.org)

**24. Exhibits Incorporated.**

All Recitals, Exhibits and Attachments attached to this Agreement are hereby incorporated into the Agreement by this reference as if set forth in full.

**25. Headings.**

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

**26. Terms Not Defined.**

Capitalized terms used in this Agreement that are not defined shall have the same meaning as in the General Conditions.

**EXHIBIT A  
TO ENERGY SERVICES AGREEMENT**

**EXHIBIT A - GENERAL TERMS AND CONDITIONS**

**27. ARTICLE 1 - GENERAL CONDITIONS**

**1.1. BASIC DEFINITIONS**

1.1.1. **The Contract Documents.** The Contract Documents consist of the Energy Services Agreement between Owner and Contractor (the “**Agreement**”), Conditions of the Agreement (General, Supplementary and other Conditions), Drawings, Specifications, addenda thereto (whether or not attached due to their size), Payment Bond, Performance Bond, required insurance certificates, additional insured endorsement and declarations page, list of accepted subcontractors, Non-Collusion Declaration, Sanctioned Country Contracting Act Certification, Certificate Regarding Worker’s Compensation Form, Certificate Regarding Alcoholic Beverage and Tobacco-Free Site Policy, Certificate Regarding Drug-Free Workplace, other documents referred to or incorporated in the Agreement, and written modifications issued after execution of the Agreement.

1.1.2. **The Contract.** The Contract Documents form the Agreement. The Agreement represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract Documents shall not be construed to create any kind of contractual relationship other than between Owner and Contractor.

1.1.3. **The Work.** The Work shall include all engineering, design, labor, materials, services, manuals, training, as-builts, and equipment necessary for Contractor to fulfill all of its obligations pursuant to the Contract Documents.

1.1.4. **The Project.** The Project is the total construction of the Work performed in accordance with the Contract Documents in whole or in part and which may include construction by Owner or by separate contractors.

1.1.5. **The Drawings.** The Drawings are graphic and pictorial portions of the Contract Documents prepared for the Project and approved changes thereto, wherever located and whenever issued, showing the design, location, and scope of the Work, generally including plans, elevations, sections, details, schedules, and diagrams as drawn by Contractor.

1.1.6. **The Specifications.** The Specifications are that portion of the Contract Documents consisting of the written requirements for material, equipment, construction systems, instructions, quality assurance standards, workmanship, and performance of related services. “Specifications” shall refer to Exhibit B – General Conditions and Technical Specifications.

1.1.7. **Punch Lists.** Punch List means a list of minor items on the Project that remains for Contractor to complete or correct.

**1.2. EXECUTION, CORRELATION, AND INTENT.**

The Contract Documents are complementary and are intended to include all items required for the proper execution and completion of the Work. Any item of work mentioned in the Specifications and not shown on the Drawings, or shown on the Drawings and not mentioned in the Specifications, shall be provided by Contractor as if shown or mentioned in both. In the event there is a discrepancy between the various Contract Documents, the Agreement shall control unless there is not an applicable provision in the Agreement, in which case the Conditions (General, Supplementary, or other Conditions) shall control. Each and every provision of law required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party the Agreement shall be amended in writing to make such insertion or correction.

**1.3. OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS, AND OTHER DOCUMENTS.**

The Drawings, Specifications, and other documents prepared on behalf of Owner are instruments of the services of Contractor and its consultants and are the property of Owner. Contractor may retain one contract record set.

**2. ARTICLE 2 – OWNER**

**2.1. DEFINITION.**

The term “Owner” means the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term “Owner” means Owner or Owner’s authorized representative.

**2.2. EXISTING UTILITY LINES; SITE SURVEY; CONTRACTOR RELIANCE.**

Notwithstanding Government Code section 4215, and to the fullest extent allowed by law, Contractor shall be responsible to remove, relocate, and protect utilities located on each Project Site at the time of commencement of construction under the Agreement with respect to any such utility facilities that Owner has not identified, whether or not set forth in the Drawings and Specifications. Contractor may be assessed liquidated damages in accordance the Contract Documents for delay in completion of the Project caused by Contractor’s failure to timely remove or relocate such utility facilities. This Subsection shall not be construed to preclude assessment against Contractor for any other delays in completion of the work on the Project. Contractor shall be solely responsible to timely notify all public and private utilities serving the affected Project Site before commencing work on the Project Site. Contractor shall notify and receive clearance from any cooperative agency, such as Underground Service Alert, in accordance with Government Code section 4216, et seq. Contractor shall promptly provide a copy of all such notifications to Owner or its designated representative.

When required by the scope of the Project, Contractor shall furnish, at its expense, a legal description or a land survey of any or all Project Sites, giving, as applicable, grades and lines of streets, alleys, pavements, adjoining property, rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries, and contours of the site. Additionally, all surveys to determine locations of construction, grading, and site work shall be provided by Contractor. Contractor shall provide copies of any and all legal descriptions and surveys conducted on the Project Sites to Owner.

When required by the scope of the Project, Contractor will furnish, at its expense, the services of geotechnical engineers or consultants when reasonably required or as required by local or State codes. Such services with reports and appropriate professional recommendations shall include test boring, test pits, soil bearing values, percolation tests, air and water pollution tests, and ground corrosion and resistivity tests, including necessary operations for determining subsoil, air, and water conditions.

Any test borings and soils reports for the Project that have previously been made have been made for Owner to indicate the subsurface materials that might be encountered at particular locations on the Project. Owner has made these documents available to Contractor and Contractor has studied the results of such test borings and information that it has as to the subsurface conditions and Site geology as set forth in the test borings and soils reports. Owner does not assume any responsibility whatsoever with respect to the sufficiency or accuracy of the borings made, or of the logs of the test borings, or of other investigations, or of the soils reports furnished pursuant hereto, or of the interpretations to be made beyond the location or depth of the borings. There is no warranty or guarantee, either express or implied that the conditions indicated by such investigations, borings, logs, soil reports or other information are representative of those existing throughout the site of the Project, or any part thereof, or that unforeseen developments may not occur. At Owner’s request, Contractor shall make available to Owner the results of any Site investigation, test borings, analyses, studies or other tests conducted by or in the possession of Contractor of any of its agents. Nothing herein contained shall be deemed a waiver by Contractor to pursue any available legal right or

remedy it may have at any time against any third party who may have prepared any report and/or test relied upon by Contractor.

Unless specifically stated in writing by Owner, Contractor may not rely upon the accuracy of any utility services or site survey information that Owner may provide.

### **2.3. OWNER'S RIGHT TO STOP THE WORK.**

If Contractor fails to correct Work, which is not in accordance with the requirements of the Contract Documents as required by Section 11.2 of this Exhibit A, or persistently fails to carry out Work in accordance with the Contract Documents, Owner, by written order signed personally or by an agent specifically so empowered by Owner in writing, may order Contractor to stop the Work or any portion thereof, until the cause for such order has been eliminated.

### **2.4. OWNER'S RIGHT TO CARRY OUT THE WORK.**

If Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails (within a fourteen-day period after receipt of written notice or the time period expressly stated in the written notice from Owner) to commence and continue correction of such default or neglect with diligence and promptness, Owner may correct such deficiencies by whatever reasonable method Owner may deem expedient without prejudice to other remedies Owner may have, and may withhold for the cost of such correction.

## **3. ARTICLE 3 - CONTRACTOR**

### **3.1. DEFINITION.**

“**Contractor**” is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term “Contractor” means Contractor or Contractor’s authorized representatives. To the extent that any portion of the Work is provided with Contractor’s own forces, any reference to subcontractors shall be equally applicable to Contractor. If any of the Work is performed by contractors retained directly by Owner, Contractor shall be responsible for the coordination and sequencing of the Work of those other contractors so as to avoid any impact on the Project Schedule (Attachment C of Exhibit B).

### **3.2. SUPERVISION AND CONSTRUCTION PROCEDURES.**

3.2.1. **Contractor.** Contractor shall supervise and direct the Work using Contractor’s best skill and attention. Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, procedures, and coordinating all portions of the Work under the Agreement, unless Contract Documents give other specific instructions concerning these matters.

3.2.2. **Contractor Responsibility.** Contractor shall be responsible to Owner for acts and omissions of the Contractor’s employees, subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the Work under direct or indirect contract with Contractor or any of its subcontractors.

3.2.3. **Obligations not Changed.** Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents by activities or duties of Inspector, or by tests, inspections, or approvals required or performed by persons other than Contractor.

3.2.4. **Contractor Responsibility for Readiness for Work.** Contractor shall be responsible for inspection of Work already performed under the Contract Documents to determine that such portions are in proper condition to receive subsequent work.

**3.3. SUPERINTENDENT.**

Contractor shall provide a competent superintendent and assistants as necessary, all of whom shall be reasonably proficient in speaking, reading and writing English, and, who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent Contractor, and communications given to the superintendent shall be as binding as if given to Contractor. Contractor and each subcontractor shall: furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the Work; organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the Work; and keep an adequate force of skilled workers on the job to complete the Work in accordance with all requirements of the Contract Documents. Owner shall have the right, but not the obligation, to require the removal from the Project of any superintendent, staff member, agent, or employee of any Contractor, subcontractor, material or equipment supplier, etc., for cause.

**3.4. LABOR AND MATERIALS.**

Unless otherwise provided in the Contract Documents, Contractor shall provide and pay for labor, material, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work. Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly.

**3.5. WARRANTY.**

Contractor warrants to Owner that material and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents, per Section 11.2 of this Exhibit A.

**3.6. TAXES.**

Contractor will pay all applicable Federal, State, and local taxes on all materials, labor, or services furnished by it, and all taxes arising out of its operations under the Contract Documents. Owner is exempt from Federal Excise Tax, and a Certificate of Exemption shall be provided upon request.

**3.7. PERMITS, FEES AND NOTICES.**

Contractor shall secure and pay for all permits and governmental fees, licenses, and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract and are legally required by any authority having jurisdiction over the Project.

**3.8. ALLOWANCES.**

Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but Contractor shall not be required to employ persons or entities against whom the Contractor makes reasonable and timely objection.

**3.9. CONTRACTOR'S PROJECT SCHEDULES.**

Contractor shall provide the Project Schedule, and updates and revisions thereto in electronic format as well as hard copy. The schedules provided by Contractor shall not exceed time limits current under the Contract Documents and shall comply with all of the scheduling as required in the Specifications. Failure of Contractor to provide proper schedules as required by this Section may, at the sole discretion of Owner, constitute either grounds to withhold, in whole or in part, progress payments to Contractor, or a breach of contract allowing Owner to terminate the Agreement between Owner and Contractor.

3.9.1. **Project Schedule.** Contractor has prepared and submitted a Project schedule, in accordance with and attached hereto as additional pages to Attachment C of Exhibit B (“**Project Schedule**”). The term Project Schedule, as used in this Agreement and other Contract Documents, shall include any revisions thereto that the Parties agree upon in writing, which agreed-upon revisions shall be set forth in a revised Project Schedule. Any revised Project Schedule shall replace all prior Project Schedules once agreed to in writing by Owner.

3.9.2. **Compliance with Project Timeline.** No schedule shall exceed time limits current under the Contract Documents and shall comply with all of the scheduling as required by the Contract Documents and any scheduling requirements provided by Owner to Contractor at the beginning of the Project. The schedule shall be in the form of a tabulation, chart, or graph and shall be in sufficient detail to show the chronological relationship of all activities of the Project including, but not limited to, estimated starting and completion dates of various activities, (including early and late dates and reasonable float for each activity), procurement of materials, the critical path, and scheduling of equipment. Float suppression techniques such as preferential sequencing, special lead/lag logic restraints, extended activity durations, or imposed dates shall be apportioned according to the benefit of the Project.

3.9.3. **Updated Project Schedules.** Contractor shall submit an updated schedule on a monthly basis that includes an accurate as-built schedule and the current as-planned schedule in conformance with the above standards. Contractor shall submit its daily logs for the month with the updated schedule. Float is not for the exclusive use or benefit of either Party but it is a jointly owned expiring Project resource available to both Parties as needed to meet schedule milestones. If any change in Contractor’s method of operations will change the Project Schedule, Contractor shall submit to Owner a revised Project Schedule within seven days of the change.

3.9.4. **Recovery Plan.** If Contractor’s actual progress falls behind the scheduled progress, within fourteen days of a request by Owner, Contractor shall prepare and submit a recovery plan. The recovery plan must include a revised schedule that would recover the lost time and still complete the work on the Project by the Final Project Completion Date. The recovery plan shall also list any additional compensation that Contractor believes it should receive if Owner chooses to order Contractor to implement the recovery plan. If Owner directs Contractor to implement the recovery plan, then Contractor shall do so.

3.9.5. **Failure to Meet Project Schedule.** In addition to any remedies that Owner may have, Contractor’s failure to provide proper project schedules as required by this Section may, at Owner’s sole discretion: (a) constitute grounds to withhold, in whole or in part, progress payments to Contractor, or (b) constitute a breach of the Agreement entitling Owner to actual damages, in addition to any other remedies provided under the Agreement, including, in Owner’s discretion, termination of the Agreement pursuant to the terms hereof in accordance with Section 13.1 of the General Conditions. Notwithstanding the foregoing, if Contractor’s fails to properly or timely complete the Work of the Project within sixty (60) days prior to the SGIP Reservation Expiration date, as may be extended by SGIP, including submission of any application or other materials required for Project to qualify for or participate in the SGIP, then Owner shall additionally be entitled to liquidated damages in accordance with Section 3 of the Agreement.

**3.10. DOCUMENTS AND SAMPLES AT THE SITE.**

The Contractor shall maintain at the Site for Owner one applicable copy of Titles 19 and 24 and record copy of the Drawings, Specifications, Addenda, Change Orders, and other Modifications, in good order and marked currently to record changes and selections made during construction. In addition, Contractor shall maintain at the Site approved Shop Drawings, Product Data, Samples, and similar required submittals.

**3.11. SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES.**

3.11.1. **Shop Drawings.** The term “shop drawings” as used herein means drawings, diagrams, schedules, and other data, which are prepared by Contractor, subcontractors, manufacturers, suppliers, or distributors illustrating some portion of the Work. Contractor shall obtain and submit with the shop drawings all seismic and other calculations and all product data from equipment manufacturers. Shop drawings shall: establish the actual detail of all manufactured or fabricated items, indicate proper relation to adjoining work, amplify design details of mechanical

and electrical systems and equipment in proper relation to physical spaces in the structure, and incorporate minor changes of design or construction to suit actual conditions.

3.11.2. **Samples.** The term “samples” as used herein are physical examples furnished by Contractor to illustrate materials, equipment, or quality. All Work shall be in accordance with the approved samples.

3.11.3. **Contractor’s Responsibility.** Contractor shall obtain and shall submit to Owner all required shop drawings and samples in accordance with the Project Schedule as required in the Specifications with such promptness as to cause no delay in its own Work or in that of any other contractor. Review by Owner shall not relieve Contractor or any subcontractor from its responsibility in preparing and submitting proper shop drawings, product data, and samples in accordance with the Contract Documents. Any submission, which in Owner’s opinion is incomplete, contains numerous errors, or has been checked only superficially by Contractor, will be returned unreviewed by Owner for resubmission by Contractor. Contractor shall not commence any portion of the Work requiring a shop drawing or sample submission until Owner has approved the submission.

3.11.4. **Extent of Review.** In reviewing shop drawings, Owner will not verify dimensions and field conditions. Owner will review and approve shop drawings, product data, and samples for aesthetics and for conformance with the design concept of the Work and the information given in the Contract Documents. Owner’s review shall not relieve Contractor from responsibility for any deviations from the requirements of the Contract Documents unless Owner has given specific written approval. Contractor and subcontractors shall be solely responsible for determining any quantities, whether or not shown on the shop drawings.

3.11.5. **Substitution.** Unless the Specifications state that no substitution is permitted, whenever in the Contract Documents any specific brand or trade name is specified such specification shall be deemed to be followed by the words “or equal.” Owner may consider an untimely substitution request if the product specified is no longer commercially available.

**3.12. CLEANING UP.**

Contractor shall keep the Site and surrounding area free from accumulation of waste material or rubbish caused by operations under the Agreement. The Site shall be maintained in a safe, neat, and orderly condition. If Contractor fails to clean up as provided in the Contract Documents, Owner may do so, without prior notice to Contractor and the cost thereof shall be invoiced to Contractor and withheld from progress payments and/or retention. Upon completion of the Project, Contractor and subcontractor shall dismantle temporary structures, if any, and remove from the Site all construction and installation equipment, fences, scaffolding, surplus materials, rubbish, and supplies belonging to Contractor or subcontractor.

**3.13. ACCESS TO WORK.**

The Contractor shall provide Owner, Owner’s designees, and Inspector, access to the Work in preparation and progress wherever located.

**3.14. ROYALTIES AND PATENTS.**

Contractor shall pay all royalties and license fees incurred by Contractor in performing the Work of this Agreement. Contractor shall defend suits or claims of infringement of patent rights and shall hold Owner harmless and indemnify them from loss on account thereof.

**3.15. INDEMNIFICATION.**

Contractor’s obligations to indemnify Owner are set forth in Section 12 of the Agreement.

**4. ARTICLE 4 – ADMINISTRATION OF THE AGREEMENT**

**4.1. Reserved.**

**4.2. ADMINISTRATION OF THE AGREEMENT.**

4.2.1. **Owner and Representatives.** Owner may provide administration of the Agreement as described in the Contract Documents and may designate one or several agents, representatives, or consultants to provide administration.

4.2.2. **Limitations of Construction Responsibility.** Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of Owner or Owner's agents, representatives and consultants, or by tests, inspections, or approvals required or performed by persons other than Contractor.

4.2.3. **Communications Facilitating Agreement Administration.** Except as otherwise provided in the Contract Documents or when direct communications are warranted by special circumstances, Owner and Contractor shall communicate through Owner's selected representative.

4.2.4. **Rejection of Work.** In addition to the rights, duties, and obligations of Inspector under this Article, Owner's selected representative may recommend to Owner that Owner reject Work which does not conform to the Contract Documents.

**4.3. INSPECTOR.**

One or more project inspectors employed by Owner (the "**Inspector**") will be assigned to the Work in accordance with the requirements of Title 24 of the California Code of Regulations. The Inspector(s) duties will be as specifically defined in Title 24. All Work shall be under the observation of or with the knowledge of Inspector. The Inspector shall have free access to any or all parts of the Work at any time. Contractor shall furnish Inspector such information as may be necessary to keep Inspector fully informed regarding progress and manner of work and character of materials. Such observations shall not, in any way, relieve Contractor from responsibility for full compliance with all terms and conditions of the Agreement, or be construed to lessen to any degree the Contractor's responsibility for providing efficient and capable superintendence. The Inspector is not authorized to make changes in the drawings or specifications. The Inspector shall have the authority to reject work that does not comply with the provisions of the Contract Documents. In addition, Inspector may stop any Work which poses a probable risk of harm to persons or property. Any costs or expenses of inspection or testing incurred outside of the Inspection Distance Limitation stated in Section E on the Cover Page or not located in a contiguous county to the Project Site on which the inspection or testing is required, whichever distance is greater, shall be paid for by Owner, and Owner shall then invoice to Contractor and Contractor shall make payment thereof within 30 days after Contractor receives the invoice; if Contractor fails to do so, Owner shall have the right to withhold the amount from any payment due or to be due to Contractor under the Agreement. No work shall be performed by the Contractor solely upon the instructions or comments by Inspector. The Inspector has no authority to interpret the Contract Documents or order extra work and any extra work performed without the written instruction of Owner shall be at Contractor's sole cost and expense and there will be no delay damages incurred by Owner for such work.

**4.4. RESPONSIBILITY FOR ADDITIONAL CHARGES INCURRED BY OWNER FOR PROFESSIONAL SERVICES.**

If at any time prior to the completion of the requirements under the Contract Documents, through no fault of its own, Owner is required to provide or secure additional professional services for any reason by any act or omission of Contractor, Contractor shall be invoiced by Owner for any actual costs incurred for any such additional services, which costs may, among other remedies, be withheld from the progress payments and/or retention.

**4.5. CLAIMS.**

4.5.1. **General.** A Claim is a demand or assertion by Contractor seeking, as a matter of right, adjustment, or interpretation of Agreement terms, payment of money, extension of time, or other relief with respect to the terms of the Agreement. Claims must be made by written notice. The responsibility to substantiate Claims shall rest with Contractor. Contractor may only submit a Claim after having complied with the requirements in Article 6 of Exhibit A, as applicable, for the same matters.

Claims shall be submitted to Owner and Owner's designated representative. A timely decision by Owner shall be provided. Claims must be made by written notice prior to the final progress payment. An additional Claim made after the initial Claim has been implemented by Change Order will not be considered. The failure of Contractor to make a Claim within the specified time shall constitute an express waiver of any right to assert such Claim, whether affirmatively or defensively. Despite submission or rejection of a Claim, Contractor shall proceed diligently with performance of the Agreement, and Owner shall continue to make any undisputed payments in accordance with the Agreement. When any excavation or trenching extends greater than four feet below the surface, Public Contract Code section 7104 shall control.

Contractor shall make a certification at the time of submission of a Claim, substantially in the form attached as Exhibit J. Contractor understands and agrees that any Claim submitted without this certification does not meet the terms of the Contract Documents, that Owner, or Owner's representatives, may reject the Claim on that basis and that unless Contractor properly and timely files the Claim with the certification, Contractor cannot further pursue the Claim in any forum. A condition precedent will not have been satisfied.

#### 4.5.2. **Claims for Concealed or Unknown Conditions**

4.5.2.1. **Trenches or Excavations Less Than Four Feet Below the Surface.** If Contractor encounters conditions at the Site which are subsurface or otherwise concealed physical conditions, which differ materially from those indicated in the Contract Documents, or unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by Contractor shall be given to Owner promptly before conditions are disturbed and in no event later than ten (10) days after first observance of the conditions. Owner will promptly investigate such conditions, and if they differ materially and cause an increase or decrease in Contractor's cost of, time required for, or performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum, Contract Time, or both. If Owner determines that the conditions at the Site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Agreement is justified, Owner shall so notify Contractor in writing, stating the reasons. In the event a dispute arises between Owner and Contractor regarding whether the conditions materially differ, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the Work, Contractor shall not be excused from any scheduled completion date provided for by the Contract Documents, but shall proceed with all the work to be performed under the Contract Documents. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

4.5.2.2. **Trenches or Excavations Greater Than Four Feet Below the Surface.** Pursuant to Public Contract Code section 7104, when any excavation or trenching extends greater than four feet below the surface:

4.5.2.2.1. The Contractor shall promptly, and before the following conditions are disturbed, notify the public entity, in writing, of any:

4.5.2.2.1.1. Material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, which is required to be removed to a Class I, Class II, or Class III disposal site in accordance with the provisions of existing law.

4.5.2.2.1.2. Subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to respondents prior to the deadline for submitting responses to the competitive solicitation.

4.5.2.2.1.3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

4.5.2.2.2. The public entity shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work shall issue a change order under the procedures described in the Contract.

4.5.2.2.3. In the event that a dispute arises between Owner and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. Contractor shall retain any and all rights provided either by Contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

#### **4.6. CLAIMS OF \$375,000 OR LESS.**

Notwithstanding any other provision herein, claims of \$375,000 or less shall be handled pursuant to the procedures set forth in Public Contract Code section 20104.2, including claim, response, informal meet and confer conference, and Government Code claim. As a precedent to initiation of any litigation against Owner, Contractor must observe and comply with the Government Code claim procedures in Government Code sections 901 et seq. after completion of the contractual claim procedures above, including but not limited to timely presentation of a Government Code claim. The claim procedures described herein do not supersede or replace the requirement of a Government Code claim, and the two claim procedures shall be sequential.

#### **4.7. CLAIMS IN EXCESS OF \$375,000.**

Claims over \$375,000 shall be handled by Contractor and Owner pursuant to Section 4.6, above, except as follows: (a) Procedures in Public Contract Code section 20104.2(b) shall not be applicable; (b) Owner shall respond in writing to all written Claims within 90 days of receipt of the Claim, or may request, in writing, within 45 days of receipt of the Claim, any additional documentation supporting the Claim or relating to defenses to the Claim Owner may have against Contractor; (c) Owner shall respond within 45 days after receipt of the further documentation, or within a period of time no greater than that taken by Contractor in producing the additional information or documentation, whichever is greater; and (d) following any meet and confer conference pursuant to Public Contract Code section 20104.2(d), if the Claim or any portion of it remains in dispute and Contractor wishes to pursue it, Contractor must demand in writing within fifteen (15) days that the parties mediate, and such requirement for mediation shall not toll or supersede the requirement for submission of a Government Code claim, as specifically required in Section 4.6 above. If Contractor fails to timely notify Owner that it wishes to mediate pursuant to this Section, then Contractor will have waived all rights to further pursue the Claim. The parties shall reasonably cooperate to schedule and attend a mediation as soon as reasonably possible.

### **5. ARTICLE 5 – SUBCONTRACTORS**

#### **5.1. DEFINITIONS.**

5.1.1. **Subcontractor.** A Subcontractor is a person or entity that has a contract with Contractor to perform a portion of the Work at the Site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor. To the extent that the term Trade Contractor is utilized in the Contract Documents, it shall have the same meaning as the term "Subcontractor."

5.1.2. **Sub-Subcontractor.** A Sub-Subcontractor is a person or entity that has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the Site. The term "Sub-Subcontractor" is referred to throughout

the Contract Documents as if singular in number and means a Sub-Subcontractor or an authorized representative of the Sub-Subcontractor.

**5.2. AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK.**

Subcontractors shall be selected by Contractor and Owner pursuant to the Agreement. Subcontractor substitution shall be handled in accordance with the Agreement. Any substitutions of subcontractors shall not result in any increase in the Contract Sum or the granting of any extension of time for the completion of the Project.

**5.3. SUBCONTRACTUAL RELATIONS.**

By appropriate agreement, written where legally required for validity, Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to Contractor by terms of the Contract Documents, and to assume toward Contractor all obligations and responsibilities, which Contractor, by the Contract Documents, assumes toward Owner.

**5.4. CONTINGENT ASSIGNMENT OF SUBCONTRACTS.**

Each subcontract agreement for a portion of the Work is assigned by Contractor to Owner provided that:

5.4.1. Assignment is effective only after termination of the Contract with Contractor by Owner for cause pursuant to Article 14 and only for those subcontract agreements which Owner accepts by notifying the Subcontractor in writing; and

5.4.2. Assignment is subject to the prior rights of the surety, if any, obligated under any bond relating to the Contract.

**6. ARTICLE 6 – CHANGES IN THE WORK**

**6.1. CHANGES.**

6.1.1. **No Changes Without Authorization.** Owner reserves the right to make such alterations, deviations, additions to, or deletions from the plans and specifications, as may be deemed by Owner to be necessary or advisable for the proper completion or construction of the Work contemplated, and the right to require Contractor to perform such work. There shall be no change whatsoever in the drawings, specifications, or in the Work without an executed Change Order, Construction Change Directive, or order by Owner for a minor change in the Work as herein provided. Owner shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless the same shall have been authorized by and the cost thereof approved in writing by Change Order or executed Construction Change Directive. No extension of time for performance of the Work shall be allowed hereunder unless claim for such extension is made at the time changes in the Work are ordered, and such time duly adjusted in writing in the Change Order.

6.1.2. **Owner’s Authority.** Owner will have authority to order minor changes in the Work not involving any adjustment in the Contract Sum, an extension of the Contract Time, or a change which is inconsistent with the intent of the Contract Documents. Such changes shall be affected by written Change Order and shall be binding on Owner and Contractor. Contractor shall carry out such written orders promptly.

**6.2. CHANGE ORDERS (“CO”).**

A CO is a written instrument prepared by Owner and Contractor stating their agreement upon all of the following: (A) A change in the Work; (B) the amount of the adjustment in the Contract Sum, if any; and (C) the extent of the adjustment in the Contract Time, if any.

**6.3. CONSTRUCTION CHANGE DIRECTIVES (“CCD”).**

A CCD is a written order prepared by Owner, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. Owner may by CCD, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, with the Contract Sum and Contract Time being adjusted accordingly. A CCD shall be used in the absence of agreement on the terms of a CO.

**6.4. CHANGE ORDERS DUE TO CONTRACTOR ERROR OR OMISSION.**

Based upon the services Contractor will have provided in preparing its response to Owner’s request for proposals for the Work, and Contractor’s duties and responsibilities regarding the engineering and design of the Project, Contractor and Owner intend and expect that Contractor will not submit any change order requests during the construction of the Project based upon alleged errors or omissions in the plans, specifications, drawings, or designs for the Project – including those prepared and provided by Owner and/or Owner’s consultants. Rather, the parties intend and expect that change order requests will only be submitted for Owner-requested changes in the scope of work of the Project, or for changes in the work of the Project due to unforeseen conditions of the site, all in accordance with this Agreement and the Contract Documents of the Project.

**6.5. SUPPLEMENTAL INSTRUCTION (“SI”).**

A SI is a written instrument prepared by Owner and submitted to Contractor. The SI can order changes in the work that does not affect the Contract Sum and/or Time. A SI can be made in an RFI response by issuing a formal SI document or by written letter from Owner.

**6.6. REQUEST FOR INFORMATION (“RFI”).**

An RFI is a written request prepared by Contractor asking Owner to provide additional information above and beyond that which is available in the Contract Documents and all reference standards, regarding Contractor and fulfilling the Contract coordination requirements for which Contractor is obligated to perform. The RFI shall reference all the applicable Contract Documents including specification section, detail, page numbers, drawing numbers, and sheet numbers, etc. Contractor shall make suggestions and/or interpretations of the issue raised by the RFI. An RFI cannot modify the Contract Cost, Contract Time, or the Contract Documents. Prior to issuing an RFI, Contractor, Subcontractor, material suppliers and the like shall thoroughly review the Contract Documents and refer to all reference standards for the information sought. Owner and Contractor agree that an adequate time period for Owner to respond to an RFI is generally fourteen (14) calendar days after Owner’s receipt of an RFI, unless Owner and Contractor agree otherwise in writing. However, in all cases, Owner shall take such time, whether more or less than 14 days, as is necessary in Owner and Owner’s representatives professional judgment to permit adequate review and evaluation of the RFI. Contractor shall be invoiced by Owner for any costs incurred for professional services, which shall be withheld from progress payments and/or retention, if an RFI requests an interpretation or decision of a matter where the information sought is equally available to the party making such request. Contractor shall make efforts to coordinate the work in a timely fashion, so as to alleviate priority RFIs. If the RFI is considered a priority, Contractor shall state the word “Priority” on the document, and Contractor shall provide weekly RFI Priority Schedules. Contractor shall issue and maintain weekly RFI Priority Schedules.

The RFI Priority Schedule shall include a listing of pending requests, including the most current request, and rank the RFIs in order of priority. Owner shall endeavor to respect Contractor’s requested order of priorities and requested response dates. Owner’s response to the RFI shall be considered a Supplemental Instruction (SI) in which the Contract Sum and/or Time is not altered. If the RFI response alters the Contract Sum and/or Time, a Construction Change Directive (CCD) may be issued for the changed condition(s). Should Contractor determine the response to the RFI creates changes in the Contract Sum and/or Time, Contractor shall submit a change order request (COR) to Owner for review, along with a Time Extension Request (if required).

**6.7. REQUEST FOR PROPOSAL REGARDING CHANGE (“RFP - Change”).**

An RFP - Change is a written request prepared by Owner asking Contractor to submit to Owner an estimate of the effect of a proposed change on the Contract Sum and the Contract Time. An RFP – Change shall contain adequate

information, including any necessary drawings and specifications, to enable Contractor to provide the cost breakdowns required by Section 6.9 below. The Contractor shall not be entitled to any Additional Compensation for preparing a response to an RFP - Change, whether ultimately accepted or not.

**6.8. CHANGE ORDER REQUEST (“COR”).**

A COR is a written request prepared by Contractor asking Owner to incorporate a proposed change called for in an RFP – Change or a notice of claim into a CO. A COR shall include breakdowns to validate any change in Contract Sum due to proposed change or claim. A COR shall also include any additional time required to complete the Project. Any additional time requested shall not be the number of days to make the proposed change, but must be based upon the impact to the Project Schedule as defined in Section 3.9 and the Specifications.

**6.9. COST OF CHANGE ORDERS.**

6.9.1. **Scope.** Within ten (10) days or such lesser period of time as may be required by Owner after a request is made for a change that impacts the Contract Sum or the Contract Time, Contractor shall provide to Owner in writing an estimate of the effect of the proposed CO upon the Contract Sum and the actual cost of construction, which shall include a complete itemized cost breakdown of all labor and material showing actual quantities, hours, unit prices, wage rates, required for the change, and the effect upon the Contract Time of such CO. Changes may be made by Owner by an appropriate written CO, or, at Owner’s option, such changes shall be implemented immediately upon the Contractor’s receipt of an appropriate written CCD.

6.9.2. **Determination of Cost.** The amount of the increase or decrease in the Contract Sum resulting from a CO, if any, shall be determined in one or more of the following ways as applicable to a specific situation: (A) Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation; (B) unit prices stated in Contractor’s original proposal, the Contract Documents, or subsequently agreed upon between Owner and Contractor; (C) cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or (D) by cost of material and labor and percentage of overhead and profit. Contractor and Subcontractors may mark up their own work by 5% for overhead, bond and insurance premiums, and profit. Contractor may mark up a Subcontractor’s total costs by 5%. It is expressly understood that the value of such extra work or changes, as determined by any of the aforementioned methods, expressly includes any and all of Contractor’s costs and expenses, both direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project. Any costs or expenses not included are deemed waived. For purposes of determining the cost, if any, of any change, addition, or omission to the Project, all trade discounts, rebates, refunds, and all returns from the sale of surplus materials and equipment shall accrue and be credited to Contractor, and Contractor shall make provisions so that such discounts, rebates, refunds, and returns may be secured, and the amount thereof shall be allowed as a reduction of Contractor’s cost in determining the actual cost of construction for purposes of any change, addition, or omissions in the Project as provided herein.

6.9.3. **Accounting Records.** With respect to portions of the Work performed by COs and CCDs on a time-and-materials, unit-cost, or similar basis, Contractor shall keep and maintain cost-accounting records satisfactory to Owner, which shall be available to Owner on the same terms as any other books and records Contractor is required to maintain under the Contract Documents.

6.9.4. **Notice Required.** If Contractor desires an increase in the Contract Sum, or any extension in the Contract Time for completion, it shall give Owner written notice thereof within ten (10) days after the occurrence of the event giving rise to the claim, together with detailed estimates of the impact on the Contract Sum and/or the Contract Time. This notice shall be given by Contractor before proceeding to execute the Work, except in an emergency endangering life or property, in which case Contractor shall proceed in accordance with Section 9.4 of this Exhibit A. No notice shall be considered unless made in accordance with this Subsection; however, the mere presentation of such claim shall not establish the validity of the cause giving rise to such claim, or of the extension of the Contract Time, and/or the increase in the Contract Sum. Contractor shall proceed to execute the Work even though the adjustment has not been agreed upon. Any change in the Contract Sum or extension of the Contract Time resulting from such claim shall be authorized by a CO.

6.9.5. **Format for Proposed Change Order.** The Parties shall use the following format, as applicable, to communicate proposed additions and deductions to the Contract.

	<b>SUBCONTRACTOR WORK</b> (list each if more than one)	<b>ADDITIVE</b>	<b>DEDUCTIVE</b>
<b>1</b>	SUBCONTRACTOR LABOR TOTAL <sup>1</sup>	\$ _____	\$ _____
<b>2</b>	SUBCONTRACTOR MATERIAL TOTAL <sup>1</sup> ,	\$ _____	\$ _____
<b>3</b>	SUBCONTRACTOR EQUIPMENT TOTAL <sup>1</sup> ,	\$ _____	\$ _____
<b>4</b>	<b>SUBTOTAL #1</b> (LINES 1, 2 & 3)	\$ _____	\$ _____
<b>5</b>	SUBCONTRACTOR'S OVERHEAD AND PROFIT FOR SUBTOTAL #1 (LINE 4) <sup>2</sup>	\$ _____	\$ _____
<b>6</b>	<b>SUBTOTAL #2</b> (LINES 4 & 5) <sup>2</sup>	\$ _____	\$ _____

	<b>CONTRACTOR'S WORK</b>	<b>ADDITIVE</b>	<b>DEDUCTIVE</b>
<b>7</b>	CONTRACTOR LABOR TOTAL <sup>1</sup> ,	\$ _____	\$ _____
<b>8</b>	CONTRACTOR MATERIAL TOTAL <sup>1</sup> ,	\$ _____	\$ _____
<b>9</b>	CONTRACTOR EQUIPMENT TOTAL <sup>1</sup> ,	\$ _____	\$ _____
<b>10</b>	<b>SUBTOTAL #3</b> (LINES 7, 8 & 9)	\$ _____	\$ _____
<b>11</b>	CONTRACTOR'S OVERHEAD AND PROFIT FOR SUBTOTAL #3 (LINE 10) <sup>2</sup>	\$ _____	\$ _____
<b>12</b>	CONTRACTOR'S OVERHEAD AND PROFIT FOR SUBTOTAL #2 (LINE 6) <sup>2</sup>	\$ _____	\$ _____
<b>13</b>	<b>SUBTOTAL #4</b> (LINES 10, 11 & 12)	\$ _____	\$ _____

<b>14</b>	<b>SUM OF SUBTOTALS #2 &amp; #4</b>	\$ _____	\$ _____
<b>15</b>	<b>CONTRACTOR'S BOND</b> <sup>3</sup>	\$ _____	\$ _____
<b>16</b>	<b>NET TOTAL FOR C.O.R.</b> <sup>4</sup>	\$ _____	

- 1: Attach itemized list(s) indicating hours, rates, material quantity, material costs, unit costs, and taxes
- 2: Refer to the Overhead and Profit Schedule
- 3: Contractor's bond and liability insurance premium, if in fact actual bonds and insurance are to be purchased. Total costs shall not exceed 2% of the Net Total (line 16). Refer to the O&P Schedule.
- 4: Includes all direct and indirect costs, including but not limited to, acceleration, cumulative effect of the change(s), expediting the work, etc.

**NOTE: OVERHEAD AND PROFIT SHALL BE CALCULATED ON THE NET AMOUNT OF THE CHANGE ORDER**

**OVERHEAD & PROFIT (O&P) PERCENTAGE SCHEDULE**

- (i) Refer to the O&P Schedule below. The cost of the work does not include the overhead and profit mark-up.
- (ii) For all work, Contractor’s Bond and Liability Insurance Premium may be added in onto the “Form for EXTRA WORK and/or DEDUCTIVE WORK.”
- (iii) The O&P Schedule shall be used for “Negotiated Sum” and/or “Time and Materials” work. Unit Price work shall not have the overhead and profit mark-up applied to the work, on the basis that the Unit Price includes overhead and profit margins.

	Work by Subcontractor less than or equal to \$2,500	Work by Subcontractor more than \$2,500	Work by Contractor less than or equal to \$2,500	Work by Contractor more than \$2,500
<b>Subcontractor Overhead &amp; Profit</b>	20%	15%	N/A	N/A
<b>Contractor Overhead &amp; Profit</b>	10% Excluding Bond Premium	5% Excluding Bond Premium	15% Excluding Bond Premium	10% Excluding Bond Premium
<b>Total Overhead and Profit, not to exceed:</b>	<b>30%</b>	<b>20%</b>	<b>15%</b>	<b>10%</b>

**7. ARTICLE 7 – TIME**

**7.1. DEFINITIONS.**

7.1.1. **Contract Time.** Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Completion of the Work.

7.1.2. **Days.** The term “day” as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

**7.2. PROJECT PHASES AND NOTICES TO PROCEED.**

The date of commencement of the Work is the date established in the Notice to Proceed to Design. The date shall not be postponed by the failure to act of Contractor or of persons or entities for which Contractor is responsible. The Work on the Project shall be performed in accordance with the following phases:

7.2.1. **Design Phase.** Upon Owner’s issuance of a written Notice to Proceed to Design, Contractor shall prepare any necessary designs, Drawings, and specifications, as well as feasibility and configuration assessments, environmental assessments (collectively “**Design Documents**”), and other inspections of each Project Site by the date stated in the Project Schedule for the First Draft of Drawings. Contractor shall deliver draft design Drawings in accordance with the Specifications to Owner for review and approval, which approval shall not be unreasonably withheld. Owner shall diligently review and respond to each submission by Contractor by the date stated in the Project Schedule for Owner response. Contractor shall finalize the Design Documents by the date stated on the Project Schedule for the Final Draft of Drawings. No work shall be performed until Owner’s issuance of the Notice to Proceed to Design.

7.2.2. **Governmental Approval Phase.** Upon Owner’s written approval of the final Design Documents, Contractor shall seek all such approvals of the Design Documents and the Project as may be required by any governmental entity having jurisdiction over the Project. Contractor shall exercise all reasonable diligence to ensure that all necessary permits and approvals are received by the date stated in the Project Schedule for Permit Approval. Owner shall not unreasonably withhold its consent to any modifications to the Design Documents that may be requested by any governmental or quasi-governmental agency with jurisdiction over the Project or the work on the Project, excepting any changes that materially affect the tilt, azimuth or number of photovoltaic modules, or other aspects of the original design that may affect the Contract Sum or the Annual Production Estimate, or that materially affect the siting of the Project and its impact on Owner’s operations. The Governmental Phase requires, in part, that all approvals necessary for the Project to be constructed have been received and provided to Owner in writing.

7.2.3. **Construction Phase.** Within 15 days of receipt of Contractor’s written notice that all permits and approvals necessary to begin construction of the Project have been secured, including but not limited to the approval of District, Owner shall issue a Notice to Proceed to Procurement and Construction. Upon receipt of the Notice to Proceed to Procurement and Construction, Contractor shall facilitate, or cooperate with Owner in its efforts to facilitate, a kick-off meeting with Owner and any of its representatives and Contractor, and any other relevant parties. Upon receipt of the Notice to Proceed to Procurement and Construction and after securing all necessary permits, Contractor shall commence the construction of the Project in accordance with the final Design Documents and all other Contract Documents.

7.2.4. **Commissioning Phase; Substantial Completion.** When construction of the Project is substantially complete, Contractor will give notice to Owner and will commence the commissioning phase. During the commissioning phase, Contractor shall conduct all commissioning tests in accordance with the Commissioning Schedules in Exhibit B. Contractor shall provide notice to Owner of any scheduled test(s) of installed equipment, and Owner or its designees shall have the right to be present at any or all such tests conducted by Contractor, any Subcontractor, or manufacturers of the equipment. Contractor shall be responsible for correcting or adjusting all deficiencies in the **System** and equipment operations that Contractor provided and installed that may be observed during equipment commissioning procedures. The Commissioning Phase requires, in part, the **System** being capable of fully interconnecting with the Distribution Utility and operating normally to **produce, store and discharge** electricity upon receipt of Distribution Utility’s signed Permission to Operate (as defined in Section 7.2.5). The completion of the Commissioning Phase requires, in part, Inspector’s written notice of Substantial Completion, satisfaction of commissioning tests and certification that the System are ready for inspection by the Distribution Utility for Permission to Operate. Upon receipt of the written notice of the Inspector, Owner will have ten (10) days to provide confirmation of Substantial Completion, subject to any punch list items that remain to be corrected for final Project completion. “Substantial Completion” means that construction of the System has been completed in accordance with the requirements of this Agreement and has successfully completed commissioning, subject only to minor punch list items that do not materially impact the operation or performance of the System.

7.2.5. **Permission to Operate.** Upon confirmation of Substantial Completion by the Owner, Contractor will work with the Distribution Utility to obtain Permission to Operate. “Permission to Operate” means that the Distribution Utility has inspected the System, all permits and approvals for the operation of the System has been obtained and the System is approved in writing by the Distribution Utility for interconnection and normal operation. It is intended that Contractor will continue to work on punch list and other post-construction items necessary for final completion while working with the Distribution Utility to achieve Permission to Operate. Permission to Operate will be a condition to final completion and Project closeout pursuant to Section 7.2.6. In the event that Permission to Operate is delayed by the Distribution Utility and such delay is not the result of the failure of Contractor to submit any required documentation on a timely basis, then Contractor will be entitled to an extension of the Final Project Completion Date. If the Distribution Utility does not approve Permission to Operate as a result of the System not meeting the requirements of the Distribution Utility for interconnection, then Contractor shall promptly correct any such non-compliance and any delay of Permission to Operate beyond the Final Project Completion Date (as the same may be extended) as a result of the non-compliance will be subject to damages at the Delay Liquidated Damages Rate.

**7.2.6. Project Completion and Closeout.** Contractor will have forty-five (45) days from the Substantial Completion date to achieve final completion, subject to extension for excusable delays incurred as a result of the Distribution Utility. Following the receipt of Permission to Operate and completion of all post-construction punch-list or other items, Owner shall acknowledge final inspection and completion of the Project by executing a Certificate of Acceptance and recording a Notice of Completion in accordance with the Contract Documents and applicable laws.

**7.3. HOURS OF WORK.**

**7.3.1. Sufficient Forces.** Contractors and Subcontractors shall furnish sufficient forces to ensure the prosecution of the Work in accordance with the Project Schedule.

**7.3.2. Performance During Working Hours.** Work shall be performed during regular District working hours except that in the event of an emergency or when required to complete the Work in accordance with job progress, work may be performed outside of regular District working hours with the advance written consent of Owner.

**7.3.3. Labor Code Application.** As provided in Article 3 (commencing at § 1810), Chapter 1, Part 7, Division 2 of the Labor Code, eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by Contractor or by any Subcontractor on any subcontract under this Contract, upon the work or upon any part of the work contemplated by this Contract, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as hereinafter provided. Notwithstanding the provision hereinabove set forth, work performed by employees of Contractors in excess of eight (8) hours per day and forty (40) hours during any one week shall be permitted upon this public work with compensation provided for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1-1/2) times the basic rate of pay.

Contractor or subcontractor shall pay to Owner a penalty of Twenty-five Dollars (\$25.00) for each worker employed in the execution of this Contract by Contractor, or by any Subcontractor, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one (1) calendar week, in violation of the provisions of Article 3 (commencing at § 1810), Chapter 1, Part 7, Division 2 of the Labor Code, unless compensation for the workers so employed by Contractor is not less than one and one-half (1-1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours per day.

**7.4. PROGRESS AND COMPLETION.**

Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work. Contractor shall not knowingly, except by agreement or instruction of Owner, in writing, commence operations on the Site or elsewhere prior to the effective date of insurance required by Article 10 to be furnished by the Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance. Contractor shall proceed expeditiously with adequate forces and shall achieve Completion within the Contract Time.

**7.5. EXTENSIONS OF TIME - LIQUIDATED DAMAGES.**

**7.5.1. Excusable Delay.** The Contractor shall not be charged for liquidated damages, as set forth in the Agreement, because of any delays in completion of the Work due to acts of God, acts of public enemy, acts of Government, acts of Owner or anyone employed by it, acts of another contractor in performance of a contract (other than this Contract) with Owner, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, delays caused by the Distribution Utility which are not the result of any failure of Contractor to take necessary action, delays as a result of supply chain disruption for key components for the Project provided that Contractor made reasonable attempts to procure such components on a timely basis from reputable suppliers and the delay was outside of Contractor's control, delays as a result of the discovery of any cultural or archaeological resource at the Project site during construction, or delays of subcontractors due to such causes (collectively "**Excusable Delay**"). Contractor has the burden of proving that any delay is excusable.

**7.5.2. Notice by Contractor Required.** Contractor shall within ten (10) calendar days of beginning of any such delay (unless Owner grants in writing a further period of time to file such notice prior to the date of final payment under the Contract) notify Owner in writing of causes of delay. With respect to any delay caused by a supply chain disruption, Contractor will notify Owner promptly upon becoming aware of any such disruption and what mitigating action is available to source alternative components. Owner will then ascertain the facts and extent of the delay and grant an extension of time for completing the Work when, in its judgment, the findings of fact justify such an extension. Owner's findings of fact thereon shall be final and conclusive on the parties. Extensions of time shall apply only to that portion of the Work affected by the delay and shall not apply to other portions of the Work not so affected. The sole remedy of Contractor for extensions of time under Subsection 7.5.1 shall be an extension of the Contract Time at no cost to Owner.

**7.5.3. Conditions for Extension of Time.** If Contractor is delayed at any time in progress of the Work by an act or neglect of Owner, an employee of Owner, or of a separate contractor employed by Owner, by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, or unavoidable casualties, by delay authorized by Owner pending arbitration, or by other causes which Owner determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as Owner may determine. Claims relating to time extensions shall be made in accordance with applicable provisions of Article 6. In the event that a delay caused by Owner pursuant to this Section exceeds fourteen (14) days, then Contractor will be entitled to an equitable adjustment for actual increases in cost incurred by Contractor as a result of the delay in excess of such period.

**7.5.4. Early Completion.** Regardless of the cause therefore, Contractor may not maintain any Claim or cause of action against Owner for damages incurred as a result of its failure or inability to complete its work on the Project in a shorter period than established in the Contract Documents.

**7.5.5. Liquidated Damages.** Failure to complete the Project within the time and in the manner provided for by the Contract Documents shall subject Contractor to liquidated damages, as described in the Agreement.

## **7.6. GOVERNMENT APPROVALS.**

Owner shall not be liable for any delays or damages related to the time required to obtain government approvals.

## **7.7. DELAYS DUE TO PROJECT SITE ACTIVITIES.**

Owner shall not be liable for any damages or compensation to Contractor resulting from, arising out of, or related to any delays caused by scheduled activities at Project Sites, Owner's construction projects, and other events which would require access to Project Sites. Owner shall provide a 3-week advance notice for all scheduled activities.

If any part of Contractor's work depends for proper execution or results upon work of any other contractor, the Contractor shall inspect and promptly report to Owner in writing any defects in such work that render it unsuitable for such proper execution and results. Contractor will be held liable for damages to Owner for that work which it failed to inspect or should have inspected. Contractor's failure to inspect and report shall constitute its acceptance of other Contractor's work as fit and proper for reception of its work, except as to defects which may develop in other Contractors' work after execution of Contractor's work.

To ensure proper execution of its subsequent work, Contractor shall measure and inspect work already in place and shall at once report to Owner in writing any discrepancy between executed work and Contract Documents.

It is the obligation of Contractor to ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by Owner in prosecution of the Project to the end that Contractor may perform its Contract in the light of such other contracts, if any.

Nothing herein contained shall be interpreted as granting to Contractor exclusive occupancy of the Project. Contractor shall not cause any unnecessary hindrance or delay to any other contractor working on the Project. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or

contracts, Owner shall decide which contractor shall cease work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously. If Owner directs Contractor to cease Work temporarily due to the work of another contractor, Contractor shall be entitled to a change order upon documentation of actual, reasonable costs, but such costs shall not include overhead, profit or general conditions for the period of time during which Work has ceased.

If the Project is split into phases and/or separate contracts, then Contractor has made allowances for any delays or damages which may arise from coordination with contractors for other phases or contracts. If any delays should arise from a contractor working on a different phase or contract, Contractor's sole remedy for damages, including delay damages, shall be against the contractor who caused such damage and not Owner. Contractor shall provide access to contractors for other phases or contracts as necessary to prevent delays and damages to contractors working on other phases or contracts.

## **8. ARTICLE 8 - PAYMENTS AND COMPLETION**

### **8.1. CONTRACT SUM.**

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by Owner to Contractor for performance of the Work under the Contract Documents.

### **8.2. COST BREAKDOWN.**

On forms approved by Owner within ten (10) days of the mailing, faxing or delivery of the Notice of Award of the Contract, Contractor shall furnish a cost breakdown, itemizing all cost categories in excess of \$10,000 and a list of all subcontractors and suppliers. Owner shall review all submissions received in a timely manner. All submissions must be approved by Owner before becoming the basis of any payment.

### **8.3. APPLICATIONS FOR PAYMENT.**

When the Progress Payment Milestones defined in Subsection 8.6.1 have been met, Contractor shall submit to Owner an itemized Application for Payment for Work using Document G702 and G703 by The American Institute of Architects or similar document, completed in accordance with the Payment Schedule in Subsection 8.6.1. As Contractor is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from Owner, to assure that there will be no delays, payment by Owner for stored material shall be made only in unusual circumstances where Owner specifically approves the payment in writing. Contractor warrants that title to all Work covered by an Application for Payment will pass to Owner no later than the time of payment. If payments are to be made for materials and equipment that are not incorporated in the Work on the Project but delivered and suitably stored at a Project Site or at some other location agreed upon in writing by Owner, the payments shall be conditioned upon submission by Contractor, Subcontractor, or vendor of bills of sale and such other documents satisfactory to Owner to establish Owner's title to such materials or equipment free of all liens and encumbrances, and otherwise protect Owner's interest, including, without limitation, provision of applicable insurance and transportation to the Project Site. All stored items shall be inventoried, specified by identification numbers (if applicable), released to Owner by the sureties and Subcontractors, and, if stored off the Project Site, stored only in a bonded warehouse.

### **8.4. REVIEW OF PROGRESS PAYMENT.**

Owner will, within seven (7) days after receipt of Contractor's Application for Payment, either approve such payment or notify Contractor in writing of Owner's reasons for withholding approval in whole or in part. The review of the Contractor's Application for Payment by Owner is based on Owner's observations at the Site and the data comprising the Application for Payment whether the Work has progressed to the point indicated and whether, to the best of Owner's knowledge, information, and belief, the quality of the Work is in accordance with the Contract Documents.

## 8.5. DECISIONS TO WITHHOLD PAYMENT.

Owner may decide to withhold payment in whole, or in part, to the extent reasonably necessary to protect Owner. In addition, Owner may withhold payment, in whole, or in part, to such extent as may be necessary to protect Owner from loss because of any acts or omissions by Contractor, including any rights to withhold mentioned in the Contract Documents.

## 8.6. PROGRESS PAYMENTS.

8.6.1. **Payment Schedule.** Progress payments shall be made in accordance with Public Contract Code section 20104.50. Owner shall pay the Contract Sum to Contractor on a per Project Site basis in accordance with the following schedule and after Contractor has complied with the requirements of Section 8.3 and the Contract Documents:

Payment 1 (“**Design Payment**”): Fifteen (15) percent of the Contract Sum upon Contractor’s completion of all work required in the Governmental Approval Phase (see Subsection 7.2.2 of this Exhibit A and all provisions related thereto).

Payment 2 (“**Procurement Payment**”): Forty (40) percent of the Contract Sum during the Construction Phase (see Subsection 7.2.3 of this Exhibit A and all provisions related thereto) upon delivery on the Project Sites of all major equipment, which shall include support structures, combiner boxes, switchgear, panelboards, disconnect switches, inverters, SCADA systems and meteorological stations, and upon Contractor providing Owner with all documents required of Contractor pursuant to Section 8.3.

Payment 3 (“**Construction Payment**”): Twenty (20) percent of the Contract Sum upon Contractor’s completion of all work required in the Construction Phase (see Subsection 7.2.3 of this Exhibit A and all provisions related thereto).

Payment 4 (“**Commissioning Payment**”): Fifteen (15) percent of the Contract Sum upon Contractor’s completion of all work in the Commissioning Phase (see Section 7.2.4 of this Exhibit A and all provisions related thereto).

Payment 5 (“**Inspection Payment**”): Five (5) percent of the Contract Sum upon submission to Inspector by Contractor of all forms necessary for Inspector’s approval / certification of the Project. Notwithstanding the release of such funds upon Contractor’s submission of documentation to Inspector, Contractor shall continue to be obligated to respond to all inquiries and requests of Owner, Owner’s agents or Inspector made in connection with Inspector’s approval / certification of the Project.

Payment 6 (“**Final Payment**”): Five (5) percent of the Contract Sum upon Owner’s filing of the Notice of Completion on the Project, less any amount or amounts properly withheld by Owner in accordance with the Contract Documents, until such time, if any, that such amount or amounts may be or are required to be released in accordance with the Contract Documents.

8.6.2. **Payments and Information to Subcontractors.** No later than 7 days after Contractor receives payment from Owner, pursuant to Business and Professions Code section 7108.5, Contractor shall pay to each Subcontractor, out of the amount paid to Contractor on account of such Subcontractor's portion of the work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to Contractor on account of such Subcontractor's portion of the work. Contractor shall, by appropriate subcontract with each Subcontractor, require each Subcontractor to make payments to Sub-Subcontractors in a similar manner. Owner has no obligation to pay, or to see to the payment of, money to a Subcontractor except as may otherwise be required by law. Owner will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by Contractor, and action taken thereon by Owner, on account of portions of the work done by such Subcontractor.

8.6.3. **Waivers and Releases.** Within 15 days after receipt of each progress payment and the Final Payment, Contractor shall provide (and shall cause its suppliers and Subcontractors, and their subcontractors to provide) to

Owner an unconditional lien waiver and release (related to progress payment or Final Payment as applicable) in a form substantially similar to the forms attached hereto as Exhibit I.

**8.7. COMPLETION OF THE WORK.**

Upon receipt of Contractor's request for final inspection, Owner will make an inspection to determine whether the Work, or designated portion thereof, is complete. If Owner's inspection discloses any item which is not completed in accordance with the requirements of the Contract Documents, Contractor shall, before Owner's issuance of the Notice of Completion, diligently complete or correct such item.

**8.8. PARTIAL OCCUPANCY OR USE.**

Owner may occupy or use any completed or partially completed portion of the Work at any stage without accepting that work and without waiving rights to claim damages as to that work. Owner and Contractor shall agree in writing to the responsibilities assigned to each of them for payments, security, maintenance, heat, utilities, damage to the Work, insurance, the period for correction of the Work, and the commencement of warranties required by the Contract Documents.

**8.9. ACCEPTANCE, NOTICE OF COMPLETION, AND FINAL PAYMENT.**

If Owner's representatives find the Work fully performed under the Contract Documents, they shall so notify Contractor, who shall then submit to Owner its final application for progress payment. After Owner's representatives find the Work fully performed, Owner's governing body should accept the Work as fully complete. After completion, Owner may record a Notice of Completion with the County Recorder in accordance with Civil Code section 3093. Contractor shall, upon receipt of final progress payment from Owner, pay the amounts due Subcontractors. Owner shall pay the retainage pursuant to Public Contract Code section 7107. Any application for final progress payment shall be accompanied by the same details required for regular progress payments. Acceptance of final progress payment shall constitute a waiver of Claims except for those previously identified in writing and identified by that payee as unsettled at the time of final payment.

**8.10. SUBSTITUTION OF SECURITIES.**

In accordance with section 22300 of the Public Contract Code, Owner will permit the substitution of securities for any monies withheld by Owner to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with Owner, or with a state or federally chartered bank as the escrow agent, who shall then pay such monies to Contractor. Upon completion of the Contract, the securities shall be returned to Contractor. Securities eligible for investment under this section shall include those listed in Government Code section 16430, bank or savings and loan certificates of deposit, interest-bearing, demand-deposit accounts, standby letters of credit, or any other security mutually agreed to by Contractor and Owner. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. Any escrow agreement used shall be substantially similar to the form set forth in Public Contract Code section 22300.

**9. ARTICLE 9 - PROTECTION OF PERSONS AND PROPERTY**

**9.1. SAFETY PRECAUTIONS AND PROGRAMS.**

Contractor shall have responsibility for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract. Subcontractors have the responsibility for participating in, and enforcing, the safety and loss prevention programs established by Contractor for the Project, which will cover all Work performed by Contractor and its Subcontractors. Subcontractors shall promptly report in writing and by phone to Contractor all accidents whatsoever arising out of, or in connection with, the performance of the Work, whether

on or off the Site, which caused death, personal injury, or property damage, giving full details and statements of witnesses. Contractor will provide and maintain at the Site first-aid supplies for minor injuries.

**9.2. SAFETY OF PERSONS AND PROPERTY.**

Contractor shall take reasonable precautions for the safety of, and shall provide reasonable protection to prevent damage, injury, or loss to: (A) Employees on the Work and other persons who may be affected thereby; (B) the Work, material, and equipment to be incorporated therein, whether in storage on or off the Site, under the care, custody, or control of the Contractor or the Contractor's Subcontractors or Sub-Subcontractors; and (C) other property at the Site or adjacent thereto such as trees, shrubs, lawns, walks, pavement, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction. Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on the safety of persons or property or their protection from damage, injury, or loss.

Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent Sites and utilities.

When use or storage of explosives, other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel. Contractor shall notify Owner any time that explosives or hazardous materials are expected to be stored on Site. Location of storage shall be coordinated with Owner and local fire authorities.

**9.3. PROTECTION OF WORK AND PROPERTY.**

Contractor and Subcontractors shall continuously protect the Work, Owner's property, and the property of others, from damage, injury, or loss arising in connection with operations under the Contract Documents. Contractor and Subcontractors shall make good any such damage, injury, or loss, except such as may be solely due to, or caused by, agents or employees of Owner.

Contractor and the Subcontractors shall use only those ingress and egress routes designated by Owner, observe the boundaries of the Site designated by Owner, park only in those areas designated by Owner, which areas may be on or off the Site, and comply with any parking control program established by Owner such as furnishing license plate information and placing identifying stickers on vehicles.

**9.4. EMERGENCIES.**

In an emergency affecting the safety of persons or property, Contractor shall take any action necessary, at Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by Contractor on account of an emergency shall be determined as provided in Article 7. Contractor shall promptly report in writing to Owner all accidents arising out of or in connection with the Work, which caused death, personal injury, or property damage, giving full details, and statements of any witnesses. In addition, if death, serious personal injuries, or serious property damages are caused, the accident shall be reported immediately by telephone or messenger to Owner.

**9.5. HAZARDOUS MATERIALS.**

In the event Contractor encounters or suspects the presence on the Site material reasonably believed to be asbestos, polychlorinated biphenyl (PCB), or any other material defined as being hazardous by section 25249.5 of the California Health and Safety Code, which has not been rendered harmless, Contractor shall immediately stop Work in the area affected and report the condition to Owner in writing, whether or not such material was generated by Contractor or Owner.

## 10. ARTICLE 10 - INSURANCE AND BONDS

### 10.1. CONTRACTOR'S LIABILITY INSURANCE

10.1.1. **Liability Insurance Requirements.** Before the commencement of the Work and within limits acceptable to the Owner, the Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in California as admitted carriers, having a rating not lower than "A" as rated by A.M. Best Company, Inc. or other independent rating companies, commercial general liability insurance per occurrence for bodily injury, personal injury and property damage, and automobile liability insurance per accident for bodily injury and property damage combined single limit, as will protect Contractor, which may arise out of or result from Contractor's operations under the Contract and for which Contractor may be legally liable, whether such operations are by Contractor, by a Subcontractor, by a Sub-Subcontractor, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. This insurance shall be subject to the approval of Owner, and Owner's approval shall not be unreasonably withheld. Contractor shall require its Subcontractors and any Sub-Subcontractors to take out and maintain similar commercial liability insurance and property damage insurance proportionate to each such Subcontractor's scope of work. If any policy carried by any of the Subcontractors offers 50% or less of the limits required of the Contractor hereunder, Contractor shall notify Owner of the proposed coverage to be carried by such Subcontractor, and Owner shall have the right in its reasonable discretion to approve or reject the proposed coverage in each such case.

Owner may partially or fully occupy and/or use the Project before acceptance of the entire Project by Owner. All of contractor's required insurance must allow such occupancy and/or use without prior consent from insurer.

10.1.2. **Additional Insured Endorsement Requirements.** Contractor shall name Owner and Owner's designated representative as additional insureds on Contractor's commercial general liability, automobile liability, and excess/umbrella policies.

10.1.3. **Workers' Compensation Insurance.** During the term of this Contract, Contractor shall provide workers' compensation insurance for all of Contractor's employees engaged in Work under this Contract on or at the site of the Project and, in case any of Contractor's work is sublet, Contractor shall require the Subcontractor to provide workers' compensation insurance for all the Subcontractor's employees engaged in Work under the subcontract.

10.1.4. **Builder's Risk / "All Risk" Insurance.** Unless otherwise supplied by Owner, Contractor, during the progress of the Work and until final acceptance of the Work by Owner upon completion of the entire Contract, shall maintain Builder's Risk/Course-of-Construction insurance, issued on a completed value basis on all insurable Work included under the Contract Documents. This insurance shall be subject to the approval of Owner, and Owner's approval shall not be unreasonably withheld. This insurance shall insure against all risks, including but not limited to the following perils: vandalism, theft, malicious mischief, fire, sprinkler leakage, civil authority, sonic boom, explosion, collapse, flood, wind, hail, lightning, smoke, riot or civil commotion, debris removal (including demolition) and reasonable compensation for Owner's costs and expenses required as a result of such insured loss. This insurance shall provide coverage in an amount not less than the full cost to repair, replace, or reconstruct the Work. Such insurance shall include Owner, Owner's designated representative, and any other person or entity with an insurable interest in the Work as an additional named insured.

10.1.5. **Fire Insurance.** Before the commencement of the Work, Contractor shall procure, maintain, and cause to be maintained at Contractor's expense, fire insurance on all Work included under the Contract Documents, insuring the full replacement value of such Work as well as the cost of any removal and demolition necessary to replace or repair all Work damaged by fire. This insurance shall be subject to the approval of Owner, and Owner's approval shall not be unreasonably withheld. The amount of fire insurance shall be as directed by Owner.

10.1.6. **Other Insurance.** Contractor shall provide all other insurance required to be maintained under applicable laws, ordinances, rules, and regulations. Such insurance shall be subject to the approval of Owner, and Owner's approval shall not be unreasonably withheld.

10.1.7. **Proof of Carriage of Insurance.** Contractor shall not commence Work nor shall it allow any Subcontractor to commence Work under this Contract until all required insurance, certificates, and an Additional Insured Endorsement and Declarations Page have been obtained and delivered in duplicate to Owner for approval, and such approval shall not be unreasonably withheld.

10.1.8. **Compliance.** In the event of the failure of any contractor to furnish and maintain any insurance required by this Article, Contractor shall be in default under the Contract.

**10.2. PERFORMANCE AND PAYMENT BONDS.**

Unless otherwise specified in the Contract Documents, prior to commencing any portion of the Work, Contractor shall apply for and furnish Owner separate payment (Exhibit E) and performance (Exhibit F) bonds for its portion of the Work which shall cover 100% faithful performance of and payment of all obligations arising under the Contract Documents and/or guaranteeing the payment in full of all claims for labor performed and materials supplied for the Work. Only bonds executed by admitted Surety insurers as defined in Code of Civil Procedure section 995.120 shall be accepted. The surety insurers must, unless otherwise agreed to by Owner in writing, at the time of issuance of the bonds, have a rating not lower than "A" as rated by A.M. Best Company, Inc. or other independent rating companies. Owner reserves the right to approve or reject the surety insurers selected by Contractor and to require Contractor to obtain bonds from surety insurers satisfactory to the Owner.

**11. ARTICLE 11 - UNCOVERING AND CORRECTION OF WORK**

**11.1. UNCOVERING OF WORK.**

If a portion of the Work is covered contrary to Inspector's request, Owner's request, or to requirements specifically expressed in the Contract Documents, it must, if required in writing by Inspector or Owner, be uncovered for Inspector's or Owner's observation and be replaced at Contractor's expense without change in the Contract Sum or Time.

**11.2. CORRECTION OF WORK; WORKMANSHIP WARRANTY.**

11.2.1. **Warranty and System Warranty Period.** Contractor warrants and guarantees to Owner that, for the duration of the period commencing on the acceptance by Owner's governing body of the Work (see Section 8.9 of this Exhibit A) or a designated portion thereof, or by terms of an applicable special warranty required by the Contract Documents, and continuing thereafter for 10 years ("**System Warranty Period**"), all work on the Project will be substantially free from defects in design, workmanship, materials and equipment, and shall be in accordance with the requirements of the Contract Documents. Work on the Project not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective by Owner. Owner shall provide written notice of any warranty item to Contractor before expiration of the System Warranty Period, and if written notice is provided within the System Warranty Period, Contractor's obligation to correct the warranty item to conform to the requirements of the Contract Documents will continue until the correction is made and completed. Contractor shall ensure that no act or omission of Contractor limits or voids any existing warranty on existing Owner equipment or system, and shall take reasonable steps to ensure any such existing warranties are preserved in full. Contractor's warranty pursuant to this Section 11.2.1 does not cover (i) defects in equipment or components that are subject to separate manufacturer's warranties unless Contractor's negligent acts resulted in damages to equipment or components or the voiding of such warranties; or (ii) the failure of Owner to properly operate and maintain the System in accordance with the requirements of any manufacturer's warranty.

**11.2.2. Notice and Corrective Work.**

11.2.2.1. During the System Warranty Period, if any of the work on the Project is found to be not in accordance with the Contract Documents or otherwise defective, Owner shall provide Contractor with written notice thereof.

11.2.2.2. Within two business days of Contractor's receipt of Owner's notice, Contractor shall provide Owner with a written response, acknowledging receipt of the notice and providing Owner with an action plan to remedy the defect or stating the grounds for denial of the warranty work request. Within two business days of Owner's receipt of Contractor's written response, Owner shall provide Contractor with any objections or responses thereto. If the Parties are unable to agree regarding Owner's warranty work request or a plan of action for the corrective work, the Parties shall proceed in accordance with their dispute resolution options under the Contract Documents and at law. The System Warranty Period shall be extended with respect to Contractor's corrective work performed pursuant to this provision by one year, starting on the date that the corrective work is completed in accordance with the plan of action and approved by Owner.

11.2.2.3. Unless the Parties agree in writing otherwise, Contractor shall perform and complete all corrective work stated in the plan of action no later than 10 days following the date of the plan of action. An expiration of the System Warranty Period during the performance of the correct work shall not release Contractor from its obligation to correct the work so long as Owner provided written notice of the warranty work within the System Warranty Period.

11.2.2.4. These corrective requirements on Contractor shall apply regardless of whether the nonconforming work was observed before or after Completion and whether or not fabricated, installed, or completed. Contractor shall bear costs of correcting the rejected Work, including additional testing, inspections, and compensation for Inspector or the costs and expenses for professional services borne by Owner made necessary thereby.

11.2.2.5. The Contractor shall remove from the Project Sites portions of the Work which are not in accordance with the requirements of the Contract Documents and are not corrected by Contractor or accepted by Owner. If Contractor fails to correct nonconforming Work within a reasonable time, Owner may correct it in accordance with Section 2.4 of this Exhibit A. Contractor shall bear the cost of correcting destroyed or damaged construction of Owner or separate contractors, whether completed or partially completed, caused by Contractor's correction or removal of the nonconforming Work. Nothing in this Section shall be construed to establish a period of limitation with respect to other obligations which Contractor might have under the Contract Documents.

**11.3. MANUFACTURER WARRANTIES.**

Contractor shall, for the protection of Owner, use commercially reasonable efforts to obtain from all vendors and Subcontractors from which Contractor procures machinery, equipment or materials or services, warranties and guarantees with respect to such machinery, equipment, materials or services, which shall be made available to Owner to the full extent of the terms thereof. At all times during performance of work under the Contract Documents, Contractor shall perform the work in a manner consistent with all such warranties and shall not perform any actions that may violate or void such warranties. All applicable manufacturers' warranties that can be extended should be extended to a minimum of 15 years if the standard warranty is not 15 years in length. A list of all applicable manufacturers' warranties is attached to this Agreement as Exhibit D.

**12. ARTICLE 12 - MISCELLANEOUS PROVISIONS**

**12.1. GOVERNING LAW.**

The Agreement shall be governed by the law of the place where the Project is located.

**12.2. SUCCESSORS AND ASSIGNS.**

Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to the other party hereto and to partners, successors, assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party to the Agreement shall assign the Agreement as a whole or in part without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Agreement.

**12.3. RIGHTS AND REMEDIES; NO WAIVER.**

Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by Inspector or Owner shall constitute a waiver of a right or duty afforded them under the Contract Documents, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

**12.4. TESTS AND INSPECTIONS.**

Tests, inspections, and approvals of portions of the Work required by the Contract Documents will comply with Title 24, and with all other laws, ordinances, rules, regulations, or orders of public authorities having jurisdiction.

**12.4.1. Independent Testing Laboratory.** When required by the scope of the Project, Owner will select an independent testing laboratory to conduct all required tests and inspections, and, except as specifically provided otherwise in the Contract Documents, pay for all associated costs. Selection of the materials required to be tested shall be made by the laboratory or Owner and not by Contractor. Any costs or expenses of inspection or testing incurred outside of the Inspection Distance Limitation stated in E on the Cover Page or not located in a contiguous county to the Project Site on which the inspection or testing is required, whichever distance is greater, shall be paid for by Owner, and Owner shall then invoice to Contractor and Contractor shall make payment thereof within 30 days after Contractor receives the invoice; if Contractor fails to do so, Owner shall have the right to withhold the amount from any payment due or to be due to Contractor under the Contract.

**12.4.2. Advance Notice to Inspector.** Contractor shall notify Inspector, Owner and Owner's representative a sufficient time but no shorter than two (2) working days in advance of its readiness for required observation or inspection so that Inspector may arrange for same. Contractor shall notify Inspector a sufficient time in advance of the manufacture of material to be supplied under the Contract Documents that must, by terms of the Contract Documents, be tested in order that Inspector may arrange for the testing of the material at the source of supply.

**12.4.3. Testing Off-Site.** Any material shipped by Contractor from the source of supply, prior to having satisfactorily passed such testing and inspection or prior to the receipt of notice from Inspector that such testing and inspection will not be required, shall not be incorporated in the Project.

**12.4.4. Additional Testing or Inspection, and Costs Related Thereto.**

**12.4.4.1.** If Inspector, Owner, or public authority having jurisdiction over the Project determines that any portion of the work on the Project require additional testing, inspection, or approval, Inspector will, upon Owner's written authorization, arrange for such additional testing, inspection, or approval. Owner shall bear such costs except in paragraph 12.4.4.2, below.

**12.4.4.2.** If the testing or inspection of work on the Project reveal that the work does not comply with the Contract Documents, Contractor shall bear all costs arising from such failure, including those of re-testing, re-inspection, approval, or re-approval, including, but not limited to, compensation for services and expenses of Inspector, testing laboratory, and any other professionals or entities retained by Owner. Any such costs shall be paid for by Owner, and Owner shall then invoice to Contractor and Contractor shall make payment thereof within 30 days after Contractor receives the invoice; if Contractor fails to do so, Owner shall have the right to withhold the amount from any payment due or to be due to Contractor under the Agreement.

**12.4.5. Costs for Premature Test.** If Contractor requests any test or inspection for any portion of the Project and that portion is not ready for the inspection, Owner shall have the right to invoice Contractor for all costs and expenses relating to the testing or inspection, including, but not limited to, compensation for services and expenses of Inspector, testing laboratory, and any other professionals or entities retained by Owner. Any such costs shall be paid for by Owner, and Owner shall then invoice to Contractor and Contractor shall make payment thereof within 30 days after Contractor receives the invoice; if Contractor fails to do so, Owner shall have the right to withhold the amount from any payment due or to be due to Contractor under the Contract.

**12.4.6. Tests and Inspections Not to Delay Work.** Tests and inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the work on the Project.

**12.5. TRENCH EXCAVATION.**

Pursuant to Labor Code section 6705, if the Contract Sum exceeds \$25,000 and involves the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall, in advance of excavation, submit to Owner or a registered civil or structural engineer employed by Owner a detailed plan showing the design of shoring for protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the Shoring System Standards established by the Construction Safety Orders, the plan shall be prepared by a registered civil or structural engineer, but in no case shall such plan be less effective than that required by the Construction Safety Orders. Pursuant to Labor Code section 6705, nothing in this Article shall impose tort liability upon Owner or any of its employees.

**12.6. DEBARMENT.**

Pursuant to Public Contract Code section 6109, no contractor or subcontractor may perform work on a public works project if ineligible to perform work on the project pursuant to sections 1777.1 or 1777.7 of the Labor Code.

**12.7. ASSIGNMENT OF ANTITRUST CLAIMS.**

Pursuant to Government Code section 4552, in entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to Owner all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act, (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 [commencing with § 16700] of Part 2 of Division 7 of the Bus. & Prof. Code), arising from the purchase of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to Contractor, without further acknowledgment by the parties.

**12.8. AUDIT.**

Contractor's Agreement books, records, and files shall be subject to audit and examination under Government Code section 8546.7 and any amendments thereto.

**12.9. STORM WATER DISCHARGE PERMIT.**

If applicable, Contractor shall file a Notice of Intent to comply with the terms of the general permit to discharge storm water associated with construction activity prior to the start of any construction activity.

**13. ARTICLE 13 - TERMINATION OR SUSPENSION OF THE AGREEMENT**

**13.1. TERMINATION BY OWNER FOR CAUSE.**

Owner may terminate the Agreement if the Contractor: (A) refuses or fails to supply enough properly skilled workers or proper materials; (B) fails to make payment to Subcontractors for materials or labor in accordance with Public

Contract Code section 10262 or Business and Professions Code section 7108.5, as applicable; (C) disregards laws, ordinances, rules, regulations, or orders of a public authority having jurisdiction; or (D) otherwise is in substantial breach of a provision of the Contract Documents.

When any of the above reasons exist, Owner may, without prejudice to any other rights or remedies of Owner and after giving Contractor and Contractor's surety, if any, written notice of fourteen (14) days, terminate the Contract and may, subject to any prior rights of the surety, (A) take possession of the site and of all material, equipment, tools, and construction equipment and machinery thereon owned by Contractor, (B) accept assignment of subcontracts, and (C) complete the Work by whatever reasonable method Owner may deem expedient.

If the unpaid balance of the Contract Sum exceeds costs of completing the Work, including compensation for professional services and expenses made necessary thereby, such excess shall be paid to Contractor. If such costs exceed the unpaid balance, Contractor shall pay the difference to Owner. This payment obligation shall survive completion of the Agreement.

### **13.2. SUSPENSION OR TERMINATION BY OWNER FOR CONVENIENCE.**

Owner may, without cause, order Contractor in writing to suspend, delay, or interrupt the Work in whole or in part for such period of time as Owner may determine. An adjustment shall be made for increases in the cost of performance of the Contract, including profit on the increased cost of performance caused by suspension, delay, or interruption. No adjustment shall be made to the extent (A) that performance is, was, or would have been so suspended, delayed, or interrupted by another cause for which Contractor is responsible; or (B) that an equitable adjustment is made or denied under another provision of this Agreement. Adjustments made in the cost of performance may have a mutually agreed fixed or percentage fee.

Owner may, at any time, terminate the Agreement for Owner's convenience and without cause. Upon receipt of written notice from Owner of such termination for Owner's convenience, Contractor shall (1) cease operations as directed by Owner in the notice; (2) take actions necessary, or that Owner may direct, for the protection and preservation of the Work; and (3) except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders. In case of such termination for Owner's convenience, Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

### **13.3. TERMINATION BY CONTRACTOR.**

Contractor may not terminate for convenience. Contractor may only terminate for cause if the Work is stopped by others for a period of one hundred eighty (180) consecutive days through no act or fault of Contractor, a Subcontractor of any tier, their agents or employees, or any other persons performing portions of the Work for whom Contractor is contractually responsible, **and** the Work was stopped by others for one of the following reasons: (A) Issuance of an order of a court or other public authority having jurisdiction which requires Owner to stop all Work; or (B) an act of government, such as a declaration of national emergency, making material unavailable which requires Owner to stop all Work. If such grounds exist, Contractor may serve written notice of such belief on Owner and demand a meet-and-confer conference to negotiate a resolution in good faith within twenty (20) days of receipt of such notice. If such conference does not lead to resolution and Contractor believes the grounds for termination still exist, Contractor may terminate the contract and recover from Owner payment for Work executed and for reasonable verified costs with respect to materials, equipment, tools, construction equipment, and machinery, including reasonable overhead, profit, and damages for the Work executed, but excluding overhead (field and home office) and profit for (i) Work not performed and (ii) the period of time that the Work was stopped.

### **13.4. NOT A WAIVER**

Any suspension or termination by Owner for convenience or cause under this Article 13 shall not act as a waiver of any claims by Owner against Contractor or others for damages based on breach of contract, negligence or other grounds.

**13.5. EARLY TERMINATION**

Notwithstanding any provision herein to the contrary, if for any fiscal year of this Contract the governing body of Owner fails to appropriate or allocate funds for future periodic payments under the Contract after exercising reasonable efforts to do so, Owner may upon thirty (30) days' notice, order work on the Project to cease. Owner will remain obligated to pay for the work already performed but shall not be obligated to pay the balance remaining unpaid beyond the fiscal period for which funds have been appropriated or allocated and for which the work has not been done.

**EXHIBIT B  
TO ENERGY SERVICES AGREEMENT**

**EXHIBIT B TO ADD - GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

**TO BE ADDED FROM SEPARATE TEMPLATE FILE PRIOR TO CIRCULATING FOR LEGAL  
REVIEW**

**EXHIBIT C  
TO ENERGY SERVICES AGREEMENT**

**EXHIBIT C - PROGRESS PAYMENT SCHEDULE**

**[TO BE PROVIDED BY CONTRACTOR]**

EXHIBIT D  
TO ENERGY SERVICES AGREEMENT

EXHIBIT D - MANUFACTURERS' WARRANTIES

List of manufacturers' warranties on a site-by-site basis:

PV Module Manufacturer Warranty [TO BE PROVIDED BY CONTRACTOR]

PV Inverter Manufacturer Warranty [TO BE PROVIDED BY CONTRACTOR]

BESS Battery System Warranty [TO BE PROVIDED BY CONTRACTOR]

BESS Power Conversion System Warranty [TO BE PROVIDED BY CONTRACTOR]

BESS Power Control System Warranty [TO BE PROVIDED BY CONTRACTOR]

Transformer Manufacturer Warranty [TO BE PROVIDED BY CONTRACTOR]

Other Equipment Manufacturer Warranties [TO BE PROVIDED BY CONTRACTOR]

**EXHIBIT E  
TO ENERGY SERVICES AGREEMENT**

**EXHIBIT E - PAYMENT BOND**

**Contractor's Labor & Material Bond  
(100% of Contract Price)**

**(Note: Contractor must use this form, NOT a surety company form.)**

**KNOW ALL PERSONS BY THESE PRESENTS:**

**WHEREAS**, the governing board (“Board”) of **Goleta Sanitary District (“District”)** and **[Insert Name of Company]** (“Principal”) have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient, and proper to

(Project Name)  
 (“Project” or “Contract”)

which Contract dated \_\_\_\_\_, 20\_\_\_\_, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part hereof, and

**WHEREAS**, pursuant to law and the Contract, the Principal is required, before entering upon the performance of the work, to file a good and sufficient bond with the body by which the Contract is awarded in an amount equal to 100 percent (100%) of the Contract price, to secure the claims to which reference is made in the Civil Code of California, including section 9100, and the Labor Code of California, including section 1741.

**NOW, THEREFORE**, the Principal and \_\_\_\_\_, (“Surety”) are held and firmly bound unto all laborers, material men, and other persons referred to in said statutes in the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), lawful money of the United States, being a sum not less than the total amount payable by the terms of Contract, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns, jointly and severally, by these presents.

The condition of this obligation is that if the Principal or any of his or its subcontractors, of the heirs, executors, administrators, successors, or assigns of any, all, or either of them shall fail to pay for any labor, materials, provisions, provender, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that the Surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay a reasonable attorney's fee to be awarded and fixed by the Court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under sections 9000 through 9566 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and affect.

And the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of Contract or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be

deemed an original thereof, have been duly executed by the Principal and Surety above named, on the  
day of \_\_\_\_\_, 20\_\_\_\_.

(Affix Corporate Seal)

Principal

By

Surety

By

Name of California Agent of Surety

Address of California Agent of Surety

Telephone Number of California Agent of Surety

**Contractor must attach a Notarial Acknowledgment for all Surety's signatures and a Power of Attorney and Certificate of Authority for Surety. The California Department of Insurance must authorize the Surety to be an admitted surety insurer.**

EXHIBIT F  
TO ENERGY SERVICES AGREEMENT

EXHIBIT F - PERFORMANCE BOND

(100% of Contract Price)

(Note: Contractor must use this form, NOT a surety company form.)

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, the governing board (“Board”) of **Goleta Sanitary District** (“District”) and **[Insert Name of Company]** (“Principal”) have entered into a contract for the furnishing of all materials and labor, services and transportation, necessary, convenient, and proper to perform the following project:

(Project Name)  
 (“Project” or “Contract”)

which Contract dated \_\_\_\_\_, 20\_\_\_\_, and all of the Contract Documents attached to or forming a part of the Contract, are hereby referred to and made a part hereof, and

WHEREAS, said Principal is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, the Principal and \_\_\_\_\_ (“Surety”) are held and firmly bound unto the Board of the District in the penal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), lawful money of the United States, for the payment of which sum well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents, to:

- Perform all the work required to complete the Project; and
- Pay to the District all damages the District incurs as a result of the Principal’s failure to perform all the Work required to complete the Project.

The condition of the obligation is such that, if the above bounden Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the Contract and any alteration thereof made as therein provided, on his or its part to be kept and performed at the time and in the intent and meaning, including all contractual guarantees and warranties of materials and workmanship for one (1) year from the completion date of the work of this Contract, and shall indemnify and save harmless the District, its trustees, officers and agents, as therein stipulated, then this obligation shall become null and void, otherwise it shall be and remain in full force and virtue.

As a condition precedent to the satisfactory completion of the Contract, the above obligation shall hold good for one (1) year from the completion date of the work of this Contract, during which time Surety’s obligation shall continue if Contractor shall fail to make full, complete, and satisfactory repair, replace and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship. Nothing herein shall limit the District’s rights or the Contractor’s or Surety’s obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15 during the bond term.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the specifications.



**EXHIBIT G  
TO ENERGY SERVICES AGREEMENT**

**UNUSED**

EXHIBIT H  
TO ENERGY SERVICES AGREEMENT

EXHIBIT H - ESCROW AGREEMENT FOR SECURITY DEPOSIT IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and between

\_\_\_\_\_ whose address is  
hereinafter called "District"

\_\_\_\_\_ whose address is  
hereinafter called "Contractor"  
and

\_\_\_\_\_ whose address is  
hereinafter called "Escrow Agent."

For the consideration hereinafter set forth, the District, Contractor, and Escrow Agent agree as follows:

(1) Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by the District pursuant to the Construction Contract entered into between the District and Contractor for the [PROJECT NAME] in the amount of

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_),

dated \_\_\_\_\_ (hereinafter referred to as the "Contract"). Alternatively, on written request of the Contractor, the District shall make payments of the retention earnings directly to the Escrow Agent. When the Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the District within 10 days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the District and Contractor. Securities shall be held in the name of the El Toro Water District, and shall designate the Contractor as the beneficial owner.

(2) The District shall make progress payments to the Contractor for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the forms and amount specified above.

(3) When the District makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time that the escrow created under this contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the District pays the Escrow Agent directly.

(4) Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the District. These expenses and payment terms shall be determined by the District, the Contractor and Escrow Agent.

(5) The interest earned on the securities or money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the District.

(6) Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from the District to the Escrow Agent that the District consents to the withdrawal of the amount sought to be withdrawn by Contractor.

(7) The District shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven days written notice to the Escrow Agent from the District of the default, the escrow agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the District.

(8) Upon receipt of written notification from the District certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.

(9) Escrow Agent shall rely on written notifications from the District and the Contractor pursuant to Sections (5) to (8), inclusive, of this agreement and the District and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

(10) The names of the persons who are authorized give written notice or to receive written notice on behalf of the District and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of District:

On behalf of Contractor:

\_\_\_\_\_ Title

\_\_\_\_\_ Title

\_\_\_\_\_ Name

\_\_\_\_\_ Name

\_\_\_\_\_ Signature

\_\_\_\_\_ Signature

\_\_\_\_\_ Address

\_\_\_\_\_ Address

On behalf of Escrow Agent:

\_\_\_\_\_ Title

\_\_\_\_\_ Name

\_\_\_\_\_ Signature

\_\_\_\_\_ Address

At the time the Escrow Account is opened, the District and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

District

Contractor

\_\_\_\_\_

Title

\_\_\_\_\_

Title

\_\_\_\_\_

Name

\_\_\_\_\_

Name

\_\_\_\_\_

Signature

\_\_\_\_\_

Signature

EXHIBIT I  
TO ENERGY SERVICES AGREEMENT

EXHIBIT I - WAIVER AND RELEASE FORM

**UNCONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT**

The undersigned has been paid and has received a progress payment in the sum of \$ \_\_\_\_\_ for labor, services, equipment, or material furnished to Owner on the job located at \_\_\_\_\_ [Job Description] (the "Project") and does hereby unconditionally and irrevocably waive and release any mechanic's lien, stop notice, or bond right that the undersigned has on the above referenced job to the following extent.

This release covers a progress payment for labor, services, equipment, or materials furnished to the Owner through \_\_\_\_\_ [Date] only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the Parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between Parties based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment. If the undersigned has filed with a public agency a U.C.C. Financing Statement evidencing a security interest in equipment delivered or installed in connection with the Project, the undersigned agrees to promptly execute and file with such public agency any documents necessary to terminate the effectiveness of such U.C.C. Financing Statement.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Contractor  
By \_\_\_\_\_  
(Title)

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM

**UNCONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT**

The undersigned has been paid in full for all labor, services, equipment, or material furnished to the Owner on the job located at \_\_\_\_\_ **[Job Description]** (the "Project") and does hereby unconditionally and irrevocably waive and release any right to a mechanic's lien, stop payment notice, or any right against a labor and material bond on the job, except for disputed claims for extra work in the amount of \$\_\_\_\_\_. If the undersigned has filed with a public agency a U.C.C. Financing Statement evidencing a security interest in equipment delivered or installed in connection with the Project, the undersigned agrees to promptly execute and file with such public agency any documents necessary to terminate the effectiveness of such U.C.C. Financing Statement.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Contractor

By \_\_\_\_\_

(Title)

**NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.**

EXHIBIT J  
TO ENERGY SERVICES AGREEMENT

EXHIBIT J - CERTIFICATION REGARDING CLAIM

Name of Contractor: \_\_\_\_\_

Name of Owner: \_\_\_\_\_

Name of Project: \_\_\_\_\_

Claim (state any amount and time adjustment requesting: Amount \$ \_\_\_\_\_  
Time \_\_\_\_\_

The undersigned, whose name and title are stated below, declare the following:

1. The above-listed Contractor has contracted with the above-listed Owner for the Project stated above. I am authorized by Contractor to prepare and did prepare the attached claim for money and/or time extension to Owner regarding the Project. I am the person most knowledgeable at Contractor regarding the attached claim.
2. The attached claim is submitted in compliance with all laws applicable to submission of the claim, including but not limited to California Penal Code section 72, Government Code sections 12650 et seq. (False Claims Act), and Business and Professions Code sections 17200 et seq. (Unfair Business Practices Act). I am aware that submission or certification of false claims or other claims that violate law or the contract with Owner, may lead to fines, imprisonment, and/or other severe legal consequences for myself and/or Contractor.
3. The attached claim does not breach the contract between Contractor and Owner for the Project, is not a false claim, does not violate any applicable laws, satisfies all provisions of the contract applicable to the submission of such claim, contains truthful and accurate supporting data, and requests an amount that accurately reflects the adjustments to money and time for which I honestly and in good faith believe that Owner is responsible under the contract.
4. So that I could declare that the statements in this declaration and the attached claim are true and correct, while preparing this declaration and the attached claim, I consulted with others (including attorneys, consultants, or others who work for or are retained by Contractor) when necessary to assure myself that said statements are true and correct.
5. Contractor understands and agrees that any claim submitted without this certification does not meet the terms of the contract and Owner may reject the claim on that basis, and unless Contractor properly and timely files the claim with this certification, Contractor cannot further pursue the claim in any forum and all rights to additional money or time for the issues covered by the claim are waived due to a condition precedent not having been satisfied.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. This certification is executed on the date stated below.

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT K  
TO ENERGY SERVICES AGREEMENT**

**UNUSED**

**EXHIBIT B GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

This EXHIBIT B is a summary of the scope of work and is not all inclusive of terms and conditions of the Agreement.

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**1. PROJECT OVERVIEW**

As set forth in detail below, Contractor shall be responsible for supplying, at Contractor’s sole cost, all expertise, labor and materials necessary to construct, install, and commission the Systems, including but not limited to: planning, permitting, designing, engineering, procuring, delivering, installing, constructing, interconnecting, and commissioning, and providing warranties. Access to the Project Sites of the Systems shall be subject to approval of District.

Contractor shall be solely responsible for all work required to complete the Project including but not limited to: (a) project management including design, engineering, submittals, construction, interconnection, commissioning and Distribution Utility sign off; (b) procurement of all materials and equipment; (c) design and engineering including civil, structural, electrical, seismic and wind loading requirements and fire protection requirements; (d) permitting and environmental compliance with the current version of all applicable codes and standards; (e) Distribution Utility interconnection requirements compliance; (f) site preparations including but not limited to grubbing, clearing, grading, roads, dust control, drainage requirements, construction wastewater and storm water disposal, removing excess debris, all final site preparation, and all other requirements set forth in the Agreement; (g) meters, monitoring, and Data Acquisition System (“*DAS*”) and weather station; (h) production analysis and performance guarantee for the Solar Facilities and performance analysis and performance guarantee for the BESS; (i) conformance to manufacturers’ installation requirements and warranty terms; (j) acceptance testing, commissioning, interconnection signoff and Permission to Operate (“*PTO*”) by the Distribution Utility; (k) construction closeout including punch list, as-built drawings and documents package, and site cleanup; (l) operation and maintenance; (m) site security requirements; (n) safety plans and measures per District approval. In addition to these general responsibilities, Contractor shall be responsible for all additional requirements as set forth in this Agreement and all Exhibits and Attachments, including but not limited to this Exhibit B – General Conditions and Technical Specifications.

Contractor shall also be responsible for providing District with copies of Contractor’s Operations and Maintenance (“*O&M*”) manuals, testing reports, start-up procedures, warranties, guarantees, and commissioning reports corresponding to the Work. Contractor shall execute all of its obligations in a manner which reasonably minimizes interference and inconvenience to District. Contractor shall regularly report status of Contractor’s execution of its obligations under this Agreement to District.

**2. GENERAL REQUIREMENTS**

**2.1 Project Management**

Contractor shall act as the general contractor and is responsible for overall safety on each Project Site. Contractor shall conduct all project management activities required to complete the Project, including coordination efforts with District’s representative, the Distribution Utility, inspectors, permitting agencies, suppliers, subcontractors, Contractor’s office, field Project staff and any other third parties that are involved in or impacted by the Project. The installation must be “turnkey,” requiring a minimum level of supervision and project management by District, including all materials, equipment and labor, completed and commissioned per the specifications and general conditions contained herein. All Distribution Utility related interconnection work, fees, and installations necessary to make the Systems operational will be the sole responsibility of the Contractor in accordance with any requirements of the Distribution Utility.

**2.2 District Project Objectives**

District requires that Contractor perform each of the following in accordance with the Agreement:

- A. Ensure that construction activities and Project installation and operation are performed safely, comply with all applicable law, and do not result in any adverse effect on District staff, surrounding persons and property, existing facilities, local power quality, local data systems or daily operations at any Project Site throughout the life cycle of the installation. Manage construction and operation activities so that they minimally disrupt the operations at each Project Site.
- B. Create a definitive scope of work and project schedule for the Project and manage the entire Project, including but not limited to contracts, design, engineering, permitting, approvals, procurement, pre-construction, Distribution Utility interconnection, installation, testing, commissioning, performance validation, and on-going maintenance and operation in accordance with the scope of work and Project schedule. Ensure work is completed when needed to meet Project deadlines.
- C. Design and implement Solar Facilities to obtain maximum projected net savings and cash flow over a minimum of twenty-five (25) years using proven technology that complies with the terms and conditions of the Agreement and complies with all relevant codes and regulations.
- D. Design and implement Battery Storage which charges one hundred percent (100%) from the Solar Facility and optimizes District bill savings, while also providing backup power to the Site using proven technology that complies with all relevant codes and regulations.
- E. Design and implement Systems sized in compliance with the Distribution Utility’s applicable rate structure, energy consumption, and load profiles for each Project Site, and in compliance with all applicable Distribution Utility requirements. Ensure that all Systems are designed and installed to avoid/minimize Distribution Utility upgrades and facilitate ensuring that such costs are avoided/minimized throughout the entire Project.
- F. Ensure that the Project meets all financial and environmental incentive requirements and deadlines.
- G. Ensure that all Project design and construction activities are coordinated with Site facility operations and/or construction activities and are in compliance with Site provided written work rules, safety requirements, and specifications at all times.

**2.3 Communication Protocol**

Throughout the entire Project timeline, the representative selected by District will be Contractor’s main source of contact regarding any and all Project related issues. At all times between the release date of the Request for Proposals and Project Final Completion date, Contractor shall include District’s representative in all communications with District. District’s representative will act as a liaison, facilitator and intermediary between Contractor and District.

Unless otherwise stated in the Agreement Documents and subject to change by District, the Parties shall meet bi-weekly during the design phase of the Project and weekly during the construction phase of the Project to, among other things, review work performed to date and to be performed. Contractor shall organize the meeting, prepare, and distribute meeting notes. Meeting minutes shall be based on a

mutually agreed to meeting minutes template, and shall include a three-week look-ahead schedule, RFI log, Change Order log and Submittal Log with two-week look-ahead priority list(s). Meeting minutes shall be updated during the meeting and distributed at the end of the meeting. District shall have five business days after District's receipt of such minutes to object to them in writing and provide corrections in writing. A quorum of meeting attendees will be named at the first meeting but may be modified as necessary by District. The named quorum shall be in attendance in all Project meetings. A pre-construction meeting shall be held prior to any work being performed on the site with all required parties.

## **2.4 Solar Facility Sizing**

It is the sole responsibility of the Contractor to ensure that the sizing of the total installed system capacity per Project Site (kWDC / kWAC) achieves the Annual Energy Production Target as closely as practical for each Project Site. The total installed system capacity per Project Site shall not increase or decrease the Annual Production Estimate without prior written approval of District.

## **2.5 BESS Sizing**

It is the sole responsibility of the Contractor to ensure that the sizing of the total installed system capacity (kW and kWh) per Project Site maximizes electricity bill savings for the District and provides the Estimated Critical Load Support and Duration.

“Estimated Critical Load Support and Duration” shall mean Contractor's estimated number of kW that the BESS shall provide continuously for a minimum duration to be coordinated with the District, based on the Contractor's modeling of system performance.

## **2.6 Microgrid Configuration**

All BESS equipment installed as part of this Project shall provide backup power, shall be fully compatible, and shall be installed to allow the Project to operate as a Microgrid. BESS must be capable of providing the amount of backup power for the Site as indicated on the single line diagram provided in Attachment A. Contractor is responsible for any motorized breakers or similar equipment required to isolate non-Critical Loads from the islanded Microgrid as indicated on the single line diagram provided in Attachment A. Contractor is responsible for all scope, costs and designs relating to the Microgrid configuration.

## **2.7 Incentives**

Unless specifically stated otherwise in other Agreement Documents, Contractor shall prepare and submit to all applicable agencies, on behalf of District, or assist District in doing so directly, all applications, proof of progress submittals, and claim forms and documentation necessary for any environmental or financial incentives and rebates, including but not limited to, the Self Generation Incentive Program (“*SGIP*”), EPA Community Grant, and Inflation Reduction Act (“*IRA*”) Elective Pay Option; provided that District shall have the opportunity to review, comment on, and approve all such applications and documentation prior to submission by Contractor. If District shall decide to prepare and submit such documents, Contractor will coordinate and provide District promptly upon District's written request all documents reasonably necessary for District to do so. Contractor shall not charge any additional fee for its services. Unless stated otherwise in other Agreement Documents, District shall pay for all fees required to file the applications. All rebates or incentives available in connection with the Systems are owned by District.

**2.8 Physical Site Investigation & Project Feasibility Assessment**

Contractor shall read and become knowledgeable with all documentation available concerning the Project Sites and visit the Project Sites to assess its conditions and logistics, including but not limited to all Distribution Utility interconnection related requirements. Contractor shall conduct feasibility and configuration assessments, environmental assessments, and all other inspections of the Project Sites to determine that the Project Sites can support the installation and interconnection of the Systems. Contractor must visit the Project Sites to ascertain site conditions, accuracy of provided drawings and feasibility of design. Contractor shall be solely responsible to ensure that each Project Site's soil conditions and terrains are favorable for Project construction.

Although District may provide historical information regarding the Project Sites, District makes no representation as to the accuracy of the information about the Project Sites provided in the RFP package or otherwise, including data, drawings and reports developed by third parties. Except as otherwise provided in the Agreement with respect to information provided by District, Contractor shall rely solely on its own due diligence to discover and confirm existing conditions at the Project Sites. Contractor shall report any discovered and previously unknown site conditions of a substantial nature to District within five (5) Days of discovery.

Contractor shall be solely responsible for ensuring the existing Project Sites' electrical distribution equipment, including but not limited to the main service switchgear and Distribution Utility transformer, will support the interconnection of the Systems. Moreover, Contractor shall be solely responsible for performing a site power quality inspection and monitoring assessment of the existing Project Site electrical distribution equipment, including but not limited to the main service switchgear, Distribution Utility transformer, and other connected loads that may impact the operation of the Systems. Contractor is responsible for all scope, costs and designs relating to identifying power quality issues or deficiencies that could cause the Systems or microgrid to trip or fail to provide backup and upgrades to the existing electrical system required to accommodate the Systems installation and interconnection, and has included the aforementioned in its scope, costs and design drawings.

Contractor shall confirm that each System will be interconnected to the correct meter at each Project Site by validating the meter and service account identification numbers (SAID) with the Distribution Utility.

Contractor is responsible for any upgrades to the existing structures and/or structural blocking required to accommodate the loads imposed and mechanical attachments required by the Solar Facility and has included those changes in their scope, costs and design drawings.

District operates under several environmental permits issued by various agencies. To the extent that District has provided such a permit to Contractor in advance of the Effective Date, and due to an action, inaction, or negligence by Contractor, District becomes subject to non-compliance penalties, the cost of such penalties shall be borne by Contractor.

Contractor shall identify if any third-party site assessments are required and be responsible for obtaining all required studies at their sole cost and expense. Contractor shall assume any and all costs and risks associated with physical Project Site conditions, real estate constraints and environmental site assessment. Reports which may be required to be obtained by Contractor at Contractor's judgment (unless otherwise noted below) and at the Contractor's sole cost include, but are not limited to:

- Structural Report
- Geotechnical Report

- Title Reports / ALTA Surveys
- Boundary Surveys
- Topographic Surveys
- Underground Utility Survey
- Glint and Glare Study
- Arc Flash Study / Coordination Study
- Site Electrical Service Assessments
- Environmental Studies

These reports must be obtained when requested by District or any other Governmental Authority having jurisdiction.

**2.9 Permitting, Codes, Regulatory Compliance**

Contractor shall obtain, oversee and adhere to all required permissions for Project construction and operation by obtaining approvals from all Governmental Authorities having jurisdiction over the Project, including, but not limited to: the District, the Distribution Utility, incentive authorities, the California Energy Commission (“CEC”), Santa Barbara County Fire Department, Federal Aviation Administration (“FAA”), California Occupational Safety and Health Administration (“Cal OSHA”), right-of-way permits, easement agreements and other codes and best practices. Specifically, Contractor shall obtain and submit all documents to achieve and maintain permission to operate with all required Governmental Authorities. In addition to stamped and approved plans, Contractor shall provide District with installation compliance confirmation letters from all authorities having jurisdiction within five (5) Days of receipt.

**2.10 Compliance with The California Environmental Quality Act (“CEQA”)**

Contractor agrees to coordinate its Work with that of any CEQA consultant(s) retained by District, to provide any reasonably available information such as current elevations and schematic drawings for use in CEQA compliance documents, and to incorporate any mitigation measures adopted by District into the Project design at no additional cost to District.

**2.11 Procurement**

Contractor shall procure all equipment and services required for Project design, construction, commissioning, system monitoring, warranties, operation and maintenance, as described in this Agreement and as shown in District-approved final design engineering drawings, specifications and data sheets. Any proposed changes or substitutions must be presented to District in standard submittal format with detailed explanations and instructions for review, comment and approval. District approval of any of the submittals provided by Contractor, including drawings, does not excuse Contractor from their responsibility to meet all safety requirements, applicable codes and standards requirements, requirements of all Governmental Authorities and the requirements of the Agreement including this Exhibit B.

**2.12 Construction**

Contractor shall conduct all construction and construction management work per the Project scope, schedule and per the requirements of this Agreement. Any proposed changes that represent a deviation from scope or schedule must immediately be brought to District’s attention for review. All work must be performed and supervised by skilled workers trained and experienced in the installation of solar

photovoltaic systems and/or battery energy storage systems in accordance with equipment manufacturers' installation requirements. Contractor shall effectively manage the schedule and coordinate construction activities around District's maintenance activities and other construction projects where applicable.

**2.13 Commissioning**

Contractor shall conduct all activities required for proper testing and commissioning of the Systems and any related installations/systems. Commissioning will include testing of all systems to ensure proper operations per the design standards and testing parameters. Contractor is required to verify that: (i) each System is functioning as expected within acceptable parameters and as designed at a nameplate capacity; (ii) each Solar Facility is capable of producing the amount of energy expected in the first year of the Annual Production Estimate when adjusted for actual weather conditions; and (iii) meets expected performance requirements described within the Agreement. Contractor shall manage all necessary final inspections with all Governmental Authorities having jurisdiction over the Project, the Distribution Utility, District representatives, and any other required inspectors. Contractor shall also be responsible for completing the Commissioning Report included as Attachment D and submitting it to District for review and approval. Contractor will notify District no less than five (5) Days prior to the commencement of any testing and/or inspections and District and/or its representative will have the right to observe all such tests and/or inspections. As part of the commissioning activities, Contractor must confirm that no negative impacts are experienced by existing facilities that connect or interface with the new installations and systems. Contractor shall be solely responsible for resolving all issues that arise.

**2.14 Distribution Utility Interconnection**

Contractor is responsible for coordinating and implementing all requirements related to the interconnection of the Systems with the Distribution Utility, which shall include Distribution Utility provided and installed facilities and Site facilities, at Contractor's sole cost and expense. Contractor will coordinate with the Distribution Utility and District to meet all milestones for the Project required by any Interconnection Agreement. Contractor is responsible for compliance with all milestones, including payment milestones to the Distribution Utility for design and installation services provided by the Distribution Utility. Contractor shall be responsible for obtaining written Permission to Operate for the Systems from the Distribution Utility and activate the system to begin operating in compliance with this Agreement. In addition, Contractor shall be responsible for all on-going terms, obligations and costs described in the Interconnection Agreement, and any other necessary permit signoffs from any Governmental Authorities having jurisdiction over the Project, to operate the Systems in parallel with the Distribution Utility grid.

For the purposes hereof, "**Interconnection Agreement**" shall mean an agreement entered into, by and between District and the Distribution Utility which agreement shall provide for (i) each System to be interconnected with the Distribution Utility's electricity distribution system, (ii) for energy to flow from each System to such system and (iii) for energy to flow from such system to the Delivery Point, as applicable, under the provisions of the Distribution Utility's tariff. "**Delivery Point**" shall mean the Energy delivery point within Site's electrical system on District's side of the Site's Distribution Utility meter, as designated by the physical interface of the System with the Site's electrical system.

Contractor shall also be responsible for coordinating the desired rate tariff changes with the Distribution Utility for each System. Desired rate tariffs for each Distribution Utility meter are defined in the Site Assessment Tables. Contractor will be responsible for ensuring that each System meets the

requirements for inclusion in the desired rate tariffs and will promptly inform District if there is any discrepancy between such requirements and the specifications for each System set forth in this Agreement. Rate changes shall occur as soon as possible following Permission to Operate. Contractor shall be responsible for ensuring that the rate tariff change has taken place for each Distribution Utility meter and providing confirmation of the rate tariff change to District.

## **2.15 Completion Ceremony**

Contractor will coordinate a ribbon cutting ceremony at one District location at a time of District's choosing at no additional cost to District.

## **2.16 Unused**

## **2.17 Public Data Access**

Contractor shall provide a public webpage to be made available through a link on District's existing website. Contractor shall coordinate and obtain approval of all data points to be displayed on the public webpage and monitor with District prior to implementation.

### **3. ENGINEERING AND DESIGN REQUIREMENTS**

Contractor shall, at its own cost and expense, (i) design, prepare and cause to be sealed all drawings and Engineering Design Packages, perform engineering studies and estimates and attend meetings as may be required (or arrange for design and engineering pursuant to a subcontract executed in accordance with this Agreement), for the construction of the Project and interfaces required by the Distribution Utility including, without limitation, sizing of equipment, communication systems and components, preparing specifications and calculations for equipment and material to be included in the Project, completing the work in accordance with this Agreement, providing administration and other services and items required to complete and deliver to District and Distribution Utility the design and Engineering Design Packages, calculations, studies, and drawings necessary to construct a fully integrated and operational Project, and (ii) provide services, attend meetings and prepare all necessary documents and permit applications required to obtain all Governmental Approvals, including, without limitation, coordinating with the Governmental Authorities, the Distribution Utility and other agencies regarding Governmental Approvals necessary for the completion of the Project, completing the permitting process beginning from the permit application through to final approval and receipt of all Applicable Permits, all in accordance with this Agreement and its Exhibits, Applicable Law, Governmental Approvals, District requirements, Distribution Utility requirements, Engineering Design Packages, industry standards, the actual condition of the Site and all requirements to be sufficient, complete and adequate in all aspects to enable the System to meet all operational requirements and obligations as outlined in this Agreement for a minimum twenty-five (25) year design life.

#### **3.1 Design Codes**

The Project shall be designed and installed in accordance with the edition currently enforced by the AHJ of all applicable codes, standards, and recommendations of the following agencies:

- ACI – American Concrete Institute
- AISC – American Institute of Steel Construction
- ANSI – American National Standards Institute.
- ASCE – American Society of Civil Engineers
- ASME – American Society of Mechanical Engineers

- ASTM – American Society for Testing and Materials
- CAL OSHA – California Occupational Safety and Health Administration
- CBC – California Building Code
- CEC – California Electrical Code
- CFC – California Fire Code
- CSI – California Solar Initiative
- Distribution Utility Manuals and Standards
- ETL – Electrical Testing Laboratories
- IAEI – International Association of Electrical Inspectors
- ICEA – Insulated Cable Engineer’s Association
- IEEE – Institute of Electrical and Electronic Engineers
- IPMVP – International Performance Measurements and Verification Protocol
- NEC – National Electrical Code
- NEMA – National Electrical Manufacturers Association
- NESC – National Electrical Safety Code
- NETA – National Electrical Testing Association
- NFPA – National Fire Protection Association codes, including but not limited to
  - NFPA 101 – Life Safety Code
  - NFPA 855 – Standard for the Installation of Stationary Energy Storage Systems
- UL – Underwriters Laboratories

## **3.2 General Requirements**

### **3.2.1 Licensing**

- (a) In all cases, engineers are to be properly licensed by the State of California.
- (b) District requires a minimum of a Class B and Class C-10 license be held by Contractor and/or their subcontractors.
- (c) Electrical, geotechnical, civil, structural and other engineering designs and reports are to be stamped and signed by a licensed engineer.

### **3.2.2 Solar Photovoltaic Orientation and Shading**

- (a) Solar Facility will have a minimum shade free window between the hours of 10:00AM and 4:00PM (solar time) on the winter solstice.
- (b) Orientation of the PV array(s) shall be optimized for maximum financial benefit, but in all cases with an azimuth between 180 and 270 degrees unless otherwise explicitly approved by District in writing.
- (c) Contractor shall provide a PVSyst report in PDF and excel 8760 formats at every stage of the design that shows that the Solar Facility design and installation will meet the Annual Production Estimate.

### **3.2.3 Site and General System Requirements**

- (a) Inverters and batteries shall not be placed in locations subject to exposure to direct sunlight between the hours of 10:00AM and 4:00PM. Where inverters must be placed in locations that would be subject to direct exposure to sunlight during this window of time, they shall be provided with shade coverings or otherwise protected from continuous exposure to the sun.
- (b) Where applicable, the Project shall require a study, recommendations and stamp and sign off from a licensed structural engineer and a licensed geotechnical engineer.
- (c) Sufficient access pathways and space shall be provided to and around all existing rooftop equipment to allow for ongoing maintenance of the equipment.

- (d) All roof penetration flashing and sealing methods are to be determined, designed and implemented in accordance with the requirements of Site's roofing Contractor and/or roofing consultant. All Site roof warranties shall be preserved.
- (e) Where the Solar Facility is a ground mounted installation, Contractor shall clear and grade the site substantially in accordance with the site grading plans. All vegetation inside the array boundaries shall be permanently removed.
- (f) The low-end clearance of ground mounted PV arrays shall be a minimum of two feet (2') above grade.
- (g) Ground mounted PV arrays shall include sufficient drive aisles to maintain the equipment and perform PV module washing, including access for vehicles and cranes as needed to remove and replace equipment.
- (h) All roads shall be designed and installed for all weather access.
- (i) Shade structures over areas not exposed to vehicular traffic are required to have a minimum clearance height of ten feet (10') from grade.
- (j) Shade structure arrays shall include non-wired extra modules if needed so that the array is a full complete rectangle and does not contain any insets or jagged corners. These non-wired modules must be noted in the string wiring diagrams submitted in the Final Binder.
- (k) Equipment pads shall be protected by bollards. Bollards shall be permanent unless removable bollards are required to facilitate access to equipment.
- (l) Contractor shall provide erosion control, weed abatement, and security for the Site throughout construction. Contractor shall remove any weeds via mechanical removal methods only.
- (m) Contractor shall be responsible for creating and performing all requirements of a Storm Water Pollution Prevention Plan ("**SWPPP**"), dust control plan, pollution mitigation plan, and all other plans required by all Governmental Authorities. At a minimum, any earthwork-related or fine grading activities are to be conducted at such times that minimize construction-related fugitive dust.
- (n) If adequate site fencing or equivalent is not in place, equipment pads, disconnect switches and all other equipment which is at risk for tampering shall be fenced. Fencing shall be eight feet (8') high with two inch (2") galvanized steel chain link fabric where in accordance with all local requirements.
- (o) Ground mounted solar PV arrays shall be fenced in accordance with the NEC, NESC and requirements of any Governmental Authority and shall include provisions for at least one locking gate. If adequate site fencing or equivalent is not in place, the fencing around ground mounted solar PV installations shall provide for a sixteen foot (16') wide clearance to the PV modules to allow for vehicular access and to limit shading impact on the Solar Facility.
- (p) Locks for all gates and electrical enclosures to be provided by Contractor but must be approved by District prior to procurement. All gates shall include provision for District and Contractor locks to allow for access by each entity.
- (q) Equipment pads shall be provided with two (2) 120VAC, 20A GFCI receptacles where alternative outlets are not readily available.
- (r) Per the FEMA flood map for the area, the site has a 0.2% annual flood hazard. The adjacent areas to the Site are in a floodplain. Contractor will take appropriate precautions to prevent water damage to the Project, including determining and installing the PV arrays, batteries, inverters, electrical enclosures and all other materials to be used in the Project at the appropriate height above grade to be above the 1-percent-annual-chance flood elevation.
- (s) The south hillside needs to be protected south of Primary Sedimentation Tanks where the "Large Ground Mounted Solar Package 5" will be located. Protection method to

include retaining wall at the top of the slope, a drainage collection channel along the crest and down the slope, and aggregate ground cover on the slope. District may undertake this work outside of this Agreement, depending on timing and cost. Moreover, slope stabilization is required.

- (t) Lighting requirements for PV array and other Project equipment locations shall be discussed with District during design, and any lighting locations and fixture specifications shall be mutually agreed upon.
- (u) An arc flash study shall be performed by Contractor. All required equipment labeling, fault current and coordination analysis, and recommendations for proper personal protective equipment (PPE) shall be followed in accordance with the results of the arc flash study.
- (v) Geotechnical studies, where required, must include soil corrosivity and thermal resistivity testing and evaluation. All work must include consideration for the results of the testing and evaluation.

### **3.2.4 Conduit and Wiring**

- (a) All conductors shall be in conduit. Contractor shall not direct bury conductors unless explicitly approved by District in writing. All conduits shall be installed according to the requirement of the NEC and all Governmental Authorities.
- (b) Buried conduit shall be PVC and shall be covered and encased per NEC requirements.
- (c) All below grade horizontal and vertical bends of PVC conduit shall use long radius elbows. Bending of straight PVC conduit to avoid installation of long radius elbows will not be allowed.
- (d) Vertical risers of buried or encased PVC conduit shall transition to the metallic conduit type specified below no higher than twelve inches (12”) above grade or top of concrete. Any exposed PVC shall be Schedule 80. If transition to metallic conduit is installed as soon as or just before the conduit is no longer buried or encased, use the appropriate conduit adapter and wrap metallic conduit in 10mil corrosion protection tape where exposed to soil or concrete.
- (e) Where exiting from the ground, all conduits shall enter enclosures from below and be made watertight. Finish with a silicone sealing compound.
- (f) All above ground conduit and fittings shall be Ocal PVC-Coated.
- (g) All conduits located on rooftops will be supported using UV resistant polyethylene foam or synthetic rubber unless explicitly approved by District in writing. Wood supports are not permitted.
- (h) All wiring must be copper.
- (i) Ground lugs shall be mechanical or irreversible crimp, rated for direct burial, listed to UL 467 and/or UL 2703 and suitable for use with copper conductors.
- (j) Unless otherwise approved by District in advance, PV modules shall be grounded with hardware listed to UL 2703. PV module grounding shall be in accordance with all requirements of the NEC and the Governmental Authority.
- (k) All wiring shall be minimally rated to handle the voltage and current of the designed system.
- (l) All wiring shall be listed and labeled by a Nationally Recognized Testing Laboratory (“*NRTL*”) in accordance with Underwriters Laboratories standards for its purpose and location.
- (m) PV module string wire shall be UL listed PV Wire and be appropriately rated for UV exposure where required.
- (n) All DC wire, other than module-to-module wire in a string that is spanning a gap less than three inches (3”) wide shall be located in conduit.

- (o) The Solar Facilities shall be equipped with DC arc-fault protection in accordance with the NEC.
- (p) Where there are more than two DC strings in parallel on an MPPT, DC wiring shall be protected by overcurrent protection rated for DC circuits and marked by the manufacturer for use in PV systems. Fuses shall be listed and labeled by an NRTL in accordance with UL 2579.
- (q) All termination equipment shall be rated for the conductor type, temperature, current and voltage of the conductor being terminated.
- (r) Locking connectors shall mate with PV module terminations and shall be certified compatible by the manufacturer of the locking connector provided with the PV module.
- (s) All conductors used for communication will be shielded cable with a drain.
- (t) Communications wiring shall be in separate conduits from the high voltage DC and AC wiring with sufficient separation to prevent interference.
- (u) Worst-case DC voltage drop shall be limited to 2.0% unless otherwise explicitly approved by District in writing. The circuit shall be defined as all wiring from the PV module connectors to the DC input terminals at the inverter. Contractor shall account for all horizontal and vertical distances and all wire gauge transitions.
- (v) Worst-case AC voltage drop for an individual inverter shall be limited to 2.0% for the BESS and 2.5% for the Solar Facilities at maximum power, and weighted average AC voltage drop shall be limited to 2.0% at maximum power, unless otherwise explicitly approved by District in writing. The circuit shall be defined as all wiring from the inverter output to the Delivery Point. Contractor shall account for all horizontal and vertical distances and all wire gauge transitions.

### **3.2.5 Electrical Tie-In**

- (a) The Solar Production Meter and BESS Meter shall be identified on the preliminary and final drawings and shall be located within ten (10') feet of the Delivery Point unless an alternative location is approved in writing by District.
- (b) In lieu of providing and installing a Net Generation Output Meter (“*NGOM*”) on each existing and new Solar Facility, Contractor may provide, install and program a UL 1741 CRD listed Power Control System (“*PCS*”) that is capable of demonstrating to the Distribution Utility that the BESS is 100% charged by the Solar Facility, thereby ensuring that the Solar Facility will receive full NEM credits from the Distribution Utility. Contractor is responsible for all scope, costs and designs relating to the PCS.
- (c) If Contractor is unable to gain approval from the Distribution Utility for their proposed PCS as described above, A Net Generation Output Meter shall be provided for each Solar Facility in accordance with the Distribution Utility requirements. Contractor is responsible for all scope, costs and designs relating to any NGOM. Contractor must coordinate installation of the NGOM with existing Solar Facility owner for Sites that have a Solar Facility.
- (d) Where financially beneficial for the Project, the PCS shall be configured to limit net export to the required limit in order to minimize Distribution Upgrade costs.
- (e) Should relocation of any circuit breakers be required to meet requirements of this Agreement, all scope, costs and designs are the responsibility of Contractor.
- (f) If motorized circuit breakers or similar equipment is required to isolate the electrical loads from the Distribution Utility for islanded Microgrid operation, all scope, costs and designs are the responsibility of Contractor.
- (g) If motorized circuit breakers or similar equipment is required to isolate non-Critical Loads from the islanded Microgrid, all scope, costs and designs are the responsibility of Contractor.

**3.2.6 Structural**

- (a) Structural engineers shall determine all code requirements, and the Project shall be designed and installed in accordance with the latest edition of all applicable codes and standards.
- (b) Structural engineers shall perform a structural review of the existing structures and mechanical attachment details for all equipment to be located on the roof.
- (c) Equipment pads shall be a minimum of six inches (6”) of concrete reinforced at twelve-inch (12”) intervals with #5 rebar unless otherwise directed by the structural engineer. Equipment pad layouts shall include adequate spacing to accommodate maintenance activities for all equipment. A housekeeping pad elevated three inches (3”) above the remaining pad surface will also be required.
- (d) Where electrical enclosures will be mounted vertically to PV array structural posts or other supports, two feet (2’) minimum ground clearance and appropriate working clearances as required per NEC shall be maintained. In no case shall equipment locations create shade on any PV array between the hours of 10:00AM and 4:00PM (solar time) on the winter solstice.
- (e) Structural engineers are to specify the grade of steel used in all support structures. Mill certifications showing the identification of the steel to be used on the Project and the quality thereof shall be provided to District. Mill certifications shall be checked by Contractor prior to accepting delivery of any steel.

**3.3 Engineering Design Packages and Project Execution Plan**

Contractor and its subcontractors (as applicable) shall prepare and submit to District for their review and approval all drawings, assessments, reports, specifications, and all other necessary documents setting forth in detail all requirements for the construction of the Project. Contractor shall prepare Preliminary, 50%, 90% and 100% Engineering Design Packages as described herein. All engineering and installation drawings shall comply with current construction standards, codes and regulations, and adhere to all requirements of this Agreement. The system design will comply with all applicable laws and regulations. District approval of any of the submittals provided by Contractor, including drawings, does not excuse Contractor from their responsibility to meet all safety requirements, applicable codes and standards requirements, requirements of all Governmental Authorities and the requirements of the Agreement including this Exhibit B.

Engineering Design Packages shall at a minimum contain the information as outlined below for each milestone.

**3.3.1 Preliminary and 50% Engineering Design Packages**

- (a) Design Drawings depicting and identifying at a minimum:
  - (i) Solar Facility PV array layout
  - (ii) Tilt and azimuth for all PV arrays
  - (iii) The proposed locations of all other major Solar Facility equipment including but not limited to electrical point of connection, disconnects, panelboards, inverters, meters and dataloggers
  - (iv) The proposed locations of all major BESS equipment including but not limited to electrical point of connection, disconnects, transformers, panelboards, inverters, batteries, meters, controllers and dataloggers.
  - (v) The locations of all major existing equipment, including but not limited to Distribution Utility transformer and meter, main electrical service switchgear, System electrical point of connection(s), disconnects, panelboards, inverters, arrays, meters and dataloggers.

- (b) Product data sheets and copies of manufacturers' warranties for all major pieces of equipment.
- (c) Completed System Site Assessment Table in native and PDF formats.
- (d) PVSyst energy production modeling report in PDF format and 8760 output files in MS Excel format. The energy production model report and 8760 output files must be in the same format and use the same assumptions as those used to determine the inputs to this Agreement.
- (e) BESS system performance modeling report in 4x8760 output file in MS Excel format.
- (f) System performance report detailing the Critical Loads and Estimated Microgrid Operation Duration.

### **3.3.2** 90% and 100% Engineering Design Packages

- (a) All information required above for the Preliminary and 50% Engineering Design Packages, updated at each milestone.
- (b) A full set of Design Drawings as described in a subsequent section.
- (c) All required drawings, assessments and reports stamped and signed by an engineer licensed in the appropriate discipline – structural details shall not be stamped by an electrical engineer.
- (d) Full structural details of the PV array mounting system, BESS pad and anchorage, equipment support racks and anchorage, fencing design and associated calculations.
- (e) Microsoft Project or equivalent construction schedule (providing Gantt chart output) showing milestones, equipment order and delivery dates, and staffing requirements. Specific milestones such as conduit installation completion, material arrival dates, interconnection date, and commissioning timeline, shall be highlighted.
- (f) A list of those changes made from the original proposal with the reasons therefor.

The Engineering Design Packages will be reviewed by District. Comments shall be delivered to Contractor within ten (10) business days of submission for review. Ensuring that the Project complies with all requirements and will be installed to meet all requirements of this Agreement remains the sole responsibility of Contractor.

### **3.3.3** Project Execution Plan

A complete Project Execution Plan for each Site shall be provided for review, which shall at a minimum address the following:

- (a) Material storage location
- (b) Lay-down and layout yard location
- (c) Site office location
- (d) Access and mobilization
- (e) Crane locations and traffic control
- (f) Method of installation
- (g) Human resources and staffing
- (h) Communications
- (i) Anticipated Project risks

The Project Execution Plan shall be reviewed and approved prior to any work being performed on the Sites. The Project Execution Plan shall be submitted as soon as reasonably possible, and no later than two (2) days after the 90% Engineering Design Package due date.

## **3.4** Design Drawings

A drawing summary list shall be maintained by the Engineer of Record for tracking drawings and revisions thereof over the design and construction period, and the list shall be provided to District on a bi-weekly basis or as requested. All Design Drawing submittals shall be according to the following:

### **3.4.1** Format

- (a) All drawings shall include a title block which at a minimum contains the Project name, Site address, District logo, Contractor's name, engineer's stamp, engineer's name and drawing revision table.
- (b) Any changes in the Engineering Design Packages from one District submittal to the next shall be clouded.
- (c) Redlines shall be maintained on a not more-than-weekly basis. As-built drawings shall be completed in a reasonable amount of time following the Governmental Authority final inspection and sign off.

### **3.4.2** Content

The descriptions of the sheets and sheet contents below shall be considered the minimum requirement. Additional sheets and details shall be included as needed to describe the project in adequate detail for construction and permitting needs.

#### **(a) Title Page**

Information on the title page shall include, but not be limited to the following:

- (i) Location of the Site
- (ii) Amount of land area to be occupied by the Project, expressed in square feet or acres as appropriate
- (iii) Project directory including contact information for all engineers, designers and consultants
- (iv) Index of drawings
- (v) Applicable codes and standards list including most recent CEC/NEC
- (vi) A scope of work narrative description
- (vii) System size, which shall include kWDC, kW CEC-AC and kWAC for any Solar Facility, and kWAC and kWh for any BESS
- (viii) Interconnection type (NEM-PS, NEM-A, Rule 21)
- (ix) PV module manufacturer, part number and quantities (proposed and existing where applicable)
- (x) PV inverter manufacturer, part numbers and quantities (proposed and existing where applicable)
- (xi) PV module mounting hardware description (ballasted roof mount, ground mount, shade structure mount etc.)
- (xii) Battery manufacturer, part numbers and quantities
- (xiii) BESS inverter manufacturer, part numbers and quantities
- (xiv) All other information required by all Governmental Authorities and not explicitly listed here
- (xv) Benchmarking / survey control data as applicable

#### **(b) Architectural Site Plan**

Information on the site plan shall include, but not be limited to the following:

- (i) Property lines
- (ii) Required setbacks and/or yards
- (iii) Easements
- (iv) Existing buildings and structures
- (v) Proposed locations of major equipment

- (vi) Building code analysis justifying proposed equipment placement
- (vii) Separation distances
- (viii) Fire access requirements

**(c) Single Line Diagrams**

The single line diagrams shall accurately depict the physical electrical connections (i.e. quantity, type, and size of conductors, quantity, size, and type of conduit) between all electrical equipment used in the system. Information on the single line diagrams shall include, but not be limited to the following items:

- (i) System size, which shall include kWDC, kW CEC-AC and kWAC for any Solar Facility, and kWAC and kWh for any BESS
- (ii) Interconnection type (NEM-PS, NEM-A, Rule 21)
- (iii) PV module manufacturer, part number and quantities (proposed and existing where applicable)
- (iv) PV inverter manufacturer, part numbers and quantities (proposed and existing where applicable)
- (v) Battery manufacturer, part numbers and quantities
- (vi) BESS inverter manufacturer, part numbers and quantities
- (vii) Distribution utility transformer, including size
- (viii) Distribution utility meter, including meter number and SAID
- (ix) Main electrical service switchgear, including bus amperage, main service disconnect amperage, voltage rating and interrupt rating
- (x) Solar Facility electrical point of connection, disconnects, panelboards, inverters, arrays, meters and dataloggers, where applicable
- (xi) System interconnection tie-in scheme
- (xii) All AC and DC disconnects including wiring and fusing within disconnects
- (xiii) All overcurrent protection device sizing
- (xiv) Switchgear, including bus amperage, main over current protection device (“OCPD”) amperage, voltage rating and interrupt rating
- (xv) Transformers, including kVA, primary and secondary voltages
- (xvi) PV modules, inverters and batteries
- (xvii) Number of PV modules per string
- (xviii) Number of PV strings for each inverter and/or combiner box
- (xix) String labels per array or subarray
- (xx) Net Generation Output Meter where applicable, Solar Production Meter where applicable, BESS meter, and any other meters
- (xxi) Wire type, conductor material, size and quantity used for each run
- (xxii) Conduit type, size and quantity of wires in each conduit for each run
- (xxiii) Total wire length for each run
- (xxiv) Complete electrical calculations, including voltage drop, OCPD and wiring ampacity, and PV string voltage
- (xxv) Monitoring data communications and power wiring
- (xxvi) Controls diagram including low voltage, low current and power wiring
- (xxvii) Security camera data communications and power wiring if applicable
- (xxviii) Lighting, convenience outlets, and any auxiliary power circuit wiring and equipment
- (xxix) Make and model of all major equipment

**(d) Electrical Site Plan and Electrical Details**

Information on the electrical layouts and details shall include, but not be limited to the following:

- (i) Plan view of locations of all electrical equipment shown on the Single Line Diagrams described above
  - (ii) Location of the point of interconnection
  - (iii) Enlarged views of the BESS area, any other electrical equipment pads, and main electrical service area
  - (iv) Elevation views of all electrical equipment
  - (v) Locations of conduit runs
  - (vi) Locations and sizing of spare conduits
  - (vii) PV string map per array or subarray
  - (viii) Safety label details (including, but not limited to, arc flash)
- (e) **Grounding Diagram**  
All electrical equipment shall be depicted, including their capacity/rating, manufacturer, part number, quantity, and reference designator where applicable. Diagram shall indicate equipment grounding connection points and grounding conductor size. Equipment shall include but not be limited to the following:
- (i) PV Modules
  - (ii) PV Inverters
  - (iii) Batteries
  - (iv) BESS Inverters
  - (v) Transformers
  - (vi) Switchgear
  - (vii) AC and DC disconnects
  - (viii) Main electrical service switchgear
  - (ix) Meters
  - (x) Control and Monitoring equipment
  - (xi) MET (Meteorological) Stations
  - (xii) Distribution panelboards
- (f) **Structural and Civil Sheets**  
Information on structural and civil sheets shall include, but not be limited to the following:
- (i) Equipment pad(s) structural details
  - (ii) Equipment mounting rack structural details
  - (iii) Equipment anchorage design
  - (iv) Fence design and structural details
  - (v) All civil work details

#### 4. EQUIPMENT

The System is intended to be in operation for a minimum of twenty-five (25) years, therefore, the life cycle costs (capital expenditures and operating and maintenance expenses) for all installations and systems must be considered in selection criteria for all materials and equipment. Contractor shall purchase and cause to be delivered to each Project Site all equipment and materials required for the Project and as described in District-approved final Engineering Design Package, specifications and data sheets and as required to construct a fully functioning Project. Any proposed changes or substitutions must be presented to District in standard submittal format with detailed explanations and instructions for review, comment and approval. Minimum requirements for equipment are described below. District approval of any of the submittals provided by Contractor, including drawings, does not excuse Contractor from their responsibility to meet all safety requirements, applicable codes and standards requirements, requirements of all Governmental Authorities and the requirements of the Agreement including this Exhibit B.

**4.1 Standards**

All components shall be designed, manufactured, tested and listed in accordance with the latest applicable standards of NEMA, ANSI, NEC, IEC and UL. Contractor shall verify listing and labeling of equipment by a NRTL prior to installation. In all cases NEC and Governmental Authority rules shall apply.

**4.2 Factory Testing**

Any equipment that is required to be factory tested to an applicable standard shall be accompanied by the results of those factory tests, and further those results will be submitted to District as part of the Final Binder.

**4.3 Acceptance and Care**

Equipment shall be stored, handled and installed in accordance with manufacturer's requirements. Material received shall be identified by serial number. A report recording make, model and serial numbers of the material and equipment received shall be prepared and shall be forwarded to District within ten (10) days of the material and equipment being received.

**4.4 NEMA Rating**

Enclosures mounted outdoors shall be rated a minimum of NEMA 3R. If any Site is within two (2) miles of any body of salt water or other potentially corrosive water, inverters and battery enclosures shall be NEMA 4X in stainless steel and all other enclosures exposed to the elements shall be NEMA 4X.

**4.5 Nameplates and Labeling**

All major equipment, panels, boxes, and associated equipment shall be clearly labeled. Reference ANSI Z535.4-2011 for guidelines describing suitable font sizes, words, colors and symbols for labels. Nameplates and map placards shall be engraved phenolic placards made of red stock with white lettering sized appropriately for the size and purpose of the label. Contractor shall submit the proposed labels for approval prior to installation. The following minimum labeling shall be installed:

- A. Install engraved signs for instruction and warning identifying that a System is operational on the premises at appropriate locations and that there are potentially multiple power sources on the premises – submit wording and location to District for approval. In all cases NEC and Distribution Utility requirements shall dictate.
- B. Install all required signage per NEC (including arc flash requirements per NEC Article 110).
- C. Install engraved phenolic placards identifying emergency disconnecting means.
- D. Provide identification of all solar PV DC power circuits on switches, combiner boxes and/or inverters. Clearly identify individual PV module strings within the equipment at which they terminate. Use appropriate wire color codes (i.e., red and black) for positive and negative conductors.
- E. PV modules must include serial numbers in such a position as to be easily visible after installation.

**4.6 Products – Approved Manufacturers and General Product Requirements**

Only products that meet the requirements below shall be used in the construction of the Project, unless otherwise explicitly approved in writing by District.

4.6.1 Approved PV Modules

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.2 Approved PV Module Manufacturer

[TO BE ADDED by Contractor prior to executing Agreement]

District’s General Guidelines for PV modules

- Thin film, concentrating PV, etc. PV technologies are not accepted by District.
- All PV modules must be included on any required rebate-related approved module list as well as on the California Energy Commission’s (“CEC”) List of Eligible Photovoltaic Modules.
- All PV modules shall be listed on the most recent Tier 1 Solar Panels List as determined by BloombergNEF.
- All PV modules must have anti-reflective (AR) glass surfaces.
- All PV modules used on the Project shall include a minimum twenty-five (25) year linear power output warranty and a minimum ten (10) year product warranty.
- Any PV modules to be installed on a rooftop shall have a Photovoltaic Module Fire Performance Type Classification by an NRTL of Type 1 or Type 2.
- All array layouts, PV module related submittals, and PV module data sheets must include cell and module efficiency ratings and define the guaranteed production degradation over the warranted life of the module.
- Contractor will provide flash test data for all PV modules to District in MS Excel format upon procurement of PV modules. District, at its sole discretion, may randomly select up to fifty (50) PV modules for delivery to a third-party for quality verification testing. The costs of such verification testing shall be the responsibility of District.

4.6.3 Approved Solar Facility Inverter Manufacturer

[TO BE ADDED by Contractor prior to executing Agreement]

District’s General Guidelines for Solar Facility Inverters

Central and string inverters with a maximum input voltage of 1,000VDC are allowed where in compliance with the NEC for rooftop and shade structure mounted PV arrays.

Central and string inverters with a maximum input voltage of 1,500VDC are allowed where in compliance with the NEC for ground mounted PV arrays. Microinverter solutions may be proposed. All inverters must be included on any required incentive-related approved inverter list as well as on the CEC’s List of Eligible Inverters. Inverters must meet all Distribution Utility requirements. All inverters must have a minimum 20-year warranty.

Inverter Manufacturer Preventative Maintenance and Support Services

District requires preventative maintenance support services which may be provided by Contractor or the inverter manufacturer, as well as comprehensive and highly

responsive repair service offerings. In addition, District will be monitoring the inverters' performance remotely and require that the inverters utilize an open interface and documented protocols for third party monitoring software.

**4.6.4 Approved PV Module Mounting Hardware – Flat Roof Mount**

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for PV Module Mounting Hardware for Flat Roofs

PV module mounting systems to be installed on flat rooftops of existing buildings shall be NRTL listed to UL 2703. When assembled with PV modules that have Photovoltaic Module Fire Performance Type Classification of Type 1 or Type 2, the combined assembly shall have a Fire Rating of Class A as certified by an NRTL. The Approved PV Modules listed above shall be on the tested and approved PV module list maintained by the mounting system manufacturer to ensure compatibility with the mounting system's integrated grounding components. The mounting system shall use or be compatible with mechanical attachment hardware and/or systems that are also compatible with the specific roof structure and can be properly sealed and warranted for the specific roof type.

District requires that all PV module mounting solution descriptions clearly identify the mounting hardware and any engineering services related to the mounting solution. Contractor shall provide full mounting solution specifications, warranty details, etc.

**4.6.5 Approved Mounting Hardware – Ground Mount**

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for PV Module Mounting Hardware for Ground Mounts

Ground mounted fixed tilt PV module mounting systems shall be NRTL listed to UL 2703. Ground mounted tracking systems shall be NRTL listed to UL 3703. The Approved PV Modules listed above shall be on the tested and approved PV module list maintained by the mounting system manufacturer to ensure compatibility with the mounting system's integrated grounding components.

District requires that all PV module mounting solution descriptions clearly identify the mounting hardware and any engineering services related to the mounting solution. Contractor shall provide full mounting solution specifications, warranty details, etc.

**4.6.6 Approved Mounting Hardware – Shade Structures**

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for Shade Structures

Structural columns and beams shall be galvanized. Purlins shall be G90 galvanized steel. If deemed required, Contractor shall conduct topographic survey to ensure structural column heights are designed such that in Project Sites with multiple structures the beams are installed in the same horizontal plane. For any Projects within DSA's jurisdiction, proposed shade structures shall be "pre-approved" in accordance with DSA Procedure PR 07-01. Weep holes on steel canopy structures will be closed

or filled. Contractor shall install flag post columns for all solar shade structures (i.e. no concrete bollard around columns).

4.6.7 Unused

4.6.8 Approved BESS Inverter Manufacturer

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for BESS Inverters

All BESS inverters must be included on any required incentive-related approved inverter list. Inverters must meet all Distribution Utility requirements. All inverters must have a minimum fifteen (15) year warranty.

Inverter Manufacturer Preventative Maintenance and Support Services

District requires preventative maintenance support services which may be provided by Contractor or the inverter manufacturer, as well as comprehensive and highly responsive repair service offerings. In addition, District will be monitoring the inverters' performance remotely and require that the inverters utilize an open interface and documented protocols for third party monitoring software.

4.6.9 Approved Battery Manufacturer

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for Batteries

Lithium-ion battery chemistry is preferred. Lead acid battery chemistries are not acceptable. All batteries must have a minimum fifteen (15) year warranty.

Battery Manufacturer Preventative Maintenance and Support Services

District requires preventative maintenance support services which may be provided by Contractor or the battery manufacturer, as well as comprehensive and highly responsive repair service offerings.

4.6.10 Approved Data Acquisition System ("DAS")

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.11 Performance Monitoring and Reporting Service Contractor

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.12 Inverter Monitoring Contractor

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.13 Approved PV Module Temperature Sensors

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.14 Approved Ambient Temperature Sensors

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.15 Approved Irradiance Sensors (Pyranometers)

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.16 Approved Wind Speed and Direction Sensors

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.17 Approved Rain Sensor

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.18 Approved Critical Load Meters

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.19 Approved BESS Meter

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.20 Approved Solar Production Meter

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.21 Approved Safety Switches

[TO BE ADDED by Contractor prior to executing Agreement]

4.6.22 Approved Transformers

[TO BE ADDED by Contractor prior to executing Agreement]

District's General Guidelines for Transformers

Any dry-type transformers shall meet DOE 2016 efficiency requirements, shall have copper windings, 220°C insulation rating and 115°C maximum temperature rise rating.

Any oil-filled transformers shall be filled with a non-toxic, non-bioaccumulating, biodegradable fluid.

4.6.23 Approved Grounding Devices

[TO BE ADDED by Contractor prior to executing Agreement]

5. COMMUNICATIONS AND MONITORING SYSTEMS

Contractor is responsible for the complete and fully functional installation and operation of the Supervisory Control and Data Acquisition (“SCADA”) system. Any labor, communications devices, wiring and or other materials shall be included in Contractor’s cost and scope. The SCADA system shall meet all the requirements outlined in this Agreement.

**5.1 Performance Monitoring & Reporting Service**

Contractor shall provide a Performance Monitoring and Reporting Service (“PMRS”) as part of the SCADA system to monitor and collect data from the Critical Load Meter, BESS Meter, Solar Production Meter, inverters, batteries, meteorological stations and all other data points applicable to the System operation. Contractor shall be responsible for procuring, installing, and commissioning all SCADA equipment, and for entering into a contract with a third-party Performance Data Contractor (“PDP”). The monitoring service requirements are as follows:

- A. Contractor shall provide operator and administrator level training to District for using the PMRS software interface as part of commissioning activities.
- B. The PMRS software interface must allow for access via a link from District’s website and must allow the users to view and download real-time and historical electricity usage, solar production, and BESS power flow data at each Project Site over a variety of timescales including but not limited to a minimum of a year of fifteen (15) minute interval data. Contractor shall coordinate and obtain approval of all data points to be displayed on the public webpage with District prior to implementation.
- C. The PMRS software interface must allow District to programmatically download via an Application Program Interface (“API”) the real-time and historical electricity usage, solar production, and BESS power flow data at each Project Site over a variety of timescales including a minimum of one (1) year of fifteen (15) minute interval data. The API must include the ability to reference most recent inverter, meter and alarm status readings.

**5.2 Equipment and Components**

Below is a list of the minimum equipment and components that must be included as part of the PMRS. All equipment shall be installed to equipment manufacturer’s recommendations and best practices for Systems.

- A. Critical Load Meter(s)  
Revenue grade energy meters shall be installed to measure the energy usage, instantaneous demand, power factor, etc. at each Critical Load distribution panel. The load side revenue grade energy meters shall be included as part of the PMRS system, send data through the PDP and be displayed on the PMRS software interface.
- B. BESS Meter  
Revenue grade energy meters shall be installed to monitor power and energy flows of the BESS at each Site. The BESS Meter shall be located within ten feet (10’) of the Delivery Point unless an alternative location is agreed to in writing by District. The BESS Meter shall be included as part of the PMRS system, send data through the PDP and be displayed on the PMRS software interface.
- C. Solar Production Meter

Revenue grade energy meters shall be installed to monitor power and energy production of any Solar Facility present at each Site. The Solar Production Meter shall be located within ten feet (10') of the Delivery Point unless an alternative location is agreed to in writing by District. The Solar Production Meter shall be included as part of the PMRS system, send data through the PDP and be displayed on the PMRS software interface.

D. Datalogger/Internet Gateway

E. Inverter Monitoring

If inverters are not provided with communications as part of the standard package, then the communications option shall be ordered. Where various communication package options exist, those options shall be discussed with District prior to ordering.

F. PV Array Monitoring

If DC combiner boxes are installed within the array field and not integral to the PV inverters, DC monitoring shall be provided for each home run from the combiner boxes to the inverters.

G. Meteorological Stations

The Project will require installation of one meteorological station at a location determined by District and to include at least the following:

- One (1) ISO 9060 first class pyranometer installed at 0° tilt to measure ground horizontal irradiance (“*GHI*”)
- One (1) ISO 9060 first class pyranometer installed at each unique azimuth and tilt of the arrays installed
- Two (2) PV module temperature sensors
- One (1) ambient temperature sensor
- One (1) wind speed and direction sensor
- One (1) rain sensor

Sensors shall be mounted away from shadows, reflective surfaces, and sources of artificial irradiation or any other factor that may influence measurement accuracy of the sensors. Pyranometers will be installed in the middle of the array.

The PV module temperature sensor data shall be linked to the predicted power calculation formula in the PMRS software interface along with the applicable plane of array irradiance data supplied by the pyranometer for each array.

The meteorological station must be connected to the PMRS system so that weather data can be collected and downloaded along with the Solar Facilities production data.

All meteorological station equipment shall be calibrated and tested by the original equipment manufacturer or vendor prior to delivery to the Site and maintained through the Term per the manufacturer’s requirements. All pyranometers shall be cleaned in the same manner and at the same time as a PV module washing is performed.

H. Protective Relays, Medium Voltage Circuit Breakers and Transformers

All available data points shall be provided through the PMRS system.

I. External Device Communication

Contractor must arrange for and provide District a secure and reliable internet connection adequate to allow for uploads of all data points from the PMRS system every fifteen (15) minutes at their sole cost. Contractor shall provide this internet connection via a cellular modem with data service. Contractor shall make this information available to District through the PMRS system.

**5.3 Remote Access Monitoring Portal**

**5.3.1 Power and Energy Data**

Each Project Site’s PMRS web portal should display the following minimum information over a variety of timescales:

- (a) BESS inverter instantaneous power (kW)
- (b) BESS battery state of charge (%)
- (c) BESS battery instantaneous energy remaining (kWh) (desirable not required)
- (d) Solar instantaneous power output (kW)
- (e) Solar energy production (kWh)
- (f) Facility entire instantaneous load without solar & BESS (kW)
- (g) Facility instantaneous load net solar (kW)
- (h) Facility instantaneous load net solar & BESS (kW)
- (i) Facility entire energy consumption (kWh)
- (j) Critical loads instantaneous load (kW)
- (k) Critical loads energy consumption (kWh)
- (l) Billing cycle peak demand without solar & BESS (kW)
- (m) Billing cycle peak demand reduction due to BESS (kW)
- (n) Billing cycle peak demand reduction due to solar & BESS (kW)
- (o) Billing cycle peak demand savings (\$) (desirable not required)

**5.3.2 BESS Alarms**

Each site should have at least the following custom alarms:

- (a) Whenever the billing cycle peak demand exceeds the programmed demand threshold set at the beginning of the billing cycle.
- (b) The battery state of charge remains below a programmed value for five (5) consecutive days. An example is to set the value to 66% of the battery system kWh rating in an attempt to identify if/when the battery system is malfunctioning.
- (c) Any meter reports a magnitude of less than 0.1 kW for one day.

**5.3.3 Solar Facility Alarms**

Each site should have at least the following custom alarms:

- (a) Inverter produces less than ten percent (10%) of the inverter capacity over the course of an hour between 10:00AM and 3:00PM. The upper limit of the alarm should be set to twice the inverter capacity.
- (b) Any meter reports a magnitude of less than 0.1 kW for one hour between 10:00AM and 3:00PM. The upper limit of the alarm should be set to twice the site capacity.

**5.3.4 Solar Facility Analytics Pages**

Each Solar Facility PMRS should have the following tabs configured in the monitoring analytics page. They should be labeled uniformly at each site. The tabs should be labeled as follows:

- (a) Load Profile
  - (i) Solar Production Meter Power (kW)

- (ii) BESS Meter Power (kW)
  - (iii) Facility Demand (kW)
  - (iv) Net Consumption (kW)
- (b) Inverter Output  
Energy generation (kWh) per inverter. Each inverter shall have a unique identifier matching the naming convention in the As-Built drawings.
- (c) Predicted Power
- (i) Solar Production Meter Power (kW)
  - (ii) Predicted Power (kW)
- (d) Inverter vs. Solar Production Meter Power  
Power output per inverter displayed with the Solar Production Meter Power

**5.3.5 Settings**

All System information should be filled out completely and correctly on the monitoring platform to match the As-Built drawings and allow for easy identification of equipment and other System information.

**6. CONSTRUCTION**

Contractor is required to conduct all construction and construction management work for completion of the Project. Contractor shall perform all work in accordance with generally accepted industry practices, all applicable laws, regulations, codes, rules, ordinances, Government Approvals and permitting requirements, equipment manufacturer’s requirements, and quality control inspection protocols so that the System meets or exceeds (i) all requirements of applicable laws, Government Approvals and licenses; (ii) equipment manufacturer’s installation specifications, and compliance with the terms and conditions of all applicable warranties and guarantees; (iii) complies with all requirements of the Interconnection Agreement; (iv) all established safety protocols for operation and maintenance, and labeling / marking requirements; (v) all requirements of the commissioning procedures and performance validation herein; (vii) all requirements for any applicable federal, state or other environmental or financial rebates and incentives. All Work must be performed and supervised by skilled workers trained and experienced in the installation of solar photovoltaic systems and/or battery energy storage systems in accordance with equipment manufacturers’ installation requirements. Contractor is encouraged to utilize local subcontractors and source materials and resources locally should they provide requisite qualifications and competitive advantages.

**6.1 Site Safety and Security**

Contractor shall be solely responsible for compliance with all applicable occupational safety and health standards, rules, regulations and orders established by local agencies, the State of California, and California Division of Occupational Safety and Health Construction Safety Regulations (Cal OSHA), including obtaining permits required by California Code of Regulations, Title 8, Section 341 and 341(a). In addition, Contractor and all subcontractors shall comply with applicable provisions of Federal, State, and municipal safety, health, and sanitation statutes and codes. In the event there is a conflict between the provisions of the Safety and Health Regulations for Construction promulgated by the U.S. Department of Labor in Title 29 CFR Part 1926, OSHA, or Cal OSHA, the more stringent provision shall prevail.

Contractor will develop a site-specific OSHA approved Site Safety and Security Plan and a Health and Safety Plan for each Project Site and submit it for review and approval prior to the start of construction.

The Site Safety and Security Plan shall include an evaluation and appropriate documentation of the safety record for all subcontractors that will be performing work on the Project, a traffic control plan, and an Injury and Illness Prevention Program plan. The Site Safety and Security Plan shall also include the location of emergency utility shutoffs and an evacuation plan. No work shall be performed on the Project prior to written confirmation that the Site Safety and Security Plan has been accepted. Contractor is hereby notified that emergency vehicles access the site through the main gate. Construction of electrical duct banks shall not impede emergency and district vehicle access.

A safety conference shall be scheduled prior to the start of construction to review the experience modification rating, the respective safety requirements, and to discuss implementation of all health and safety provisions related to this project. Representatives from Contractor and every subcontractor shall be present at the safety conference. Contractor shall ensure District is informed of the safety conference at least five days in advance and provided the option to attend.

Following the commencement of work on the Project, safety meetings will be held once a week with all Contractor and subcontractors' employees attending. Printed names will be taken of those attending the meeting. No individual will start work at any Project Site without having attended a safety briefing on the dangers and protocols of the Project Site. Records of this training will be kept and provided for review. No individual will operate a piece of equipment on which they have not had certification training. Certification shall be carried on the operator at all times.

Security of the Project Site(s) is the sole responsibility of Contractor, including any security monitoring equipment, fencing or other precautions that Contractor may deem reasonably necessary. District will not be liable for theft or damage of equipment or materials stored at the Project Site(s).

## **6.2 Access to and Use of Project Sites**

District shall provide access and area at each Project Site for the performance of the work on the Project, including lay-down area and storage area. District will grant Contractor access to each Project Site to perform all work associated with the Project and on-going Operation & Maintenance during regular business hours, or such other reasonable hours requested by Contractor and approved by District in accordance with this Agreement. Prior to accessing the Site, all personnel must undergo Environmental and Cultural Training. Access points to the Sites must be closely coordinated with District and approved in advance before construction begins. District will issue necessary keys to Contractor to access Project Sites once all related requirements have been met. Contractor shall return keys to District at any time upon request by District. Contractor shall reimburse District for the cost of re-keying all of District's locks if keys are not returned to District.

A minimum of half of the parking lot spots at each Project Site shall remain open for non-construction activities use at all times. District may allow Contractor to close an entire parking lot with support from Contractor to direct traffic to temporary parking lots. Contractor shall provide three weeks' notice in advance of each parking lot closure. Contractor shall prepare a communication memo with a site logistics plan for distribution to Project Site stakeholders (staff, teachers, students, parents, etc.).

Contractor agrees not to bring, keep, or permit to be brought to, or kept at or near any Project Site, any hazardous materials, or materials which are prohibited by [District | District or Site Host] or prohibited by the standard form of District's insurance policy or Site Host's insurance policy. Contractor agrees not to commit or suffer to be committed any waste upon the Project Sites.

Contractor shall install signage at each front gate / Site entrance to identify the Project and Contractor's name and contact information upon District approval of all proposed signage. Contractor shall submit

a prototype of the construction signs to District for review and approval before posting the signs at the construction sites. After approval, actual sign placement and location shall be coordinated with District.

**6.3 Drawings**

Contractor shall maintain one complete Engineering Design Package at each Site including one full set of full-size plans marked to show any deviations that have been made from the approved plans, including but not limited to buried or concealed construction features or utilities which are revealed during the course of construction. Current as-built record drawings shall be accessible to District at all times during the construction period. They shall be reviewed with District at regular intervals. Upon completion and prior to final inspection of the Project, Contractor shall submit the complete As-Built Engineering Design Package for review and shall make such revisions or corrections as may be necessary for them to be a true, complete, and accurate record of the Project in the opinion of District.

**6.4 Work-Time Constraints**

Great care shall be taken to avoid interruptions to Site activities and neighboring properties. Construction activities shall take place between typical working hours of 7:00AM to 4:00PM, Monday through Friday, excluding recognized holidays. District-Observed Holidays are as follows:

New Year's Day	January 1
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

Contractor may request in writing to perform construction activities outside of the typical working hours. Any request to perform construction activities outside of the typical working hours is subject to District approval.

Reasonable efforts must be taken to minimize disturbance to persons living or working nearby, and to the general public. All local ordinances shall be adhered to regarding noise limits, otherwise a maximum of 65dB shall not be exceeded when measured at the property line. Deliveries shall take place outside high traffic times and must be coordinated with District's personnel. Preferred hours for deliveries are 8:00AM to 4:30PM, Monday through Thursday. Contractor shall manage construction activities around and with consideration to the other projects occurring at the same time where applicable. Contractor will be required to provide necessary weekly updates of scheduled activities at each Site to District.

A shutdown plan must be provided to District at least two months in advance to allow for electrical shutdowns to be carefully coordinated with District's personnel. All interruptions in power shall be subject to District approval and must be coordinated to take place during a time period that will minimize disruptions to Site activities. This requirement will typically mean, and District reserves the right to request, that shutdowns shall occur on weekends or after working hours. District preferences for shutdown timing are as follows: a) any shutdowns for electrical tie-ins must be overnight from 1am to 5am, during low flow periods; b) no weekend shutdowns are allowed; and c) Friday morning

shutdowns are to be avoided, but may be allowed subject to District approval. District will provide plant shut-down procedures for Contractor to incorporate into the electrical shutdown tie-in plan.

All efforts must be taken to minimize the amount of time required to complete interconnections. If required, backup power will be provided by Contractor's generators during shutdowns, at Contractor's expense. An upper limit of four-hours is preferred for shutdown duration. Any shutdowns lasting longer than four hours will require additional generators by Contractor to account for increased plant flows, at Contractor's sole expense. Generators must be pre-approved by District. Notice of all pending shutdowns shall be provided thirty (30) days in advance, followed by two (2) weeks in advance, followed by forty-eight (48) hours in advance.

## **6.5 General Requirements**

### **6.5.1 Conduit and Wiring**

- (a) Locations of all junction boxes shall be reviewed with District prior to start of construction.
- (b) No wire splicing shall be allowed.
- (c) All exposed wire shall be secured every three and a half feet (3.5') minimum.
- (d) When terminating aluminum conductors, all terminations shall be brushed and coated with an oxide inhibitor.
- (e) Underground cabling shall have electrical warning tape installed approximately twelve (12") inches below finished grade in the backfill.
- (f) Existing utilities will be present in the conduit route. Contractor shall use GPRS and potholing to survey for underground utilities and use best practices when boring or trenching, including hand digging near buried lines. Trenching or boring in potentially high-risk areas (gas lines) shall be coordinated with District.
- (g) Contractor shall carefully preserve all benchmarks, monuments, survey markers, and stakes and shall be solely responsible for resetting if required.
- (h) Contractor shall ensure parasitic loads (lights, security cameras, etc.) are not installed on the same circuit as the Solar Production Meter and/or BESS Meter.
- (i) Contractor shall confirm that each System is interconnected to the correct Distribution Utility meter at each Project Site by validating the meter and service account identification numbers (SAID) with the Distribution Utility.
- (j) All exposed wiring shall be properly rated for direct sun exposure.
- (k) Exposed wiring shall be restrained utilizing wire clips per NEC requirements and best practices to eliminate strain on PV module junction box connections, wire pinch points and wire kinks. Strain-relief devices shall be rated and labeled for exposure to UV (direct sunlight).
- (l) Conduit entry locations shall be made in manufacturer provided/specified locations only.
- (m) All ground conductors shall be protected from physical damage as specified in the NEC.
- (n) Grounding wire connections must be made at closest point possible between concrete and steel, sharp edges removed and painted to match.
- (o) Power and data lines shall be located in separate conduits with appropriate separation to avoid interference.
- (p) All junction boxes, condolets, etc., are to be sealed with a silicone sealing compound and made watertight.
- (q) H-20 rated concrete handholes with cast iron or galvanized steel lids shall be used for all underground junction box locations unless District approves an alternative approach. Lids shall be bolted or welded in place with an appropriate permanent

marking such as “ELEC” or “COMM” on the lid depending on the contents of the junction box.

- (r) Aboveground junction boxes must have tamperproof screws and shall not be placed in areas where water ponding is anticipated.

## **6.5.2** Equipment

- (a) Equipment shall be stored and handled in accordance with manufacturer’s requirements.
- (b) Inverters and battery enclosures shall be placed away from all buildings where the operational noise would disturb the occupants.
- (c) Inverters and battery enclosures shall not be placed in locations where fences or other barriers would obstruct replaceable air filters or prevent access for regular service and cleaning.
- (d) All high voltage and high amperage equipment must be installed in secure, tamper-proof, and locked enclosures to prevent unauthorized tampering for safety and theft prevention.
- (e) Locks for all gates and enclosures to be provided by Contractor but must be approved by District prior to procurement.
- (f) Where necessitated by birds nesting underneath ground mounted racking systems, Contractor shall be responsible for providing a means of deterring birds from nesting that is acceptable to District.
- (g) Safety labels are required for high voltage and high amperage equipment.
- (h) All enclosures shall be detailed as part of the punch list work to ensure that any scratches, etc. are properly covered with paint as appropriate.
- (i) PV modules shall have their serial numbers recorded as they are installed, grouped and listed by DC string.
- (j) The Project will include installation of conduits at each Site sufficient to allow for future installation of security cameras at locations agreed upon with District during Project design. Should Contractor choose to install cameras as part of the overall security plan for any Site, camera selection and location shall be coordinated with District. Integration of any installed safety and security systems with the SCADA system shall be reviewed with District and options provided.

## **6.5.3** Site Work

- (a) It is Contractor’s sole responsibility to ensure that all work on the Project complies with all federal, state, and local code requirements, all applicable industry codes and standards, and all other requirements in the Agreement including the requirements in this Exhibit B.
- (b) Temporary security fencing around construction areas shall be provided throughout construction, to be removed at end of construction, and permanent fencing and bollards added as required.
- (c) Prior to the start of any work on Site, Contractor shall take pre-construction videos and photographs of any and all areas that may be impacted as part of the Project construction and shall provide the pre-construction videos and photographs to District for review and reference.
- (d) Following the finish of construction, Contractor shall take post-construction videos and photographs of all areas that were impacted as part of the Project construction and shall provide the post-construction videos and photographs to District for review and reference.
- (e) Contractor is solely responsible for locating and avoiding all existing underground utilities, including irrigation lines, and shall ensure the existing underground utilities

and installations are not impacted by Project construction. In the event Contractor damages or makes inoperable any underground or above ground utilities, it will be Contractor's full responsibility to notify District immediately and make damaged/inoperable utilities whole and fully operational to District's standards and to District's satisfaction, at Contractor's sole cost and expense.

- (f) Contractor is responsible for the repair of any damage to any Project Site that is caused by Contractor at their sole cost and expense. Contractor shall assess the condition of all areas to be used in the construction of the System prior to construction and shall alert District if any such area cannot accommodate wear and tear caused by ordinary construction activities. In such event, Contractor shall propose a reasonable remedy or remedies to such conditions for District's consideration.
- (g) Damage to District's facilities and/or the System shall be reported to District within twenty-four (24) hours with photographs.
- (h) All parking lot wheel stops that are damaged during construction shall be replaced at Contractor's sole expense.
- (i) All areas within the limits of construction or otherwise impacted by construction of the Project shall be restored to pre-Project conditions at Contractor's sole cost and expense including but not limited to: fine grading, rock, and concrete spoils removal and vegetation remediation.
- (j) No metal cutting shall occur on the roof, with the exception of conduit, which shall be cut over a carpet or similar filing collector and taken off the roof in whole at the end of the Project. In no instance shall metal filings blow or otherwise end up on the surface of any PV module or the roof.
- (k) The roof shall be loaded in a manner prescribed by the structural engineer so as not to overload any particular point on the roof during construction.
- (l) Contractor will coordinate with District when boring or trenching is performed, when laydown areas are determined, when major shipments are planned, or any other activities that might impact District's operations.
- (m) The Site is located on a culturally significant site, and any ground disturbance needs to be monitored per the Mitigated Negative Declaration (MND) Mitigation Monitoring & Reporting Program (MMRP), unless otherwise approved by the District.
- (n) Contractor shall correctly torque all such equipment or assemblies requiring torque and mark torqued bolts to designate status of having been torqued. District or District's representative may at any time request a test of marked bolts. Failure of a bolt designated as torqued to show that torque may require all assemblies to be re-torqued in the presence of a third-party inspector – such inspector to be paid for by Contractor.
- (o) Contractor shall maintain a clean and workmanlike construction site. Loose debris and unsafe conditions shall not be tolerated at any time.
- (p) Contractor is responsible to obtain all necessary Site data, perform all required investigations and determine all Site data required for the design and construction of the Systems at their sole cost.
- (q) Contractor shall be responsible for the removal and disposal of all excess soil and construction related debris generated by Contractor or subcontractors in accordance with Applicable Law.
- (r) Appropriate safety signs are required to caution drivers for speed or path restrictions near equipment pads.
- (s) Safety bollards or traffic pylons with reflective strips shall be installed where any part of the Project is adjacent to a road.
- (t) Safety bollards or traffic pylons with reflective strips shall be installed at the corners of ground mounted PV arrays and around all electrical equipment pads.

- (u) Signs and barricades shall be provided and maintained by Contractor and shall be in accordance with jurisdictional regulations for accident prevention and in accordance with the Site Safety and Security Plan.
- (v) Contractor shall ensure to reasonable extent and availability of installation space that solar structures are built away from the line of sight of neighboring properties.
- (w) Contractor shall identify and remove trees that would cause shading and reduce production of PV arrays or are in direct path of construction. Contractor shall mark each tree and review with District and Arborist prior to removal. Contractor shall remove the tree stump, grind to twelve inches (12”) below grade and provide a surface flush with surrounding grounds using the same material as the surrounding area.
- (x) Bird nesting season at the Site runs from January 15 to September 15, or as dictated within the Coastal Development Permit for the Project. A Landscape and Tree protection Plan will be required and cutting may be prohibited during nesting season.
- (y) Contractor shall remove light posts (including complete concrete bollards and rebar cages above and below grade) and other non-building fixtures that would cause shading and reduce production of PV arrays. Where light post removal is required, Contractor shall mark each light post and fixture and review with District prior to removal. After removal of the light post, Contractor shall electrically secure the termination point at ground level in an H-20 rated concrete handhole with cast iron or galvanized steel lid. Lids shall be bolted or welded in place with a permanent marking such as “ELEC” or “LIGHTING” on the lid. Contractor shall use best efforts to remove the light posts and deliver to District at the Project Site in existing condition so District can re-install in other areas.
- (z) Contractor shall verify all required clearances in the field prior to construction and is solely responsible therefor.
- (aa) Driveways in parking lots must stay open during construction. Any parking lot driveway closure must be temporary (i.e. a few hours for heavy material delivery) and shall be coordinated with District.
- (bb) Contractor is responsible for providing drinking water and sanitation facilities for all workers.
- (cc) Temporary power for construction shall be arranged and paid for by Contractor. Convenience outlets may be used as approved by District.
- (dd) Contractor must apply for fire hydrant meter permit and cover all expenses for construction water use where applicable.
- (ee) District has the option to supply a fire hydrant meter providing recycled water for use by Contractor for construction water use where applicable. Contractor shall be responsible to provide means of pumping, piping, transport, etc. for such water from District supplied fire hydrant meter to the construction area.
- (ff) Potable water may be accessed at the main meter. 3-water can be obtained throughout the plant.
- (gg) All cut edges of galvanized strut or other support structure materials shall be cold galvanized.
- (hh) Saw cut concrete shall be fill in cut out and match nearby area.
- (ii) Contractor shall backfill all trenches with engineered fill and compact to 95 percent minimum.
- (jj) All asphalt cuts shall be made in square or rectangular cuts to avoid inconsistent repair work. Contractor shall cover asphalt trenches with hot mix asphalt, roll for compaction, and cover the width of the trench with a slurry seal after the cure period. All repairs shall be made to match existing. Any repainting of striping required to return the site to original or better conditions shall be the sole responsibility of Contractor.
- (kk) Contractor shall reseed or provide sod for all areas where existing grass was damaged.

- (II) Contractor shall conduct harmonic testing and install necessary line filters if District or the Distribution Utility detects electromagnetic interference (EMI) following the installation of the System. Detection of EMI includes noticeable power interruptions in previously functional electrical equipment.

## 7. FINAL PROJECT CLOSEOUT

### 7.1 Closeout Activities

Prior to Final Completion for any Project Site, Contractor will perform the following tasks:

- Complete all unfinished work described on a punch list approved by District in a timely manner.
- Complete final clean-up of each Project Site, which shall include a thorough washing of the PV modules for Solar Facilities. All PV module washing shall be completed in accordance with the PV module manufacturer's recommendations.
- Confirm minimum 30-day continuous operation for the entire system, all sub-systems, and ancillary equipment without downtime following the final commissioning.
- Assemble and provide District with the Final Binder containing all documents outlined below and all other required submittals.
- Provide trainings for District personnel on emergency shut-down procedures as well as standard inverter restart procedures.
- Demonstrate the successful operation of the Microgrid while disconnected from the Distribution Utility grid.

### 7.2 Final Binder

A complete set of Project documentation in digital format, unless otherwise noted below, shall be provided to District at the finish of construction for record keeping purposes (the "**Final Binder**"). The Project documentation shall include, at a minimum, the following documents:

- Copy of Executed Agreement(s) and all amendments
- Copy of the Notice to Proceed to Procurement and Construction
- Copies of all reports and studies completed, including but not limited to:
  - Underground Utility Surveys
  - Title Reports / ALTA Surveys
  - Geotechnical Studies
  - Environmental Studies
  - Bore Logs including GPS location coordinates and depth dimensions for all Project underground utilities
  - Glint and Glare Study
  - Arc Flash / Coordination Study
- Final design drawings as approved by any Governmental Authorities having jurisdiction over the Project in PDF and AutoCAD
- Copy of all Governmental Approvals required for the Project to be constructed
- Copy of all Governmental Approvals required for the Project to be operational
- Letter to the Distribution Utility requesting final inspection in advance of Permission to Operate
- Completed Commissioning Report - Attachment D
- Permission to Operate Notice from the Distribution Utility
- All incentive related documents

- All final executed Distribution Utility Agreement(s) – Interconnection, special facilities, etc.
- As-built drawings in PDF and AutoCAD
- Equipment data sheets, installation & user manuals, and warranties for all major equipment including but not limited to PV modules, PV module mounting systems, inverters, batteries, transformers, controllers and monitoring systems
- Final System Site Assessment Table in PDF and MS Excel formats
- Final BESS system performance modeling report in 4x8760 output file in MS Excel format
- Final Solar Facility PVsyst modeling in PDF and 8760 MS Excel format
- Final system performance report detailing the Critical Loads and Estimated Microgrid Operation Duration
- Final punch list showing proof of completion of all items
- Letter stating Commercial Operation Date achievement and date
- Contact Information for all key Contractor personnel including:
  - Contractor’s name
  - Contractor’s main office mailing address, phone, fax, and email
  - Employer Identification Number (“*EIN*”)
  - Contractor’s main contact person’s name, job title, mailing address, phone number, fax number, and email
  - Operations and Maintenance contact person’s name, job title, mailing address, phone number, fax number, and email
- Two (2) sets of keys to all locks, equipment, enclosures, fence gates and boxes
- Operations and Maintenance Manual
- District training completion date, including list of personnel trained in inverter shutdown and restart procedure
- Monitoring System Information including:
  - Monitoring System hardware and internet portal specification sheets
  - Meter calibration records with serial numbers for all meters
  - Website access and operation instructions
  - List of public monitoring websites
  - IP addresses and login information of AcquiSuite or equivalent
  - Network configuration documentation
  - Performance Data Contractor contracts
- Site photographs of all items listed below (electronic version only):
  - PV Arrays
  - Batteries
  - Inverters
  - Combiner boxes
  - Transformers
  - Disconnects
  - Panelboards/Switchgear
  - Motorized circuit breakers
  - Electrical point of connection to existing distribution equipment
  - Distribution Utility Meter
  - BESS Meter, Critical Load Meter, Solar Production Meter and any other meters
  - BESS controller
  - Microgrid controller
  - Monitoring equipment including weather sensors if applicable

8. UNUSED

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**ATTACHMENT A - PRELIMINARY ENGINEERING DESIGN PACKAGE**

**TO GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

**[TO BE PROVIDED BY CONTRACTOR PRIOR TO AGREEMENT EXECUTION]**

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**ATTACHMENT B - SYSTEM SITE ASSESSMENT TABLE**

**TO GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

**[TO BE PROVIDED BY CONTRACTOR PRIOR TO AGREEMENT EXECUTION]**

ATTACHMENT C - PROJECT SCHEDULE

TO GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS

**[TO BE PROVIDED BY CONTRACTOR PRIOR TO AGREEMENT EXECUTION]**

Contractor will develop, with input from District, a Project Schedule using Microsoft® Project or equivalent and submit the Project Schedule to District. Contractor and District will establish a weekly construction meeting at which time the work of the previous week will be reviewed, and a three-week look-ahead schedule will be coordinated. The three-week look-ahead schedule shall be created in MS Excel® and present the list of activities occurring at each Site on a daily basis.

The work on the Project shall be completed on or before the Commercial Operation Deadline in accordance with the Project Schedule set forth below and as may be amended from time to time during the Agreement Term but in no case extending beyond the Commercial Operation Deadline. The Project Schedule shall only be modified upon the written approval of District. Any modified schedule approved by District shall replace the existing Project Schedule set forth below.

**Deadlines dictated by any and all incentive programs, including the Investment Tax Credit, must be accounted for in the Project Schedule.**

The Project Schedule (Anticipated Key Engineering and Construction Dates) shall include, at a minimum, the following and shall become a part of the Agreement upon approval of District:

- 50%, 90% and 100% drawings due to District
- District review of 50%, 90%, 100% drawings
- Permit approval
- Procurement
- Site preparation
- Construction start
- Electrical & Mechanical completion
- Interconnection sign off
- Testing & commissioning
- Utility meter and rate switch completion
- Permission to Operate
- Final completion date

The Project Schedule shall not show more than 10% of the total activities as critical, and no activity shall have duration longer than thirty (30) days. The Project Schedule shall indicate the beginning and completion dates of all phases of construction and shall use the “critical path method” (“CPM”) for the planning and scheduling of all work required. The schedule will separately identify those milestones or events that must be completed before other portions of the work can be accomplished. The Project Schedule shall incorporate float for inclement weather and resulting muddy site conditions due to rain and shall also include any potential acceleration paths. Scheduled float for non-working rain-related days and resulting muddy site conditions shall be based upon the latest and nearest available data from acceptable data issued from the National Weather Service.

A monthly project schedule update shall be provided to accurately indicate the actual progress of the work against the baseline Project Schedule for the prior month, and the remaining planned completion of the work.

The scheduling is necessary for District's adequate monitoring of the progress of the work. District may disapprove such a schedule and require modification to it if, in the opinion of District, adherence to the progress schedule will cause the work not to be completed in accordance with the Agreement. Contractor shall adhere to any such modifications required by District. Between the monthly schedule updates, it is the obligation of Contractor to monitor the progress of the work against the current construction schedule activities, and to notify District in writing of all changed activity start dates and finish dates.

Contractor will exchange scheduling information with subcontractors and suppliers. Contractor will order work, equipment and materials with sufficient lead time to avoid interruption of the work.

Contractor shall also, if requested by District, provide revised schedules within fifteen (15) days if, at any time, District considers the Commercial Operation Deadline to be in jeopardy. The revised schedule shall be designed to show how Contractor intends to accomplish the work to meet the original Commercial Operation Deadline. The form and method employed by Contractor shall be the same as for the original progress schedule. Contractor shall modify any portions of the schedule that become infeasible because of "activities behind schedule" or for any other valid reason. Contractor will provide documents and justification for any schedule changes. An activity that cannot be completed by its original Commercial Operation Deadline shall be deemed to be behind schedule.

**IF CONTRACTOR SUBMITS A REVISED SCHEDULE SHOWING AN EARLIER COMMERCIAL OPERATION DATE FOR THE PROJECT, DISTRICT'S ACCEPTANCE OF THIS REVISED SCHEDULE SHALL NOT ENTITLE CONTRACTOR TO ANY ADDITIONAL COMPENSATION OR CLAIM DUE TO ANY SUCH REVISED SCHEDULE.**

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**ATTACHMENT D - COMMISSIONING PROCEDURES & REPORT(S)**

**TO GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

**[CONTRACTOR MAY REPLACE WITH STANDARD COMMISSIONING PROCEDURES & REPORT TEMPLATES]**

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## **1. Objective**

In addition to the requirements included in the GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS document, the Contractor shall conduct all activities required for proper testing and commissioning of the solar and battery energy storage system (“BESS” or “battery”) microgrid and any related installations/systems. Commissioning will include testing for all systems to ensure proper operations per the design standards and testing parameters, and is required to verify that the system is functioning as expected within acceptable parameters: 1) as designed at a nameplate capacity; 2) as designed production capacity; and 3) as required by the requirements of the Agreement. Contractor shall manage all necessary final inspections with all governmental authorities having jurisdiction over the project, the distribution utility, site host representatives, and any other required inspectors.

The Contractor will notify the site host and Owner no less than five (5) days prior to the commencement of any testing and/or inspections, and site host and Owner and/or its representative will have the right to observe all such tests and/or inspections. As part of the commissioning activities, the Contractor must confirm that no negative impacts are experienced by existing facilities that connect to or interface with the new installations and systems, and shall be solely responsible for resolving all issues that arise.

Commissioning and acceptance testing are critical final steps in the implementation of a solar and battery microgrid system. These activities ensure that all system components have been properly installed, are operating as intended, and meet the performance expectations defined in the contract documents. This manual outlines the process, responsibilities, and testing requirements to verify and document successful commissioning and system acceptance. Ensure compliance with IEEE 1187, 1188, 1657 for battery installation and testing, ANSI/NETA 2021 ATS for acceptance testing specifications, and NFPA 855 for fire safety in energy storage systems.

Any equipment that is required to be factory tested to an applicable standard shall be accompanied by the results of those factory tests, and further those results will be submitted to the Owner.

## **2. Installation Schedule & Technician Coordination**

- Installation contractor and project manager develop a projected commissioning timeline.
- All required pre-commissioning checklists are submitted to the relevant equipment manufacturers.
- Schedule manufacturer technicians for on-site support based on projected readiness dates.

### 3. Solar Testing Procedures

#### Site Information

- Site Name:
- Address (City, State, Zip):
- Capacity (kW DC-STC):
- Capacity (kW AC):
- Utility meter number:
- Commissioning report submitted by:
- Contractor:
- Time and date of commissioning:
- Weather at time of commissioning:
- Record and document inverter serial number and inverter location:

This checklist is a guide to establish post construction Solar Facility operation, performance and safety. The local authorities having jurisdiction over the project or inspector have the final say on what is or is not acceptable. Local codes may modify the requirements of the NEC. This list should be used in conjunction with Article 690 and other applicable articles. If Article 690 differs from other articles of the NEC, Article 690 takes precedence.

#### General Items

Complete each item on the checklist below, check the box to the left of the item when it is complete

- Verify that all combiner fuses are removed and that no voltage is present at the output of the combiner box
- Recheck that fuses are removed and all switches are open
- Check that non-current carrying metal parts are grounded properly (array frames, metal boxes, etc. are connected to the grounding system)
- All debris has been removed from roof or ground
- Take photos of all sub-arrays and all inverters
- Inspect all roof penetrations and wall penetrations (ensure conduits and structural brackets are properly sealed/waterproofed) (where applicable)
- Ensure all labels and safety signs required by applicable law and any additional labels and signs specified in the Agreement Documents are in place
- Check that all home runs are properly identified at the inverter back to the combiner boxes
- Check that combiner boxes are properly labeled
- Check source strings in DC combiner box are in the proper order and make sure labeling is clearly visible
- Verify that all AC and DC disconnect switches are in the open position
- Check that the solar modules are secured to the mounting system
- Visually inspect the array for cracked modules
- Check to see that all wiring is neat and well supported
- Visually check that the rows of ground mount modules have been installed in straight lines that are parallel to each other.
- Check that all nuts and bolts have been properly torqued and record results using array naming nomenclature matching the As-Built drawings.

### Repetitive Source Circuit String Wiring

- Verify that the both the positive and negative string connectors are identified properly with permanent wire marking
- Repeat this sequence for all source circuit strings
- VERIFY POLARITY OF EACH SOURCE CIRCUIT STRING** in the DC String Combiner Box (place common lead on the negative grounding block and the positive on each string connection—pay particular attention to make sure there is NEVER a negative measurement)

**WARNING: IF POLARITY OF ONE SOURCE CIRCUIT STRING IS REVERSED, THIS CAN START A FIRE IN THE FUSE BLOCK RESULTING IN THE DESTRUCTION OF THE COMBINER BOX AND POSSIBLY ADJACENT EQUIPMENT. REVERSE POLARITY ON AN INVERTER CAN ALSO CAUSE DAMAGE THAT IS NOT COVERED UNDER THE EQUIPMENT WARRANTY**

- Record the I-V curve for each string using an I-V curve tracer. Results should be submitted as an MS Excel file generated by the I-V curve tracer. The MS Excel files must be named and organized such that the location of the fuse (i.e. facility name, inverter name/size, combiner box name, fuse and string number) can be conveniently identified and the nomenclature shall match that of the as-built drawings.
- Verify open-circuit voltage of each source circuit string is within proper range according to manufacturer's installation manual and number each string and note string position on as-built drawing. (Record the string voltage for each string using the same nomenclature as used in the as-built drawings in the attached Appendix, provide one attachment per combiner)
- Retighten all terminals in the DC String Combiner Box

### Wiring Tests

- Check the AC line voltage(s) at the main AC disconnect and record the voltage here:  

---
- If installation contains additional AC disconnect switches, repeat the voltage check on each switch working from the main service entrance to the inverter AC disconnect switch, closing each switch after the test is made except for the final switch before the inverter (it is possible that the system only has a single AC switch)
- Check an electrical connection between the ground and the conductive surface of the PV modules. Perform test with a multi-meter or 100 mA dc source. If the resistance is less than 1  $\Omega$ , then the ground is considered good
- Cable continuity tests shall be performed on all cables in the System and recorded using cable naming nomenclature matching the As-Built drawings. Each cable shall be labeled in the field using the same nomenclature.
- Insulation resistance tests shall be performed on all cables in the System by qualified personnel using appropriate methods and IR values for the cable being tested (not required for PV string wiring) and recorded using cable naming nomenclature matching the As-Built drawings.

**Inverter Startup Tests**

- Be sure that the inverter is off before proceeding with this section
  - Test the continuity of all DC fuses to be installed in the DC string combiner box, install all string fuses, and close fuse switches in combiner box
  - Check open circuit voltage at DC disconnect(s) switch(s) to ensure it is within proper limits according to the manufacturer’s installation manual and record the voltage here:
- 
- If installation contains additional DC disconnect switches, repeat the voltage check on each switch working from the PV array to the inverter DC disconnect switch, closing each switch after the test is made except for the final switch before the inverter (it is possible that the system only has a single DC switch)
- 
- At this point, consult the inverter manual and follow proper startup procedure (all power to the inverter should be off at this time)
  - Confirm that the inverter is operating and record the DC operating voltage here:
  - Cross check that the power output shown on the inverter is the same as on the supplied performance meter within a + or – 2% tolerance

Inverter kW \_\_\_\_\_

**Onsite Monitoring System Commissioning – Load Site Metering**

*Note: To be performed at metering enclosure and CT location*

- Check CT’s are orientated in the correct direction and take a picture, the black wire’s from the CT’s should be facing towards the Utility service panel
- CT’s manufacturer \_\_\_\_\_
- CT serial numbers A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_
- Meter manufacturer and serial number (Ex: Shark or ION) \_\_\_\_\_
- Remove the **meter calibration report** from the monitoring enclosure for delivery to Owner with this report
- Power Factor (PF) \_\_\_\_\_ (If the Power Factor is negative then one or more of the CT’s are installed backwards)
- Watts (W) \_\_\_\_\_ Hz \_\_\_\_\_ Amps \_\_\_\_\_
- Volts L-N A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_
- Volts L-L A \_\_\_\_\_ B \_\_\_\_\_ C \_\_\_\_\_
- If Static IP -- IP Address \_\_\_\_\_ Subnet \_\_\_\_\_ Gateway \_\_\_\_\_
- Verify that AC Power of Phase A, B and C are positive and within 2% of each other with the PV system disconnected

**Onsite Monitoring System Commissioning – Generation Metering**

*Note: To be performed at metering enclosure and CT location*

- Check CT's are orientated in the correct direction and take a picture, the black wire's from the CT's should be facing towards the Utility service panel
- CT's manufacturer \_\_\_\_\_
- CT serial numbers A\_\_\_\_\_ B\_\_\_\_\_ C\_\_\_\_\_
- Meter manufacturer and serial number (Ex: Shark or ION)  
\_\_\_\_\_
- Remove the **meter calibration report** from the monitoring enclosure for delivery to Owner with this report
- Power Factor (PF)\_\_\_\_\_ (If the Power Factor is negative then one or more of the CT's are installed backwards)
- Watts (W)\_\_\_\_\_ Hz \_\_\_\_\_ Amps \_\_\_\_\_
- Volts L-N A\_\_\_\_\_ B\_\_\_\_\_ C\_\_\_\_\_
- Volts L-L A\_\_\_\_\_ B\_\_\_\_\_ C\_\_\_\_\_
- If Static IP -- IP Address \_\_\_\_\_ Subnet \_\_\_\_\_  
Gateway \_\_\_\_\_
- Verify that AC Power of Phase A, B and C are positive and within 2% of each other

**Online System Commissioning**

Check that the following field devices are communicating and the data feedback is accurate:

- Go to <http://www.>[\_\_\_\_\_]
- Login to the system Contractor's website
- Generation Meter - Check kW output of system is accurate
- Environment - Check that the feedback from the weather station sensors is accurate
- Inverter Monitoring
- DC Monitoring

## System Testing

SYSTEM DATA – COMPLETE ONE FORM FOR EVERY DC STRING COMBINER BOX OR INVERTER

Note: Irradiance must at least measure 500 W/m<sup>2</sup> during testing

Combiner Box # \_\_\_\_\_

Combiner box serial number # \_\_\_\_\_

Inverter \_\_\_\_\_

Operating Voltage \_\_\_\_\_

Recorded											Calculated*	
String No.	$\Omega$ +/-	$\Omega$ +/G	$\Omega$ -/G	Polarity	V <sub>OC</sub>	I	I <sub>SC</sub>	T <sub>C</sub>	T <sub>A</sub>	I <sub>POA</sub>	V <sub>OC</sub>	I <sub>SC</sub>
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												

### Table Legend

$\Omega$ +/- String Wire Resistance Positive to Negative (ohms)

$\Omega$ +/G String Wire Resistance Positive to Ground (ohms)

$\Omega$ -/G String Wire Resistance Negative to Ground (ohms)

V<sub>OC</sub> Open Circuit Voltage (V)

I Operating Current (Amp)

I<sub>SC</sub> Short Circuit Current (Amp)

T<sub>C</sub> Cell Temperature (°C)

T<sub>A</sub> Ambient Temperature (°C)

I<sub>POA</sub> Irradiance in Plane of Array (W/m<sup>2</sup>)

\*Note: Calculated V<sub>OC</sub> and I<sub>SC</sub> values must be within 5% of the recorded values.

#### 4. Battery Testing Procedures

##### Battery Pack

- Complete remote pre-commissioning and diagnostics in coordination with and per the manufacturer requirements to maintain warranty.
- Perform onsite testing, including safety checks, performance validation, and communication verification per the manufacturer requirements.
- Document results using the manufacturer's approved testing forms.

##### Switchgear & Electrical Panel Commissioning

- Conduct visual inspections, breaker function checks, and insulation resistance tests per design engineer drawings or manufacturers requirements.
- Measure phase-to-phase and phase-to-ground insulation resistance at appropriate test voltages per design engineer drawings or manufacturers requirements.
- Submit a completed commissioning report upon test completion.

##### Microgrid Control System Commissioning

- Verify communication interfaces between all microgrid components (e.g., solar inverter, battery inverter, switchgear, controllers).
- Confirm that the system follows the programmed Sequence of Operations to be created by the Contractor.
- Perform Island Mode test to evaluate microgrid autonomy and recovery during utility outage simulation per the Microgrid Specific Considerations instructions.

##### Battery Capacity Testing

- Schedule capacity test with the Owner for each battery system.
- Charge system to 100% State of Charge (SoC), then discharge to 10% SoC.
- Measure total energy (kWh) discharged to verify rated capacity.

##### Island Mode Testing

- Coordinate Island Mode simulation with the Owner and site host to prove the backup power duration per the Microgrid Backup Power Duration Baseline & Testing table.
- Manually initiate transition to and from Island Mode using microgrid controls.
- Monitor and record system behavior and performance in real time.
- Confirm system stability, proper sequencing, and safe return to grid-connected mode.

**Reporting and Remediation**

- Submit results to the Owner for review.
- Address any failed test items immediately with the manufacturer and installation team.
- Schedule re-inspections as needed and update commissioning documentation accordingly.
  
- After completion of all testing and inspections, compile and submit final commissioning reports.
- Submit documentation to the Owner for review and formal system acceptance.

**Microgrid Backup Power Duration Baseline & Testing**

Populate this table for each hour of the year using the final microgrid system design. Then test for a sample set of hours during commissioning and acceptance testing to confirm backup power duration.

Month	Day	High Temp (degrees)	Day of Week	Facility Peak (kW)	Facility Load (kWh)	Solar Production (kWh)	Load Post Solar (kWh)	Load Post Solar & Battery (kWh)	Avg hourly consumption (kWh)	Backup duration (hours)
1	1									
1	2									
1	3									
...	...									
...	...									
...	...									
12	29									
12	30									
12	31									

## 5. Microgrid Testing Procedures

### Microgrid Controller

- Verify microgrid controller is installed and operational.
- Confirm integration between the controller and solar, battery, existing generator, and grid by validating the command pathways, setpoint control, and automated transitions in the Sequence of Operations.
- Test control modes including islanding, grid-following, grid-forming, etc. as required.
- Verify that real-time data feeds and control signals are active and accurate.

### Islanding and Reconnection Tests

- Confirm anti-islanding protection per UL 1741 SA/IEEE 1547.
- Simulate grid outage – validate smooth transition to islanded mode.
- Simulate grid return – validate reconnection protocol and synchronization.

### Load Prioritization and Shedding

- Confirm load prioritization and shedding logic is programmed as designed.
- Test non-critical load disconnection during island mode or SOC limits.
- Verify restoration of loads upon return to grid or sufficient generation.

### Black Start Capability

- If included, test black start from batteries or generator.
- Ensure safe energization of bus without grid presence.

### Energy Management Logic

- Verify time-of-use, demand charge management, and economic dispatch algorithms are functional.
- Test responses to utility signals or market prices (if applicable).
- Simulate set point overrides or manual control.

### Backup Generator (if applicable)

- Verify auto-start and load transfer sequences.
- Confirm fuel availability and compliance with local emissions standards.
- Integrate monitoring and alarms into microgrid controller.

### Cybersecurity & Communications

- Confirm firewall or network segmentation is in place.
- Verify all endpoints have unique credentials and access controls.
- Confirm remote access protocols and monitoring software are secure.

## Regulatory & Utility Interface

- Confirm interconnection approval and relevant permits are in hand.
- Test telemetry and SCADA handoffs to the Owner (if required).
- Ensure compliance with utility-specific Rule 21.

## 6. Power and Energy Capacity Verification

To verify that the installed battery meets the contractual energy and power capacity requirements as defined in the contract, including auxiliary loads and losses, by conducting a constant-power charge and discharge test at the point of revenue-grade metering.

### Test Setup and Prerequisites

- Revenue-grade power meters installed at the battery meter point.
- If auxiliaries are fed from other points, calibrated meters installed to measure auxiliary consumption separately.
- Battery temperatures confirmed within normal operating range before initiating test.
- Ensure all test instruments are calibrated and within valid certification periods.
- Confirm IEC 62933-2-1 test standard compliance (or submit alternative method for Owner approval, if outside IEC jurisdiction).

### Test Procedure

#### *Charging Phase*

- Fully discharge battery to minimum available energy level in line with system specs.
- Charge battery at Rated Import Power to full available energy level.
- Terminate charge when system is no longer able to charge at rated import power.

#### *Transition*

- Begin discharge within 2 hours of completing charge.
- Record ambient and internal system temperature profiles throughout test.
- Confirm no thermal events occurred that could degrade energy capacity.

#### *Discharging Phase*

- Discharge battery at Rated Export Power as defined in system specs.
- Continue until battery can no longer sustain rated export power.
- Record:
  - Constant output power (kW)
  - Discharge duration (h)
  - Auxiliary subsystem energy consumption

**Calculation of Actual Energy Capacity**

Energy Capacity (kWh) = (Output Power (kW) × Discharge Time (h) – Auxiliary Load Energy

- Calculate actual Energy Capacity and compare with contractual baseline.
- Document any deviation >2% (or project-defined threshold).
- Verify test pass/fail status based on contract acceptance criteria.

**Acceptance Criteria**

- Battery must meet or exceed contractual energy capacity requirements.
- Any failure to reach rated power or full charge/discharge state due to internal system limits or thermal protection shall result in test failure.
- Test Failures shall be documented, and root cause analysis initiated.

**7. Round Trip Efficiency (RTE) Test**

To validate the Round Trip Efficiency (RTE) of the battery in accordance with the contractual performance requirements. The RTE test measures the percentage of input energy (during charge) that is successfully recovered (during discharge), accounting for all losses, including auxiliary loads up to the battery revenue-grade meter.

**Definition**

Round Trip Efficiency (RTE) is defined as:

$$RTE(\%) = \left( \frac{\text{Energy Discharged (kWh)}}{\text{Energy Charged (kWh)}} \right) \times 100$$

- All energy values must be recorded at the battery revenue-grade meter.
- Results must reflect the inclusive effect of auxiliary energy consumption and internal system losses.
- The RTE value must meet or exceed the minimum efficiency threshold defined in the contract and must be warranted for a minimum of 10 years.

**Test Setup and Prerequisites**

- Revenue-grade meters installed at battery input and output points.
- Auxiliary power use metering in place if auxiliaries are fed from separate source.
- Confirm ambient and system temperature within normal operating ranges.
- Charge/discharge profile aligned with Energy Capacity Test (Section 5.2.1).
- Battery system initialized and stabilized prior to testing.

**Test Procedure**

This test shall be conducted as a constant-power cycle consisting of one full charge and discharge event:

***Step 1: Full Charge***

- Discharge battery to minimum available energy per system specs.
- Charge battery at Rated Import Power until charge cannot be maintained.
- Log total Energy In (kWh) from battery revenue-grade meter.

***Step 2: Full Discharge***

- Discharge battery at Rated Export Power until discharge cannot be maintained.
- Log total Energy Out (kWh) at the battery revenue-grade meter.
- Note any auxiliary energy consumption during both phases.

***Step 3: RTE Calculation and Evaluation***

- Calculate RTE using energy input and output data.
- Adjust for auxiliary loads if necessary (if external to battery meter).
- Compare to contractual RTE requirement (e.g.,  $\geq 85\%$ ).
- Record and archive all test data and equipment logs.

***Acceptance Criteria***

- Measured RTE meets or exceeds the warranted efficiency value in the contract.
- No interruptions, thermal events, or control system overrides during the cycle.
- Test performed under stable conditions with valid metering and logging.

***Test Result Summary:***

- Energy Charged (kWh): \_\_\_\_\_
- Energy Discharged (kWh): \_\_\_\_\_
- Auxiliary Energy Used (if external): \_\_\_\_\_
- Calculated RTE (%): \_\_\_\_\_
- Pass/Fail:  Pass  Fail
- Notes: \_\_\_\_\_

**8. Availability Verification**

To verify that the battery meets the minimum availability requirement defined in the contract, by assessing the system's ability to deliver rated power at the Point of Interconnection (POC) over time.

**Definition of Availability**

Availability is defined as the proportion of time that the battery is capable of delivering its rated power (charge or discharge) at the POC, excluding outages caused by the Owner or grid operator.

$$\text{Availability} = \frac{H_{\text{year}} - (SO + UO)}{H_{\text{year}}}$$

Where:

- $H_{\text{year}}$ : Total hours in the year (8760 for standard year, 8784 for leap year)
- $SO$ : Equivalent hours of **scheduled outages**

$$SO = \sum \left( \frac{\text{Outage Duration (h)} \times \text{Power Unavailable (kW)}}{\text{Rated Power (kW)}} \right)$$

- $UO$ : Equivalent hours of **unscheduled outages**

$$UO = \sum \left( \frac{\text{Outage Duration (h)} \times \text{Power Unavailable (kW)}}{\text{Rated Power (kW)}} \right)$$

**Performance Requirement**

- The battery must achieve  $\geq 97\%$  Availability, averaged over any year.
- Availability tracking shall be visible via the SCADA system, with 1-second time resolution for status changes.
- Trial Run period (Section 5.3) is used to evaluate short-term Availability prior to long-term operational assessment.

**Availability Verification Checklist**

*System Setup*

- SCADA system installed and operational.
- Availability data logging set to 1-second resolution.
- Rated Power Capacity at POC documented: \_\_\_\_\_ kW
- Availability tracking formulas confirmed in SCADA logic.

*Data Collection*

- Total test period hours: \_\_\_\_\_
- Total Scheduled Outages (SO) logged with reasons and power impact.
- Total Unscheduled Outages (UO) logged with root cause and impact.
- Downtime caused by Owner or grid operator clearly flagged.

**Availability Calculation**

- SO Equivalent Hours: \_\_\_\_\_
- UO Equivalent Hours: \_\_\_\_\_
- Total Availability: \_\_\_\_\_ %
- Meets Threshold of 97%:  Yes  No

**If Availability < 97%**

- Root cause analysis performed for UO
- Corrective action plan submitted and logged
- Retest or monitoring extension planned:  Yes  No

**Test Result Summary:**

- Trial Period Start: \_\_\_\_\_
- Trial Period End: \_\_\_\_\_
- Observed Availability: \_\_\_\_\_ %
- Pass/Fail:  Pass  Fail
- Notes/Exceptions:  
\_\_\_\_\_

**9. Functional Testing**

**Seven-Day Functional Test and Performance Verification**

The commissioning phase shall include a seven-day Trial Run conducted by the Contractor to demonstrate the operational readiness and performance of the battery and associated components. The Owner will monitor and verify the performance tests during this period.

**Success Criteria:**

- battery maintains an average availability of at least 97% over seven (7) consecutive days.
- No on-site intervention is required during the test period, excluding issues due to external faults.
- Any defects identified shall be documented as snagging items and addressed per contract terms.

**A. Test Conditions**

- All equipment must be operating in automatic local mode, or as directed by the Owner (e.g., for frequency regulation and state-of-charge management).
- Contractor and subcontractors shall have full access to site and data systems for monitoring.

## ***Checklist: Functional Test Preparation***

- All relevant equipment is fully installed and commissioned.
- Owner and Contractor agree on test modes and operation schedule.
- Communication systems (e.g., SCADA/DAS/EMS) are operational.
- Site access granted to all relevant parties.

## ***B. Required Demonstrations During Functional Test***

1. Monitoring System
  - Reporting interface is updating data in real-time or as per design latency.
  - Energy and power data in the interface matches revenue meter readings.
  - Alerts are active, functional, and acknowledged by O&M team.
  - Data system (e.g., EMS/SCADA) is successfully integrated with other business platforms.
2. System Availability
  - Availability calculated and recorded per section 5.2.3 with 1-second resolution.
  - Changes in availability status are tracked and time-stamped.
3. Battery and Inverter Operations
  - Inverters and batteries operate autonomously.
  - Inverters respond appropriately to AC/DC disconnections and grid faults.
  - System automatically transmits data using Modbus protocol.
  - Local display panels available for Owner observation.

## **Functional Tests & Compliance Testing**

The Contractor shall complete all functional and compliance tests required to confirm the system meets the battery Minimum Functional Requirements and grid interconnection standards, including support for ancillary services where applicable.

## ***Checklist: Functional Test Completion***

- All specified services (e.g., demand charge reduction, frequency response) tested.
- Tests conducted per grid operator procedures and contract Exhibit specifications.
- Reports compiled using standard templates from grid operators and submitted for review.
- Any failed tests re-executed with documented corrective action.

**DRAFT**

**ATTACHMENT E - NOTICE TO PROCEED TEMPLATE**

**TO GENERAL CONDITIONS AND TECHNICAL SPECIFICATIONS**

<DISTRICT LETTERHEAD>

Date: <DATE>

To: <CONTRACTOR CONTACT NAME>  
<TITLE>  
<COMPANY>  
<ADDRESS>  
<FAX NUMBER>  
<PHONE NUMBER>  
<EMAIL>

Subject: **ENERGY SERVICES AGREEMENT FOR [SITE NAME]**

<CONTACT NAME>,

You are hereby authorized to proceed to *Procurement and Construction* for the above referenced Agreement beginning <DATE>. Subject to the terms of the Agreement, the date for completion of the project shall be no later than <DATE>.

Sincerely,

<DISTRICT NAME>  
<TITLE>  
<ENTITY>  
<ADDRESS>  
<FAX NUMBER>  
<PHONE NUMBER>  
<EMAIL>

CC: <CC NAME>  
<TITLE>  
<COMPANY>  
<ADDRESS>  
<FAX NUMBER>  
<PHONE NUMBER>  
<EMAIL>

<MORE CCs IF DESIRED>

**RESOLUTION NO. 26-733**

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT MAKING REQUISITE FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 4217 AND AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN ENERGY SERVICES AGREEMENT WITH AN INSTALLER FOR THE ENERGY STORAGE PROJECT**

**WHEREAS**, it is the policy of the State of California and the intent of the State Legislature to promote all feasible means of alternative energy supply sources; and

**WHEREAS**, California Government Code Section 4217.10 *et seq.* (GC 4217) authorizes a public agency to utilize an alternative procurement process to contract for energy services if its governing body determines, at a regularly scheduled public hearing, public notice of which is given at least two weeks in advance, that the anticipated cost to the agency for alternative energy project will be less than the anticipated marginal cost to the agency of electrical energy that would have been consumed by the agency in the absence of the energy services contract; and

**WHEREAS**, the Goleta Sanitary District (“District”) desires to reduce the steadily rising costs of meeting the energy needs at its facilities, enhance the reliability of its electrical supply and reduce the carbon footprint of its operations; and

**WHEREAS**, the Governing Board of the District adopted Resolution No. 25-726 on October 25, 2025, authorizing the General Manager to issue a Request for Qualifications and Proposals for the solicitation of a qualified Design-Build Entity to design and construction of an energy storage project consisting of a solar panel array, battery storage system and microgrid controller (Project); and

**WHEREAS**, Resolution No. 25-726 further authorized the General Manager to take all necessary and appropriate steps to facilitate the procurement process, including scheduling any future public hearings, conducting evaluations of responsive proposals, and recommending award of contract to the Board of Directors for final consideration and approval; and

**WHEREAS**, a Request for Qualifications and Proposals was prepared and solicited in conformance to all applicable statutory requirements, including but not limited to the provisions of Government Code Section 4217.10 *et seq.* governing energy services contracts, structured to ensure a competitive selection process that promotes value, performance, and innovation; and

**WHEREAS**, of the ten companies who responded to the Request for Qualifications and Proposals, four were chosen for interviews, and in conformance with Government Code Section 4217.10 *et seq.*, Coldwell Energy has been identified as the recommended Design-Build Entity to deliver the Project; and

**WHEREAS**, TerraVerde Energy LLC, an independent energy consultant hired by the District to assist with the evaluation of the Project, has provided the District with analysis showing the benefits of implementing the Project (“Analysis”) attached hereto as **Exhibit “A”** incorporated herein by reference; and

**WHEREAS**, the Analysis includes data showing that the cost to the District for the electrical energy and conservation services provided by the Project will be less than the anticipated marginal cost to the District of electrical and other energy that would have been consumed by the District in the absence of such measures; and

**WHEREAS**, in accordance with Government Code Section 4217.10 *et seq.*, on May 29 and June 5, 2026, the District published notice of a public hearing at which the Board of Directors would consider this Resolution; and

**WHEREAS**, a public hearing was held on June 15, 2026, at 6:30 p.m. at which the Board considered findings related to the Project and solicited input from the public; and

**NOW, THEREFORE**, based upon the above-referenced recitals, the Governing Board of the Goleta Sanitary District hereby finds, determines and orders as follows:

1. Per California Government Code Section 4217.10 *et seq.*, the Board of Directors hereby finds and determines that all of the recitals set forth above are true and correct; and
2. In accordance with Government Code Section 4217 *et. seq.*, and based on data provided by the Analysis, the Board of Directors finds that the anticipated cost to the District for electrical energy and conservation services provided by the Project will be less than the anticipated marginal cost to the District of electrical and other energy that would have been consumed by the District in the absence of the Project; and
3. The Board of Directors hereby authorizes the General Manager, in consultation with legal counsel, to negotiate, finalize, and execute the Energy Services Agreement with Coldwell Energy.
4. This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** on this 15<sup>th</sup> day of June, 2026, by the following vote of the Governing Board of the Goleta Sanitary District:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

---

Steven T. Majoewsky,  
President of the Board of Directors

**COUNTERSIGNED:**

---

Robert O. Mangus, Jr.,  
Secretary of the Governing Board

**EXHIBIT “A”**  
**GOLETA SANITARY DISTRICT STAFF FINDINGS**  
**PURSUANT TO GOVERNMENT CODE §4217.12**  
**Energy Storage Project**  
**June 15, 2025**

**PROJECTED YEAR 1 SAVINGS SUMMARY**

<b>Proposed Solar Size</b>	<b>Proposed Battery Size</b>	<b>Pre-Project SCE Rate</b>	<b>Post-Project SCE Rate</b>	<b>Pre-Project Total Electric Bill (Year 1)</b>	<b>Post-Project Total Electric Bill (Year 1)</b>	<b>Total Projected Savings (Year 1)</b>
807.04 kW-DC	418 kW / 1671 kWh	TOU-GS-3-D	TOU-GS-3-E	\$408,392	\$153,598	\$254,795

**PROJECTED 30-YEAR SAVINGS SUMMARY**

<b>Total Projected Project Cost</b>	<b>Operations &amp; Maintenance</b>	<b>Asset Management Services</b>	<b>Total Projected Electric Bill Savings</b>	<b>Conservative Case Incentives*</b>	<b>Projected Net Benefit</b>
\$5,646,279	\$2,447,461	\$674,708	\$15,782,668	\$248,830	\$7,263,049

\* These savings tables do not include ~\$3.39M in anticipated incentives:

- \$774k for an EPA Community Grant
- \$2.37M in IRA/ITC reimbursements
- \$248k in SGIP incentive

**CONSERVATIVE-CASE CASH FLOW PRO FORMA**

Years	Project Costs	O&M / Equipment Replacement	Asset Management Services	Electric Bill Savings	SGIP	Total Cash Flow	Cumulative Cash Flow
Year 0	(\$5,646,279)	-	-	-	-	(\$5,646,279)	(\$5,646,279)
Year 1	-	(\$30,953)	(\$13,070)	\$254,795	\$248,830	\$459,602	(\$5,186,677)
Year 2	-	(\$32,017)	(\$13,527)	\$266,530	-	\$220,986	(\$4,965,692)
Year 3	-	(\$33,119)	(\$14,001)	\$278,802	-	\$231,683	(\$4,734,009)
Year 4	-	(\$34,258)	(\$14,491)	\$291,636	-	\$242,887	(\$4,491,122)
Year 5	-	(\$35,436)	(\$14,998)	\$305,055	-	\$254,620	(\$4,236,502)
Year 6	-	(\$36,655)	(\$15,523)	\$319,087	-	\$266,909	(\$3,969,593)
Year 7	-	(\$37,917)	(\$16,066)	\$333,760	-	\$279,777	(\$3,689,816)
Year 8	-	(\$39,221)	(\$16,629)	\$349,102	-	\$293,252	(\$3,396,564)
Year 9	-	(\$40,571)	(\$17,211)	\$365,145	-	\$307,363	(\$3,089,201)
Year 10	-	(\$41,967)	(\$17,813)	\$381,918	-	\$322,138	(\$2,767,063)
Year 11	-	(\$43,412)	(\$18,437)	\$399,457	-	\$337,608	(\$2,429,455)
Year 12	-	(\$44,906)	(\$19,082)	\$417,794	-	\$353,806	(\$2,075,649)
Year 13	-	(\$46,452)	(\$19,750)	\$436,966	-	\$370,765	(\$1,704,884)
Year 14	-	(\$48,051)	(\$20,441)	\$457,011	-	\$388,520	(\$1,316,364)
Year 15	-	(\$49,705)	(\$21,156)	\$477,968	-	\$407,107	(\$909,257)
Year 16	-	(\$916,316)	(\$21,897)	\$499,879	-	(\$438,334)	(\$1,347,592)
Year 17	-	(\$53,187)	(\$22,663)	\$522,785	-	\$446,935	(\$900,656)
Year 18	-	(\$55,018)	(\$23,456)	\$546,733	-	\$468,258	(\$432,398)
Year 19	-	(\$56,913)	(\$24,277)	\$571,768	-	\$490,578	\$58,179
Year 20	-	(\$58,873)	(\$25,127)	\$597,940	-	\$513,940	\$572,119
Year 21	-	(\$60,900)	(\$26,007)	\$625,299	-	\$538,392	\$1,110,511
Year 22	-	(\$62,998)	(\$26,917)	\$653,900	-	\$563,985	\$1,674,496
Year 23	-	(\$65,168)	(\$27,859)	\$683,798	-	\$590,771	\$2,265,267
Year 24	-	(\$67,413)	(\$28,834)	\$715,050	-	\$618,803	\$2,884,070
Year 25	-	(\$69,736)	(\$29,843)	\$747,719	-	\$648,140	\$3,532,210
Year 26	-	(\$72,116)	(\$30,888)	\$781,866	-	\$678,863	\$4,211,073
Year 27	-	(\$74,601)	(\$31,969)	\$817,559	-	\$710,990	\$4,922,063
Year 28	-	(\$77,171)	(\$33,088)	\$854,867	-	\$744,608	\$5,666,671
Year 29	-	(\$79,830)	(\$34,246)	\$893,861	-	\$779,785	\$6,446,457
Year 30	-	(\$82,582)	(\$35,444)	\$934,618	-	\$816,592	\$7,263,049
<b>TOTALS</b>	<b>(\$5,646,279)</b>	<b>(\$2,447,461)</b>	<b>(\$674,708)</b>	<b>\$15,782,668</b>	<b>\$248,830</b>	<b>\$7,263,049</b>	<b>-</b>

<b>Financials</b>		
	<b>Conservative Incentives</b>	<b>With \$3.39M Incentives</b>
NPV (4% Discount Rate)	\$905,378	\$4,180,494
ROI	129%	194%
IRR	5%	12%
Simple Payback, Years	19	9

## INPUTS AND CONSIDERATIONS

### **Savings and System Performance Projections**

- Projections of future savings are calculated based on patterns of previous electricity usage and assume that historical usage patterns continue at the same level over the life of the project.
- Projections of future savings are based on stated assumptions and are subject to rate eligibility over the life of the installation. This analysis uses SCE and CCCE rates published in February 2026.
- Applicable Net Billing Tariff (NBT) eligibility is assumed to be available for 30 years from Permission to Operate. Projections of savings shown are based on the current iteration of the NBT and are subject to change based on future tariffs in effect at that time.
- The battery project will provide resilience by powering facility operations during grid outages. The value of this resilience has been excluded from the analysis for conservatism.
- Project Costs include the Energy Services Agreement Contract Sum of \$2,679,573, as well as estimated costs for construction management, legal document review, third-party inspectors, module and battery procurement, contingency, and \$360,000 for a 25-year extended Eos battery O&M/Long-Term Service Agreement.
- A 5% annual utility escalator is assumed for this analysis. The average utility rate escalation over the last 30 years has been 6%.

### **Incentives**

- Approximately \$3.39M in incentives—including \$774k for an EPA Community Grant, \$2.37M in IRA reimbursements, and \$248k in SGIP incentive—have been omitted from the cash flow for conservatism.
- Inflation Reduction Act (IRA) eligibility under the Elective Pay option should be validated by a Certified Public Accountant to verify eligibility and value. Availability of the IRA Elective Pay option is subject to the policies of the current administration.
- Annual revenues from monetizing Renewable Energy Certificates (RECs) at \$2/Megawatt has been omitted from the cash flow for conservatism.

### **Operations & Maintenance**

- Costs for Operation & Maintenance include annual preventive and corrective maintenance; solar & battery inverter replacement costs in year 16; and microgrid controller operation.
- Costs under Asset Management include daily monitoring, quarterly system performance reporting, annual system and financial performance reporting, and maintenance case management.
- The assumed rate of escalation for Operation & Maintenance and Asset Management costs is 3.5%.
- The effective useful life of the battery cells is 30 years.

### **Other Assumptions and Disclaimers**

- No part of TerraVerde Energy's deliverables, messaging, presentation, or anything else shared with its clients should be construed by the client or any other entity as advice on scope for future contracts, work orders, or other engagements.

# **AGENDA ITEM #2**

**AGENDA ITEM: 2**

**MEETING DATE: June 15, 2026**

**I. NATURE OF ITEM**

Consideration of District’s Proposed Budget for Fiscal Year 2026-27

**II. BACKGROUND INFORMATION**

On June 1, 2026, the Board received a presentation of the District’s draft budget worksheets for Fiscal Year 2026-27 (FY27). After consideration and discussion, the Board directed staff to bring back the proposed FY27 budget for consideration and action. Since that time, further review of the draft budget revealed some minor edits that warranted correction. Other changes to the proposed FY27 budget include updates to the projected year-end expenses and revenues along with changes to some of the proposed capital expenditures associated with the plant, collections and reclamation facility budgets.

As in previous years, the proposed FY27 budget presents the planned expenditures for each of the District’s operating departments, estimates for all revenue sources, and the resulting estimated balance for each of the District’s funds.

The revenue assumptions for FY27 are based on the newly adopted changes to the District’s Sewer Service Charge (SSC) Rates. The proposed allocation of SSCs to meet current and long-range funding needs is shown below:

<b>SSC Rate Allocation Component</b>	<b>FY27 (\$/Mo/ERU)</b>
Capital Reserve	\$2.00
Replacement Reserve	\$4.59
Operations & Maintenance	\$38.77
<b>Total SSC Rate (\$/Mo/ERU)</b>	<b>\$45.36</b>

A summary of the estimated revenue sources, rounded to the nearest dollar, for FY27 is shown in the following table:

<b>REVENUE SOURCES</b>		
Sewer Service Charges	\$9,746,331	43.66%
Other Government Agencies	\$10,388,578	46.53%
Permits, Inspections and Fees	\$35,900	0.16%
Annexation and Connection Fees	\$237,000	1.06%
Property Taxes and Related	\$219,365	0.98%
Interfund Loan Proceeds	\$400,000	1.79%
Interest and Other Income	<u>\$1,299,896</u>	<u>5.82%</u>
	<b>\$22,327,070</b>	<b>100.00%</b>

The total proposed expenditures for FY27 with and without depreciation are \$25,916,648 and \$30,354,744, respectively. A breakdown of the FY26 and proposed FY27 expenditures by category is shown in the following table:

<b>Expenditure Category</b>	<b>FY26 Amount</b>	<b>FY27 Amount</b>	<b>Diff.</b>
Personnel Cost	\$ 8,067,297	\$ 8,800,618	9%
Operating Expenses	\$ 6,496,215	\$ 6,870,024	6%
<b>Sub-Total</b>	<b>\$ 14,563,512</b>	<b>\$ 15,670,642</b>	<b>8%</b>
Capital Outlay	\$ 12,563,796	\$ 10,246,007	-18%
<b>Total Expense w/o Depr.</b>	<b>\$ 27,127,308</b>	<b>\$ 25,916,648</b>	<b>-4%</b>
Depreciation Expense	\$ 3,936,758	\$ 4,438,095	13%
<b>Total Expense w/ Depr.</b>	<b>\$31,064,066</b>	<b>\$30,354,744</b>	<b>-2%</b>

As shown above, the overall proposed expenditures with and without depreciation for FY27 decreased by 4% and 2%, respectively, over the prior fiscal year's budget.

A copy of the proposed FY27 budget is attached to this report and presented herein for Board consideration.

### **III. COMMENTS AND RECOMMENDATIONS**

The Finance Committee reviewed the draft FY27 budget worksheets and found them to be appropriate for the District's operations in the coming year. The Committee recommended that the draft FY27 budget be presented to the Board for consideration and adoption, subject to any revisions they wish to make. The Board reviewed the draft FY27 budget and directed staff to return with a proposed budget incorporating any final revisions and/or corrections as required.

Minor revisions to the draft budget were made as noted, including corrections discovered during the final review. As such, staff recommends the Board adopt the proposed FY27 budget as presented herein.

### **IV. REFERENCE MATERIAL**

Proposed FY27 Budget



# GOLETA SANITARY

Water Resource Recovery District

## ***PROPOSED BUDGET***

***FISCAL YEAR 2026-27***

***Governing Board of Directors  
Meeting of June 15, 2026***

**GOLETA SANITARY DISTRICT  
BUDGET  
FISCAL YEAR 2026-27**

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# GOLETA SANITARY DISTRICT

## Budget for Fiscal Year 2026-27

### INTRODUCTION

The Goleta Sanitary District (GSD) was formed in 1942 under the 1923 Sanitary District Act by petition of local residents to provide wastewater management services to the small community of Goleta in Santa Barbara County.

Throughout the past years, the District's boundaries have expanded by individual annexations of parcels to its original service area. At present, the District owns and operates approximately 135 miles of sewers that collect wastewater from its service area, which extends from the westerly boundary of the City of Santa Barbara to the City's Municipal Airport. In addition to its collection system, the District owns and operates a regional water resource recovery facility that serves approximately 80,000 residents in the Goleta Valley. Approximately half of this population is served under separate contractual agreements with four public agencies.

These contractual users' share the costs associated with the regional treatment and disposal of wastewater. The Operations and Maintenance (O&M) costs are shared based upon flow and billed on a monthly basis. In addition, the contractual users' share the costs associated with Capital Projects and those costs are shared based upon regional plant capacity rights as noted in the table below:

AGENCY	PLANT CAPACITY RIGHTS	OUTFALL CAPACITY RIGHTS
Goleta Sanitary District	47.87%	55.81%
Goleta West Sanitary District	40.78%	35.00%
University of California Santa Barbara	7.09%	4.70%
City of Santa Barbara (Airport)	2.84%	2.60%
County of Santa Barbara	1.42%	1.89%
Total:	100.00%	100.00%

Not all the contractual users utilize the District's Main Lift Station or the Firestone Lift Station and therefore do not share O&M or Capital costs associated with those facilities.

The District also owns and operates a water reclamation facility that produces recycled water for distribution in the Goleta Valley. Under an agreement with the Goleta Water District, the Goleta Sanitary District can produce up to 3 million gallons of recycled water per day for distribution by the Water District for landscape irrigation of the campus of the University of California at Santa Barbara (UCSB), as well as other parks and golf courses in western Goleta.

Treated wastewater not used for irrigation is discharged in the Pacific Ocean through a pipeline (outfall) that extends over one mile offshore to a depth of approximately 93 feet below the ocean surface.

## **DISTRICT GOVERNANCE**

A five-member Governing Board of Directors elected from 5 separate voting precincts within the District's service area for a term of four years is commissioned to establish service policies. The Governing Board holds two regular monthly meetings to attend to the District's business. These meetings are held on the first and third Monday of every month at the District's Administration Building located at One William Moffett Place in Goleta.

## **DISTRICT STAFF AND OPERATING DEPARTMENTS**

The District employs approximately 44 regular employees that work in six interrelated divisions. These divisions are 1) Administration; 2) Engineering; 3) Collection System Maintenance; 4) Treatment Plant Operations; 5) Environmental Services; and 6) Facilities Maintenance. Each division is managed by a manager who is responsible for the day-to-day operations of, and all employees associated with, the respective division. The 6 division managers report to the General Manager, who is responsible for the District's overall operations as directed by the Governing Board.

For billing and cost accounting purposes the Engineering, and Facility Maintenance divisions are considered part of the plant operations budget.

## **DISTRICT CAPITAL IMPROVEMENTS AND OPERATIONS BUDGET**

The District's fiscal year (FY) is defined as a 12-month period starting on the first day of July and ending on the last day in June of the following calendar year. The District's budget is a financial planning document which defines the District's estimated expenditures and the estimated required revenues for the corresponding fiscal year. The District prepares an annual budget for consideration and adoption by the Board in June of the same year. The budget is prepared by the Finance Director and Finance Manager in conjunction with the General Manager. The draft budget is reviewed by the District's Finance Committee before its consideration and final adoption by the Governing Board.

The District's budget for fiscal year 2026-27 (FY27) consists of three major sections for the fiscal year under consideration.

- 1. Existing District Designated Funds Activities and Balances**
- 2. Anticipated District Revenues**
- 3. Estimated District Expenditures**

Designated funds are pools of funds that the District has established for its operational needs. These funds are designated by formal Board resolutions for specific purposes, some of which are mandated by State and Federal statutes. These designated funds permit the District to mitigate extreme fluctuations in charges to its customers.

The revenue section of the District's budget contains estimated revenues that the District anticipates receiving in the upcoming fiscal year. Included in the revenues are the estimated funds to be received from user fees based on the existing fee structure of the District.

The expenditure section includes estimated expenditures for operations and maintenance of the District's facilities in the upcoming fiscal year. Additionally, the District includes in its budget

expenditure section its planned capital improvement projects, as recommended by District staff for the upcoming fiscal year.

Following the determination of the estimated expenditures and revenues for the upcoming fiscal year, the District evaluates the need to revise its user fee structure, in conjunction with supplementing the budget with resources from designated capital improvement fund. The District anticipates the following total expenditures and revenues in FY27. Withdrawals from the District's designated funds for capital improvement projects are shown separately.

<b>Estimated Expenditures without depreciation:</b>	<b>\$ 25,916,648</b>
<b>Total Anticipated Inflows (Revenue &amp; Loan Draws):</b>	<b><u>\$ 22,502,070</u></b>
<b>Total change in Fund cash balance:</b>	<b>-\$ 3,414,578</b>

**\*Unfunded Actuarial Pension Liabilities**

As is the case for most government entities that participate in a CalPERS retirement pension program, an actuarial study prepared by CalPERS has projected an unfunded accrued liability (UAL) within our pension program. Although not mandated, the District's Board of Directors decided to pay off the estimated UAL balance of \$3,090,000 in April, 2023, FY23, through an interfund loan. This decision shortens the amortization schedule for payment of UAL from 23 years to 10 years and results in significant long-term savings for our rate payers and Plant Partners. Payment on the interfund loan shows as cash in-flow in the Replacement Reserve fund.

***DISTRICT OPERATING  
AND DESIGNATED FUNDS***

## **DISTRICT FUNDS**

The District established several funds in which revenues are deposited, and are sources for District expenditures including capital improvement projects. The established funds have been designated by the Governing Board through separate resolutions that specifically address the need and purpose of each fund. The main objective behind establishing these different funds is to address the District's service needs in a very responsible fiscal manner. A brief description of each of the current District funds with activity in FY27 follows.

### **Running Expense Fund - 4640**

This fund was established to maintain a balance that would support eight months of operational expenses without receiving any revenue. Six of those eight months are in the new fiscal year, and the other two months fall in the preceding fiscal year. As such, the Running Expense Fund at the beginning of the fiscal year should have a balance sufficient for six months of operations and maintenance activities. This fund is very important to the operations since the District does not invoice for its services monthly, and therefore does not receive monthly revenues. Under the current method of sewer service charge collection, the District contracts with Santa Barbara County to collect its sewer service fees with property taxes. The District receives a majority of the sewer service fees from the County in two lump sum payments: one in April, and the other in December of each year. The payments are forwarded to the District soon after property tax collection deadlines. Therefore, it is essential to maintain an operating fund that would account for about six months of operating expenses to cover expenses between payment cycles.

As noted in the fund balance summary sheet, the Running Expense fund balance is anticipated to be \$8,668,227 as of June 30, 2026 and \$6,995,766 as of June 30, 2027. The District will periodically review the balance of this fund to ensure the balance is adequate to cover the period between July 2026 and December 2026.

### **Plant Reserve Fund - 4645**

The District established a plant emergency reserve fund through a contractual agreement with other plant users. This fund is for addressing plant emergencies. The contracts among plant users specify that this fund is target balance is a minimum of \$25,000. The balance of this fund is anticipated to be \$44,032 as of June 30, 2027 as noted in the designated fund balance summary sheet.

### **Capital Reserve Fund - 4650**

This fund was established to receive revenues from capacity and annexation fees along with an allocated portion of sewer service fee revenue. This reserve fund is mandated by legislation to account for capacity related improvement projects and also funds new capital projects that are not replacing existing infrastructure. The anticipated balance of this fund at the end of June 2027 is \$8,373,939 as noted in the fund balance summary sheet.

### **Replacement Reserve Fund - 4655**

This fund is mandated by the State Water Resources Control Board (SWRCB) in its guidelines for development of Facilities Financial Plan and Revenue Program (FPRP). This mandate requires annual funding of the facilities' depreciation. The current budget funds the depreciation at approximately 65% of the District's share of its annual depreciation.

The fund is designated for the basic replacement of components of the existing facilities. The fund helps ensure that facilities are replaced and/or rehabilitated when needed to maximize their

useful life and minimize lifecycle costs. The anticipated balance of this fund at the end of June 2027 is \$28,757,726 as noted in the fund balance summary sheet.

**Retiree Health Insurance Sinking Fund – 4660**

The District provides medical insurance coverage for District employees upon retirement depending on the length of their service through the California Public Employees Retirement System (CalPERS) health program. In FY27 the annual contribution to this fund is approximately \$333,000, plus earned interest. The District periodically reviews this annual funding level to make sure that such fund balance is sufficient to meet its future obligation.

In 2009 and to comply with the Governmental Accounting Standard Board (GASB) Statement 45 requiring a separate trust fund for retiree benefits, the District joined the California Employees Retirement Benefit Trust (CERBT) fund administered by CalPERS to manage its retiree fund investments in order to pay for the retiree’s health insurance premiums. The District annually transfers cash from its own Retiree Health Insurance Sinking fund to the CERBT fund that will subsequently be used for retiree insurance premium funding.

**District Emergency Fund – 4675**

On May 7, 2007, the District’s Governing Board established a separate fund designated as the “Emergency Fund” for the purpose of paying costs associated with emergency projects. Funding was provided by a transfer from the Replacement Reserve Fund in the amount of \$500,000. The anticipated balance of this fund at the end of June, 2027 is \$733,413 as noted in the fund balance summary sheet.

**Summary**

Enclosed in this budget are a summary table and associated pie and bar charts that show fund balances and distributions at the beginning and end of FY27. The total value of the District’s funds cash balances are expected to decrease by \$3,414,578 by the end of FY27.

**DESIGNATED FUND BALANCE  
SUMMARY**

Fund No. and Name	Estimated Cash Balance		Percent Change	
	6/30/2026	6/30/2027		
4640 Running Expense	\$ 8,668,227	\$ 6,995,766	-19.3%	<sup>a</sup>
4645 Plant Reserve	\$ 42,750	\$ 44,032	3.0%	<sup>b</sup>
4650 Capital Reserve	\$ 11,022,215	\$ 8,373,939	-24.0%	<sup>c</sup>
4655 Replacement Reserve	\$ 27,874,211	\$ 28,757,726	3.2%	<sup>d</sup>
4660 Retiree Health Insurance Fund	\$ -	\$ -	0.0%	<sup>e</sup>
4675 District Emergency Fund	\$ 712,051	\$ 733,413	3.0%	<sup>f</sup>
<b>TOTALS</b>	<b>\$ 48,319,454</b>	<b>\$ 44,904,875</b>	<b>-7.1%</b>	

NOTES:

<sup>a</sup> Designated to meet the dry period for operations and maintenance costs for FY 2026-27, the period between end of year and first Sewer Service Charge installment from the County.

<sup>b</sup> Designated for emergency repairs.

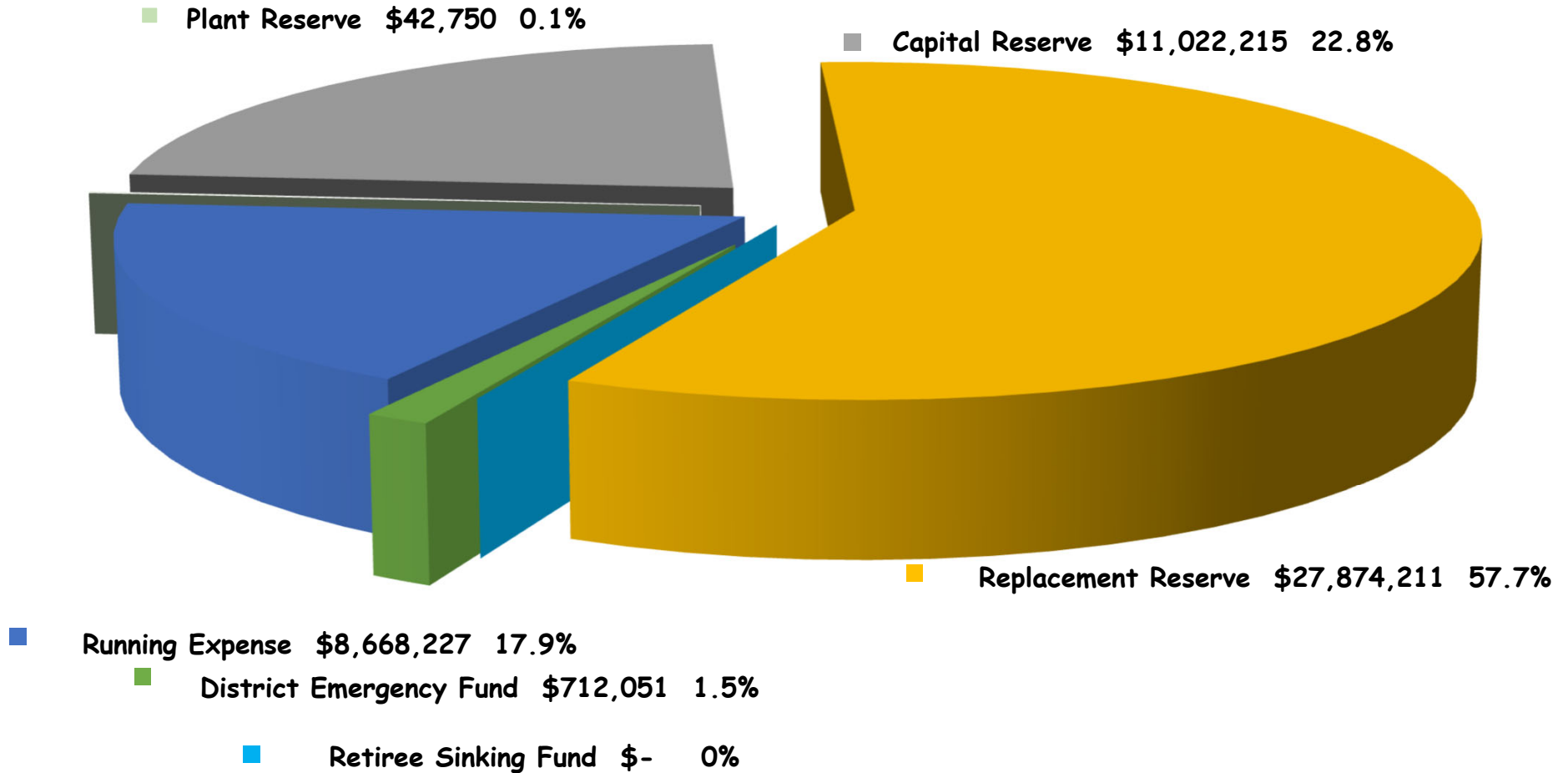
<sup>c</sup> Designated for facilities capacity expansion.

<sup>d</sup> Designated for facilities replacement projects.

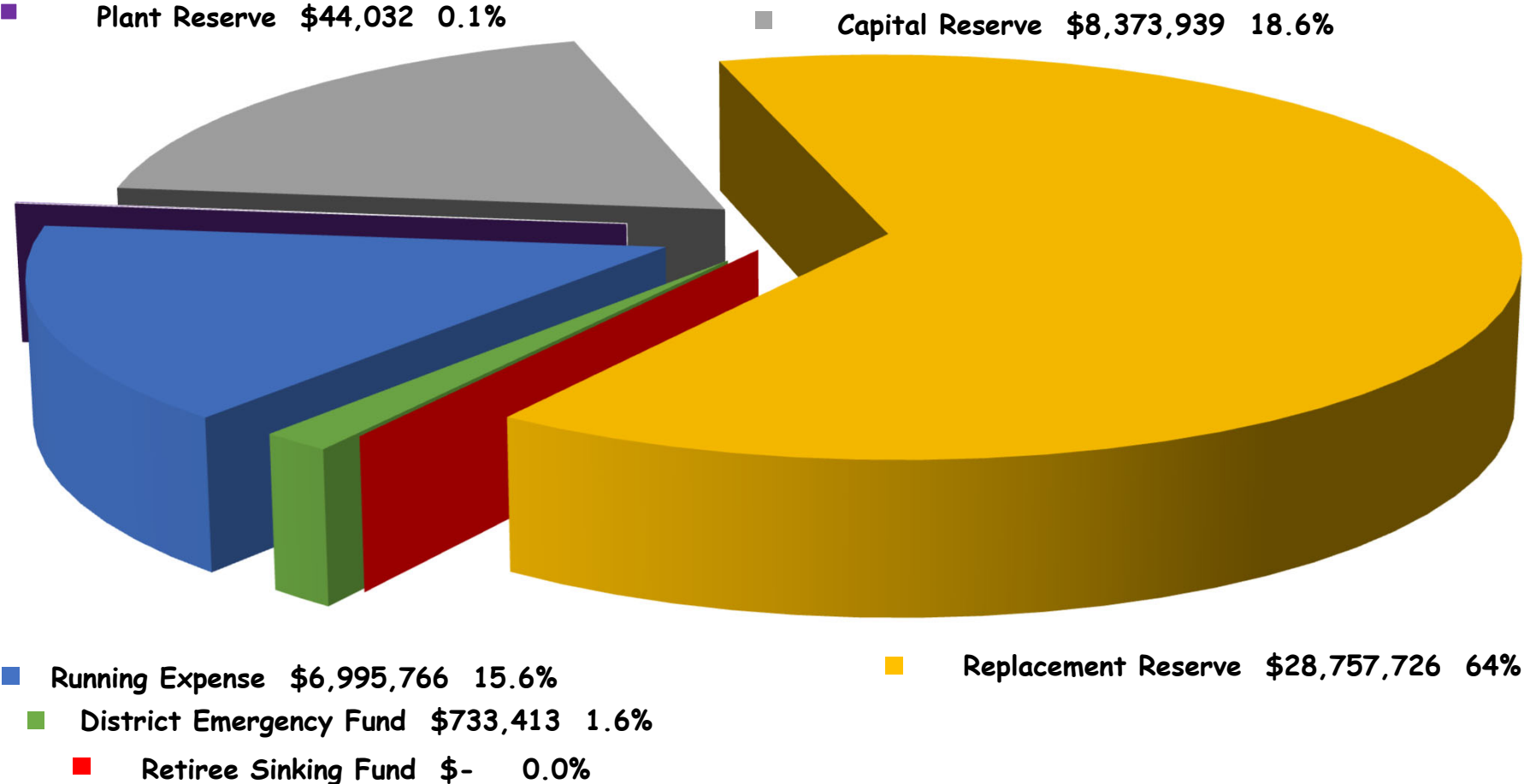
<sup>e</sup> Designated for retiree medical insurance, reimbursing retirees and contributions to CERBT, OPEB

<sup>f</sup> Designated for costs associated with emergency projects.

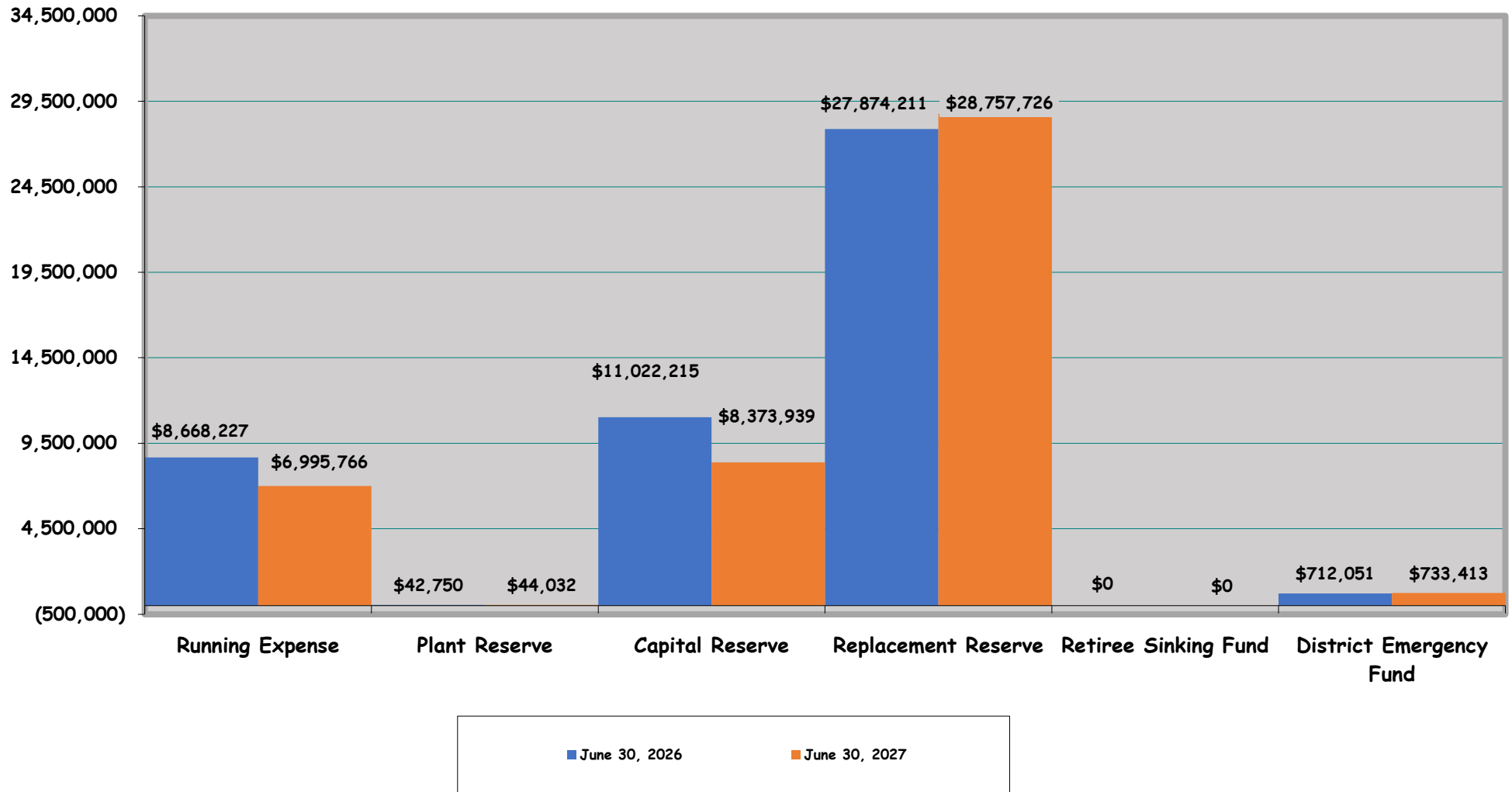
# Fund Balance June 30, 2025



# Fund Balance June 30, 2026



## Fund Balance June 30, 2026 and June 30, 2027



## **ACTIVITIES OF DISTRICT FUNDS**

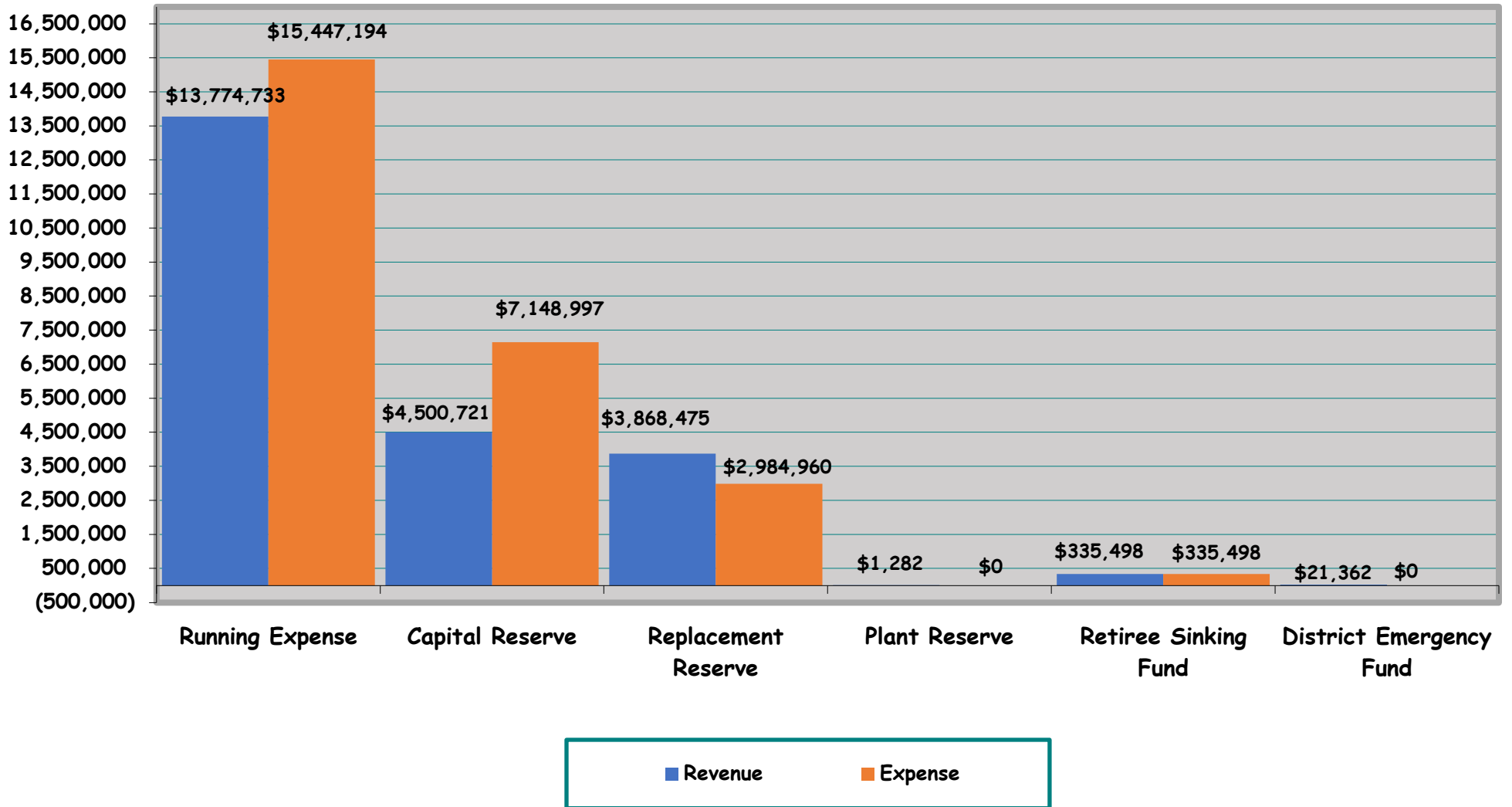
The enclosed fund activity sheet shows the District's fund balances at the beginning and end of the fiscal year, as well as the activity of each fund during the year. Each fund's name and number are shown in the extreme two left columns, followed by the cash balance of the fund at the beginning of the year in the third column. The fourth and fifth columns designate the activity in terms of revenues and expenditures for each fund as demanded by the District's budget. The last column to the right of the sheet shows the anticipated ending balance of each fund at the end of the fiscal year. The main objective of the enclosed fund activity sheet is to provide a record of allocating revenues and expenditures to meet the District's operating objectives.

For FY7, the District anticipates a decrease from \$48,319,454 at the beginning of the year to \$44,904,875 at the end of the year based on the projected revenues and planned expenditures and the balance of the BESP loan escrow. Enclosed in this budget is a fund activity tabulation and associated bar chart illustrating the activities of each of the District's designated funds in FY27.

## FUND CASH ACTIVITY

Fund No. and Name	Estimated Cash Balance 6/30/2026	Estimated Cash In-flow 2026-2027	Estimated Cash Out-flow 2026-2027	Estimated Cash Balance 6/30/2027
<b>640</b> Running Expense	\$8,668,227	Interest \$173,592	O & M Expense \$14,425,539	\$6,995,766
Adjusted 06/30/25 Estimate	<u>\$8,668,227</u>	SSC Revenue \$8,076,692	WWRec O & M Expense \$621,655	
		RFOGA \$4,853,291	Inter-Fund Loan P&I \$400,000	
		GWD WWRec O&M \$610,143		
		Admin Chg: WWRec \$61,014		
<b>Subtotal</b>		<u><b>\$13,774,733</b></u>	<u><b>\$15,447,194</b></u>	
<b>645</b> Plant Reserve	\$42,750	Interest \$1,282	\$0	\$44,032
<b>Subtotal</b>		<u><b>\$1,282</b></u>	<u><b>\$0</b></u>	
<b>650</b> Capital Reserve	\$11,022,215	Interest \$240,988	Plant Projects (non-BESP) \$6,350,000	\$8,373,939
		SSC Connection/Annex/RFOGA \$4,084,733	Loan P&I installment \$592,297	
		BESP Loan Proceeds: \$175,000	BESP Project \$206,700	
<b>Subtotal</b>		<u><b>\$4,500,721</b></u>	<u><b>\$7,148,997</b></u>	
<b>655</b> Replacement Reserve	\$27,874,211	Interest \$825,174	Collection System Replacements \$705,745	\$28,757,726
	<u>\$27,874,211</u>	SSC/Prop. Tax/RFOGA \$2,643,301	Administration, Outfall, WWRec \$608,143	
		Inter-Fund Loan P&I \$400,000	Plant, Lab, IWC Projects \$1,671,072	
			Main Pump Station Project \$0	
<b>Subtotal</b>		<u><b>\$3,868,475</b></u>	<u><b>\$2,984,960</b></u>	
<b>660</b> Retiree Health Insurance	\$0	Interest \$2,498		\$0
		Revenue \$333,000	\$335,498	
<b>Subtotal</b>		<u><b>\$335,498</b></u>	<u><b>\$335,498</b></u>	
<b>675</b> District Emergency Fund	\$712,051	Interest \$21,362	\$0	\$733,413
<b>Subtotal</b>		<u><b>\$21,362</b></u>	<u><b>\$0</b></u>	
<b>TOTALS</b>	<u><b>\$48,319,454</b></u>	<u><b>\$22,502,070</b></u>	<u><b>\$25,916,648</b></u>	<u><b>\$44,904,875</b></u>

# Fund Activity June 2026-June 2027



***REVENUES***  
***FISCAL YEAR 2026-27***

## DISTRICT REVENUES FOR FISCAL YEAR 2026-27

The District estimates FY27 revenues from several sources as outlined in the following table:

### REVENUE SOURCES

Sewer Service Charges	\$ 9,746,331	43.66%
From Other Government Agencies	10,388,578	46.53%
Permit, Inspections and Fees	35,900	0.16%
Annexation and Capacity Fees	237,000	1.06%
Property Taxes and related	219,365	0.98%
Interfund Loan Proceeds	400,000	1.79%
Interest and Other Income	<u>1,299,896</u>	<u>5.82%</u>
	\$ 22,327,070	100.00%

The District has grouped its revenues under the various funds utilized for the District's operations as discussed earlier in previous sections of this budget. These funds may change over time depending on the specific purpose of establishing the fund. Currently the District has allocated its various revenues to the following six funds.

1. **Running Expense Fund**
2. **Plant Reserve Fund**
3. **Capital Reserve Fund**
4. **Replacement Reserve Fund**
5. **Retiree Health Insurance Fund**
6. **District Emergency Fund**

### Running Expense Fund - 4640

The running expense fund is where most of the operating revenues of the District are deposited when received. This fund has several accounts that hold the revenues from a variety of sources. The most significant revenues are the user fees or charges, as noted in this budget. Revenues from the various sources are accounted for under separate District internal accounts carrying different account numbers in order to track these revenues by their respective sources and allocate or designate them for their required and/or intended purposes. District revenues shown in the budget are estimates based on revenues from previous years, in addition to information associated with specific developments in the community. The running expense fund is used to fund the operations and maintenance activities of the District.

### Sewer Service Charges – Account 3100

Sewer service charges (SSCs) may be described as the utility charge paid by the District's users for the services rendered by the District. These charges are very similar to telephone, gas, or electric charges invoiced monthly by the utilities to their customers. The District collects its sewer service charges, also known as users' fees, through the property tax collection process of the County. The District's annual SSCs are placed on the tax roll, and are separately shown on property tax statements mailed by the County to the District's users. The County forwards a majority of the SSC fees to the District twice annually, immediately following tax collection in December and April of each year.

The SSC rates are based on a recent wastewater generation study that took into account the amount and strength of wastewater flow from various types of development. The SSC rate

model is based on guidelines established by the Federal and State governments in accordance with the Clean Water Act

The District allocates its SSC revenues on an annual basis to ensure adequate revenues are being collected to cover the following costs:

1. **Operations and Maintenance (O&M):** Costs associated with providing for the collection, treatment, and disposal of wastewater for the District’s customers and contract entities.
2. **Depreciation:** Costs associated with the replacement and/or repair of the District’s existing assets.
3. **Capital Improvement Program:** Costs associated with planned improvements to the District collection and treatment facilities required to maintain the community’s investment in the District’s infrastructure.

The above cost components are listed in order of their importance. The most important and critical component that the SSC revenue must cover is the ongoing Operations and Maintenance (O&M) costs. This component of the SSC revenue funds the District’s Running Expense Fund #4640. If there isn’t enough revenue collected through the District’s adopted SSC rates to cover the ongoing O&M needs, the District will eventually not be able to provide sewer services to the community.

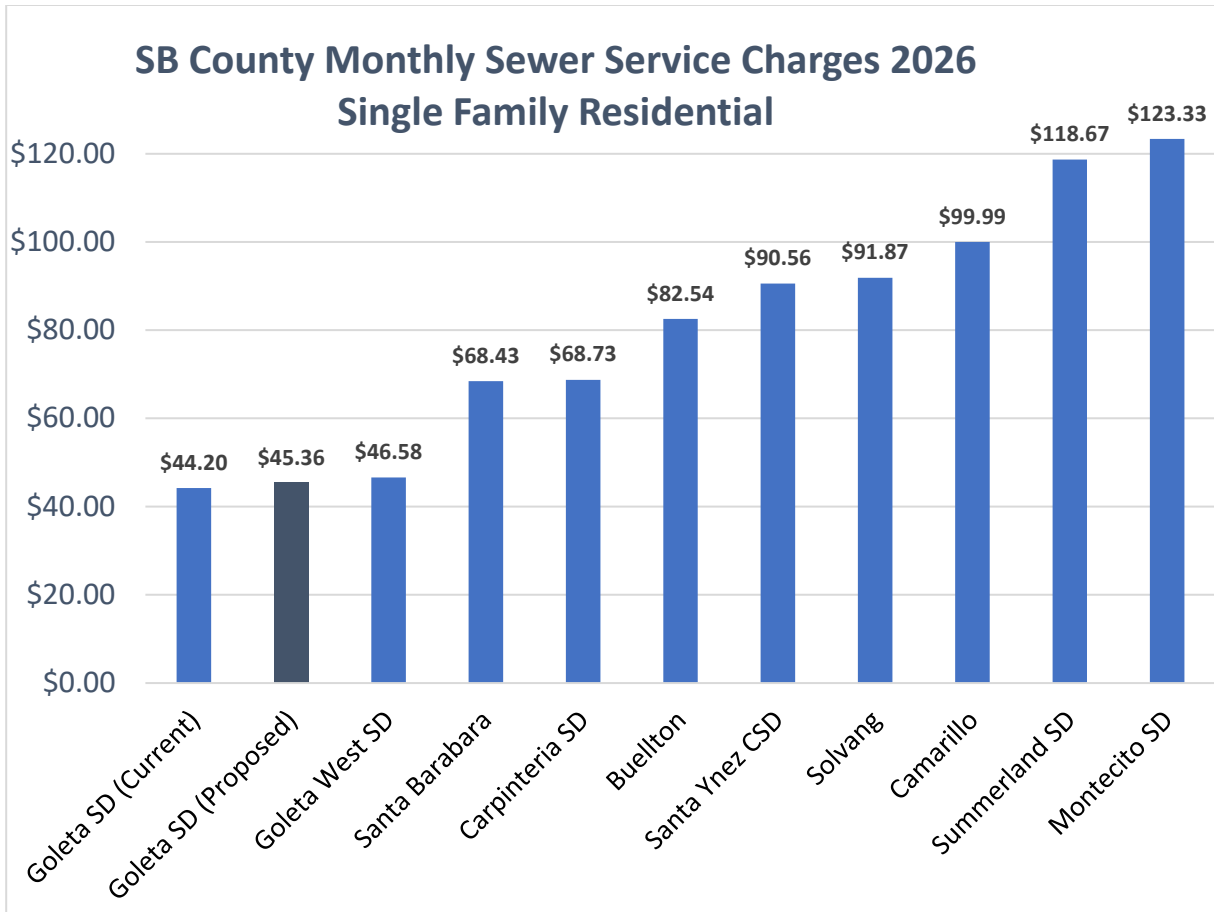
Once the O&M costs are covered, the remaining SSC revenue funds are allocated to the replacement and capital reserve funds based on need.

A summary of the District’s SSC rate allocation over the last few years is show in the following table.

<b>SSC Rate Component Allocation</b>	<b>FY23 (\$/Mo/ERU)</b>	<b>FY24 (\$/Mo/ERU)</b>	<b>FY25 (\$/Mo/ERU)</b>	<b>FY26 (\$/Mo/ERU)</b>	<b>FY27 (\$/Mo/ERU)</b>
Capital Reserve Fund	\$ 5.00	\$ 5.00	\$ 5.00	\$ 4.50	\$2.00
Replacement Reserve Fund	\$ 9.11	\$ 9.04	\$ 9.55	\$ 9.66	\$4.59
Operations & Maintenance Cost	\$ 30.09	\$ 30.16	\$ 29.65	\$ 30.04	\$38.77
<b>Total SSC Rate</b>	<b>\$ 44.20</b>	<b>\$ 44.20</b>	<b>\$ 44.20</b>	<b>\$ 44.20</b>	<b>\$45.36</b>

This year a reallocation in the rate structure is proposed to cover short term increases in operations & maintenance costs and temporarily decrease the amount put towards the Replacement and Capital Reserve funds.

A comparison of the District’s proposed FY27 monthly SSC rate with monthly SSC rates of other local agencies Santa Barbara County shows that the District’s total service rate (including direct property tax payments) of **\$45.36/month** remains significantly less (46%) than the average of all other local agencies total sewer service rate of **\$83.61** per month as shown in the following table:



**Permit and Inspection Fees – Account 3120**

Permit, Inspection, and Plan check fees are collected for issuing permits to connect to District facilities. Inspection fees are charges for the District’s inspection of the construction of new developments connecting to the District’s facilities. This estimated revenue is projected based on past history and knowledge of proposed developments in the upcoming year.

**Administration Charges – Accounts 3140 and 3145**

These revenues are charges levied on the District’s contractual users for administrative costs associated with treatment, disposal, and reclamation of wastewater. These charges are fixed percentages of the operating costs as defined in separate agreements with these users.

**Treatment and Disposal Revenue – Account 3150**

This revenue is the monthly expense charged to the District’s contractual users in accordance with an agreement with the District for treatment and disposal of their respective wastewaters. The charge to each user is based on each user’s percentage of the monthly-metered flow into the plant applied to the total monthly expense of the treatment plant only. Fixed assets charged to the treatment plant are expensed to the contractual users based on their respective fixed capacity percentage allocations of the total treatment plant and outfall capacities as defined in the agreements between the District and its users.

Goleta Water District Reclamation O&M Cost Reimbursement – Account 3155

This revenue is the total estimated annual expense invoiced to the Goleta Water District for production of reclaimed water. Fixed assets purchased for the reclamation facility are included in this estimated revenue. This revenue was estimated based on the projected demand of reclaimed water as defined by the Goleta Water District.

Industrial Waste Control (IWC) Analysis Reimbursement – Account 3160

This revenue source is projected based on historical data, and accounts for reimbursements to the District by industries for costs of re-sampling their respective discharges to the District following violations of their respective permit limits.

Homeowners Exemption – Account 3170

Homeowners' exemption revenues are the District's share of the annual revenue received by the County from the State for tax exemptions offered to homeowners. This amount is usually estimated by Santa Barbara County, and does not vary greatly from year to year.

Annexation Processing – Account 3205

This estimated revenue is the administration fee charged for processing applications for annexations submitted to the District each year. The projected amount is based on an application fee of \$200 per application, and is estimated based on past history and knowledge of any known future annexations.

Revenue from Other Government Agencies (RFOGA) – Running Expense – Account 3240

This revenue is received from the Santa Barbara Municipal Airport and Santa Barbara County for their shares of the operations and maintenance of the Main Pump Station. The Airport is charged based upon flow. This revenue value also includes the direct cost charged to the Contract users' for their annual flow meter calibration.

Other Revenue-Running Expense – Account 3260

Other revenues account for all undesignated sources. Examples of these revenues would be reimbursements for travel from agencies on which members of Governing Board serve (CSDA and CSRMA), miscellaneous invoices to other agencies, and reimbursements for miscellaneous expenses. Projections of this revenue are based on historical data and are usually conservative.

***Total FY27 Estimated Running Expense Fund Revenue with interest is \$13,774,733.***

**Capital Reserve Fund – 4650**

The Capital Reserve fund is the depository of funds allocated for expansion of the District's facilities to accommodate the community's growth. Funds collected from capacity and annexation fees, along with an allocated portion of the sewer service fees are directed to this fund for capacity-related capital improvements.

Capacity Fees – Account 3130

Capacity Fees are generally understood to be the costs of buying a unit of capacity in the District's facilities. The simplest form of measuring capacity for the purpose of determining Capacity Fees is by equivalency to the capacity normally utilized by a normal single-family residence. A capacity unit is expressed as one equivalent residential unit (ERU). Therefore, the Capacity Fee is the cost of buying capacity units expressed in ERUs. The value of the Capacity Fee for a single family residence is typically the price of one ERU.

Since Capacity Fees are associated with capacity of service, they should be used for expansion of the existing facilities where capacity for serving additional growth in the community is required. In this respect, Capacity Fees are mandated by law to be kept in a separate fund which has been designated by the District as the Capital Reserve Fund.

Capacity Fee revenue estimates are based on historical data and the estimated number and type of units to be connected in FY27.

Annexation Charges – Account 3200

Annexation to the District is the process of entering a land parcel into the service area of the District. Annexation fees are based on a recently completed fee study. In FY27 the District's annexation processing fee is \$200 based on the average cost to process the annexation request. The District's annual projection of this revenue is based on historical data of the estimated number of parcels to be annexed.

Loan Drawdowns

It is expected that the full Loan balance will be drawn down before the expiration of the draw extension recently executed. That balance is estimated to be \$175,000, that will be used to offset expenditures associated with the Biosolids and Energy Strategic Plan improvements.

***Total FY27 Estimated Revenue in the Capital Reserve Fund with interest and loan draw down is \$4,500,721.***

**Replacement Reserve Fund – 4655**

The replacement reserve fund is designated to hold and disburse funds for the District's capital improvement projects that are needed to maintain the District's facilities. This fund does not hold nor disburse funds for major projects where capacity increases are required. The District annually deposits funds from sewer service charges into this fund to account for its facilities depreciation.

Sewer Service Charges – Account 3100

Of the monthly \$45.36 anticipated SSC revenue per single-family dwelling for FY27, \$4.59, which amounts to \$986,935 in total revenue, will be deposited into the Replacement Reserve Fund 4655, the District's portion of the annual depreciation value estimated to be \$2,335,941 in FY27.

Property Tax – Account 3220

This revenue is the District's share of the property taxes collected by the County based on the District's percentage of property tax revenues to the County. The District's percentage is defined based on separate property tax negotiations during the process of property annexations to the District. Current annual property tax revenues to the District are predominantly based on the District's percentage in effect prior to Proposition 13. Property tax revenue is based on data submitted by Santa Barbara County. Because the District's budget is approved before the actual amount of property taxes is calculated, the amount shown is an estimate based on the previous year. The amount of property tax revenue received by the District does not vary considerably from year to year and is estimated to be \$218,865 in FY27.

RFOGA – Capital Projects – Account 3260

This revenue is received from the District's contractual users' for their share of the plant capital project expenditures. Each entity pays according to its capacity percentage entitlement as defined in the agreement between the District and these users. The total RFOGA revenue to the Replacement Reserve Fund for FY27 is \$1,437,501.

***Total FY27 Estimated Revenue in the Replacement Reserve Fund with interest and interfund loan payment is \$3,868,475.***

**Retiree Health Insurance Fund – 4660**

The Retiree Health Insurance fund was established by the District in 2004. The District contributes annually into this fund for to cover the future medical insurance premiums for eligible District retirees. The District annually transfers cash from this fund to the CERBT fund as part of the required annual contribution required by GASB 45.

***FY27 Total deposit into the Retiree Health Insurance Fund with interest is \$335,498.***

Interest Earnings Account - 3230

Each of the District funds has an Interest Earning account and interest is accrued per fund based upon balances in the interest-bearing account. The interest calculation for each fund for this year is calculated based on an annual percentage of 3.00%.

***Total FY27 Estimated Interest Revenue is \$1,264,896.***

**FY27 TOTAL ANTICIPATED DISTRICT REVENUE IS \$22,327,070.**

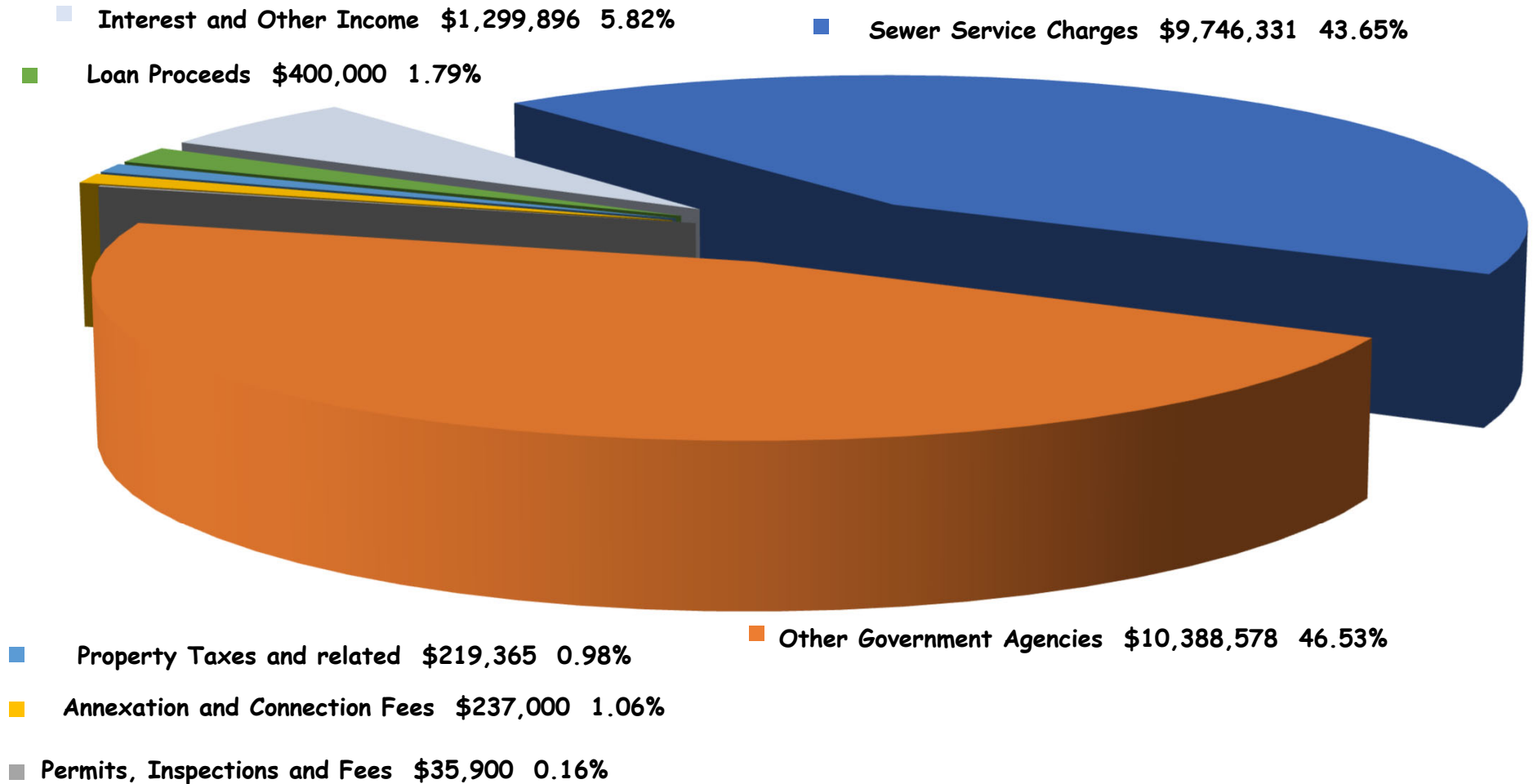
**Fiscal Year 2026-2027  
REVENUE**

Fund Name and Number	Acct	Revenue Classification	Budgeted Revenue 2025-26	Revenue to date 5/31/2026	Projected Actual 2025-26	Over(Under) Budget 2025-26	Revenue Projection 2026-27	% Change from FY 2025-26	Change from FY 2025-26
<b>4640</b>	3100	*Sewer Service Charges	\$6,151,703	\$5,548,145	\$6,151,703	\$0	\$7,996,671	30%	\$1,844,968
<b>Running Expense</b>	3120	Permits and Inspections	\$28,000	\$48,982	\$53,502	\$25,502	\$35,000	25%	\$7,000
	3140	Admin Chgs - Treatment	\$261,263	\$211,803	\$258,903	(\$2,360)	\$274,020	5%	\$12,757
	3145	Admin Chgs - Reclamation	\$57,289	\$46,800	\$51,054	(\$6,235)	\$61,014	7%	\$3,726
	3150	Treatment & Disposal Cost Reimb.	\$4,369,263	\$3,476,376	\$3,867,410	(\$501,853)	\$4,579,271	5%	\$210,008
	3155	GWD WWRec O&M Cost Reimb.	\$572,887	\$467,995	\$510,540	(\$62,347)	\$610,143	7%	\$37,256
	3160	IWC Analysis Reimbursement	\$500	\$0	\$0	(\$500)	\$500	0%	\$0
	3170	Homeowners Exemption	\$500	\$608	\$500	\$0	\$500	0%	\$0
	3205	Annexation Processing Fee	\$400	\$0	\$400	\$0	\$400	0%	\$0
	3240	**RFOGA - Running Expense	\$6,403	\$10,161	\$11,085	\$4,682	\$8,621	35%	\$2,218
<b>3260/3301</b>		Other Revenue - Running Exp.	\$35,000	\$44,205	\$46,127	\$11,127	\$35,000	0%	\$0
		<b>Subtotal</b>	<b>\$11,483,207</b>	<b>\$9,855,074</b>	<b>\$10,951,225</b>	<b>(\$531,983)</b>	<b>\$13,601,140</b>	<b>18%</b>	<b>\$2,117,933</b>
<b>4650</b>	3100	*Sewer Service Charges	\$971,460	\$967,570	\$971,460	\$0	\$429,725	-56%	-\$541,735
<b>Capital Reserve</b>	3130	Capacity Fees	\$101,073	\$87,588	\$97,213	(\$3,861)	\$232,000	130%	\$130,927
	3200	Annexation Charges	\$27,293	\$15,731	\$15,731	(\$11,562)	\$5,000	-82%	-\$22,293
	3260	**RFOGA - Capital Projects Loan Proceeds (draws, see escrow table)	\$4,818,378	\$1,765,403	\$2,084,403	(\$2,733,975)	\$3,418,008	-29%	-\$1,400,370
		<b>Subtotal</b>	<b>\$5,918,203</b>	<b>\$2,836,291</b>	<b>\$3,168,806</b>	<b>(\$2,749,398)</b>	<b>\$4,084,733</b>	<b>-31%</b>	<b>(\$1,833,471)</b>
<b>4655</b>	3100	*Sewer Service Charges	\$2,085,733	\$2,045,212	\$2,085,733	\$0	\$986,935	-53%	-\$1,098,798
<b>Replacement Reserve</b>	3220	Property Tax Revenue	\$213,000	\$221,745	\$221,745	\$8,745	\$218,865	3%	\$5,865
		Interfund Loan	\$400,000	\$300,001	\$400,000	\$0	\$400,000	0%	\$0
	3260	**RFOGA - Capital Projects	\$782,692	\$145,061	\$325,061	(\$457,631)	\$1,437,501	84%	\$654,808
		<b>Subtotal</b>	<b>\$3,481,425</b>	<b>\$2,712,018</b>	<b>\$3,032,538</b>	<b>(\$448,887)</b>	<b>\$3,043,301</b>	<b>-13%</b>	<b>-\$438,124</b>
<b>4660</b>	3100	*Sewer Service Charges	\$333,000	\$333,000	\$333,000	\$0	\$333,000	0%	\$0
<b>All Funds</b>		<b>Interest Earnings</b>							
<b>4640</b>	3230	Running Expense Fund	\$326,346	\$307,382	\$334,860	\$8,514	\$173,592	-47%	-\$152,754
<b>4645</b>	3230	Plant Reserve Fund	\$1,643	\$1,522	\$1,656	\$13	\$1,282	-22%	-\$361
<b>4650</b>	3230	Capital Reserve Fund	\$265,883	\$385,089	\$418,389	\$152,506	\$240,988	-9%	-\$24,895
<b>4655</b>	3230	Replacement Reserve Fund	\$977,335	\$991,301	\$1,082,551	\$105,216	\$825,174	-16%	-\$152,161
<b>4660</b>	3230	Retiree Health Insurance Fund	\$3,330	\$1,137	\$1,137	(\$2,193)	\$2,498	-25%	-\$833
<b>4670</b>	3230	Plant Upgrading Fund	\$0	\$0	\$0	\$0	\$0	0%	\$0
<b>4675</b>	3230	District Emergency Fund	\$27,373	\$25,358	\$27,583	\$210	\$21,362	-22%	-\$6,011
		<b>Subtotal</b>	<b>\$1,601,910</b>	<b>\$1,711,790</b>	<b>\$1,866,177</b>	<b>\$264,267</b>	<b>\$1,264,896</b>	<b>-21%</b>	<b>-\$337,014</b>
		<b>Total Revenue</b>	<b>\$22,817,745</b>	<b>\$17,448,173</b>	<b>\$19,351,745</b>	<b>(\$3,466,000)</b>	<b>\$22,327,070</b>	<b>-2%</b>	<b>(\$490,676)</b>
		<b>Anticipated BESP Loan Draws:</b>					<b>\$175,000</b>		
		<b>Total Estimated Cash Inflow:</b>					<b>\$22,502,070</b>		
		<b>Total Sewer Service Charges:</b>	<b>\$9,541,896</b>	<b>\$8,893,927</b>	<b>\$9,541,896</b>		<b>\$9,746,331</b>	<b>2.14%</b>	<b>\$204,435</b>

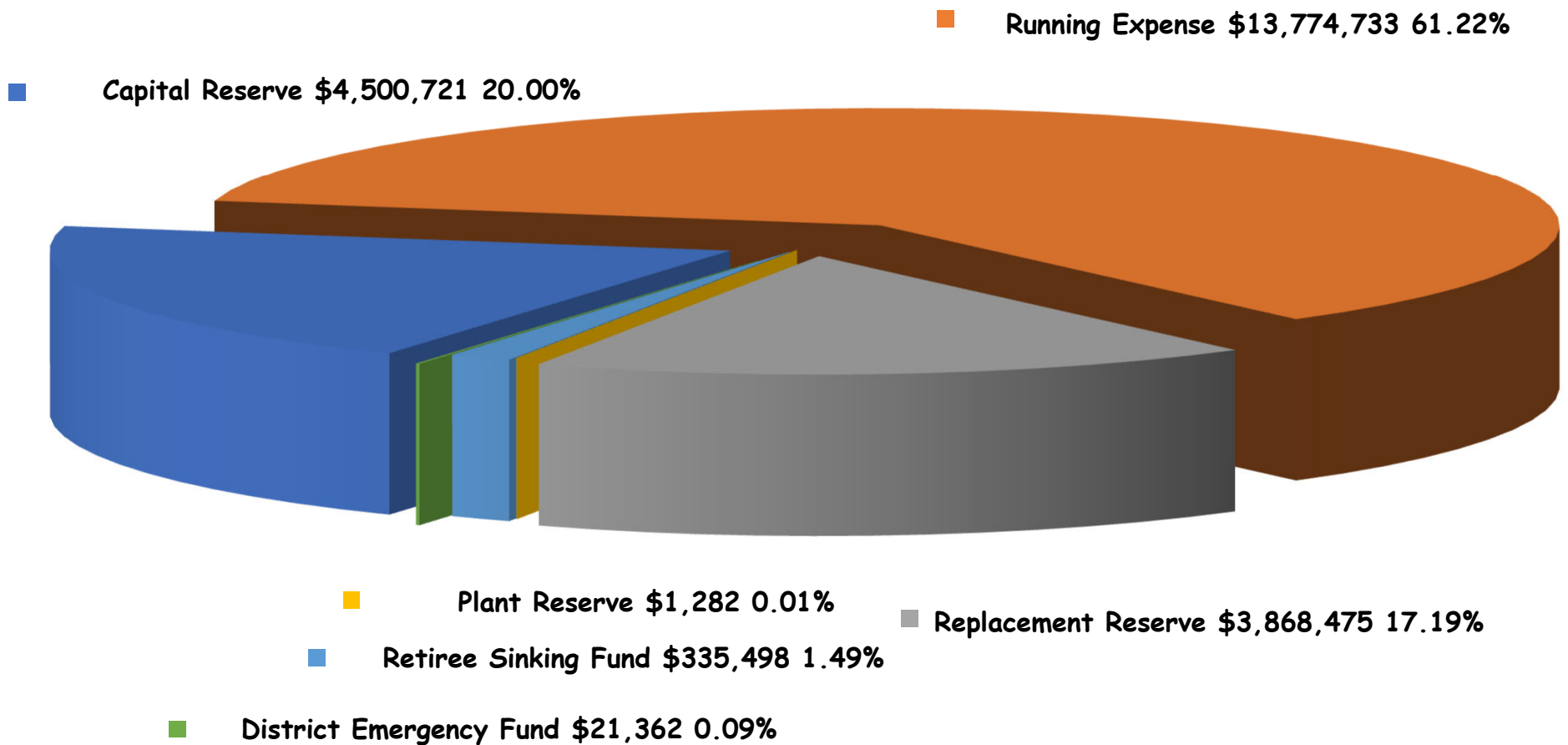
\*Sewer Service Charges are deposited directly to the respective funds.  
Values shown under 2025-2026 Revenue Estimate have been pro-rated accordingly.

\*\*RFOGA = Revenue From Other Gov't Agencies

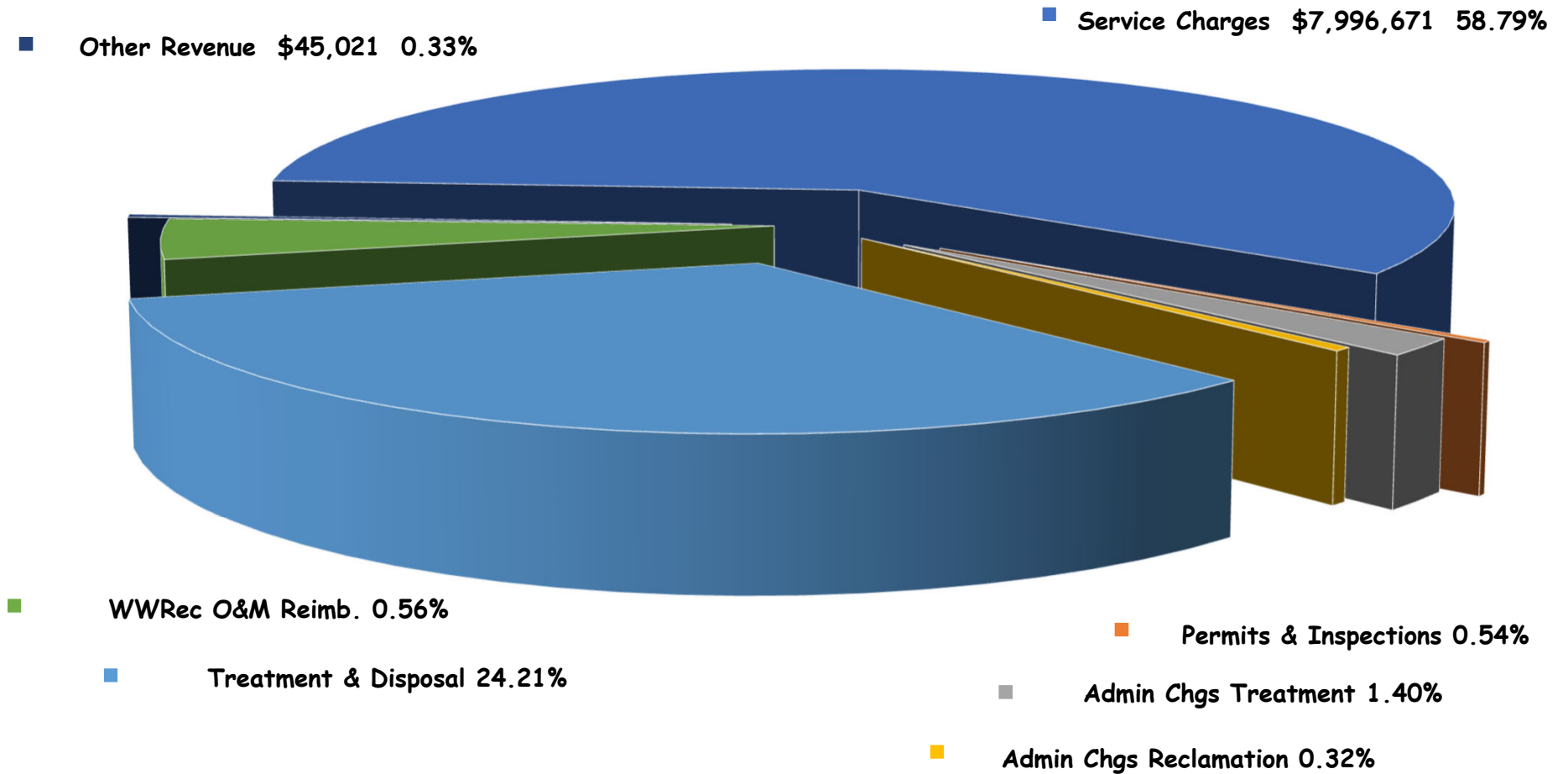
# Revenues by Source 2026-27



# Revenues by Fund 2026-27



# Running Expense Revenues 2026-27



***EXPENDITURES  
FISCAL YEAR 2026-27***

## DISTRICT COMBINED EXPENDITURES IN FY25-26

The combined expenditures for the District's operating departments are shown in a combined expenditure sheet with comparisons to the previous fiscal year's expenditures. The budget expenditures are shown under various categories such as personnel expenses, operating expenses, depreciation reserves funding, and capital outlay. The total operating and personnel expenses proposed for FY26-27 are anticipated to be above last year's budget by 16%. The capital outlay projects are anticipated to be about 2% more than last year's expenditures.

The main categories of expenditures in the combined budget with and without depreciation are as follows:

<b><u>DESCRIPTION</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>% w/o Depr</u></b>	<b><u>% with Depr</u></b>
<b>Personnel Cost:</b>	<b>\$ 8,800,618</b>	<b>34%</b>	<b>28%</b>
<b>Operating Expenses:</b>	<b>\$ 6,870,024</b>	<b>27%</b>	<b>23%</b>
<b>Sub-Total:</b>	<b>\$ 15,670,642</b>	<b>60%</b>	<b>52%</b>
<b>Capital Outlay:</b>	<b>\$ 10,246,007</b>	<b>40%</b>	<b>34%</b>
<b>Total Expenses w/o depreciation:</b>	<b>\$ 25,916,648</b>	<b>100%</b>	<b>85%</b>
<b>Depreciation Expense:</b>	<b>\$ 4,438,095</b>		<b>13%</b>
<b>TOTAL EXPENDITURES:</b>	<b>\$ 30,354,744</b>		<b>100%</b>

The enclosed graph shows the above distribution of expenditures for FY26-27.

The District has separated accounting of its expenses into seven separate service categories. These categories are mostly associated with specific service programs and/or facilities shared by separate groups of users. The main purpose of segregating expenses is to appropriately charge the customer base served by each program and/or facility. The District's seven service departments and corresponding customer base are described below.

### **Administration Expenses**

All District users share these expenses. The District's contractual users pay, as administrative costs, a fixed percentage of their respective operating costs in the treatment and disposal facilities.

### **Collection System**

All users in the Goleta Sanitary District's service area share the expenses associated with the collection system. The District's contractual users do not share in the cost of the collection system.

## **Main and Firestone Pump Stations**

All users in GSD's service area share the expenses associated with the main pump station. The Santa Barbara Municipal Airport and the County of Santa Barbara are the only contractual users of the District that share in this cost. All other contractual users do not use the main pump station. The District and the Airport only share the costs of the Firestone Pump Station in accordance with an agreement between the two agencies such that the Airport's share is based upon flow through the station.

## **Industrial Waste Control Program**

Similar to the collection system, the expenses associated with the Industrial Waste Control program are shared by all users in the Goleta Sanitary District's service area. The District's contractual users do not share in the cost of this program.

## **Wastewater Treatment Facilities**

All District users share in the cost of the treatment of wastewater, including all contractual users. The contractual users share in the operating costs based on a corresponding percentage of their flows compared to the total flow into the treatment facilities. Fixed assets are charged based on the respective percentage of the treatment facilities' capacity allocation to each contractual user.

## **Wastewater Disposal Outfall**

All District users share in the cost of wastewater disposal including all contractual users. The contractual users share in the operating costs and fixed assets based on the corresponding percentage of their outfall capacity allocation to each contractual user.

## **Reclamation Facilities**

The operating costs, including a 10% administration cost, are invoiced to the Goleta Water District monthly. Fixed assets are invoiced without the administrative charge.

## **Summary**

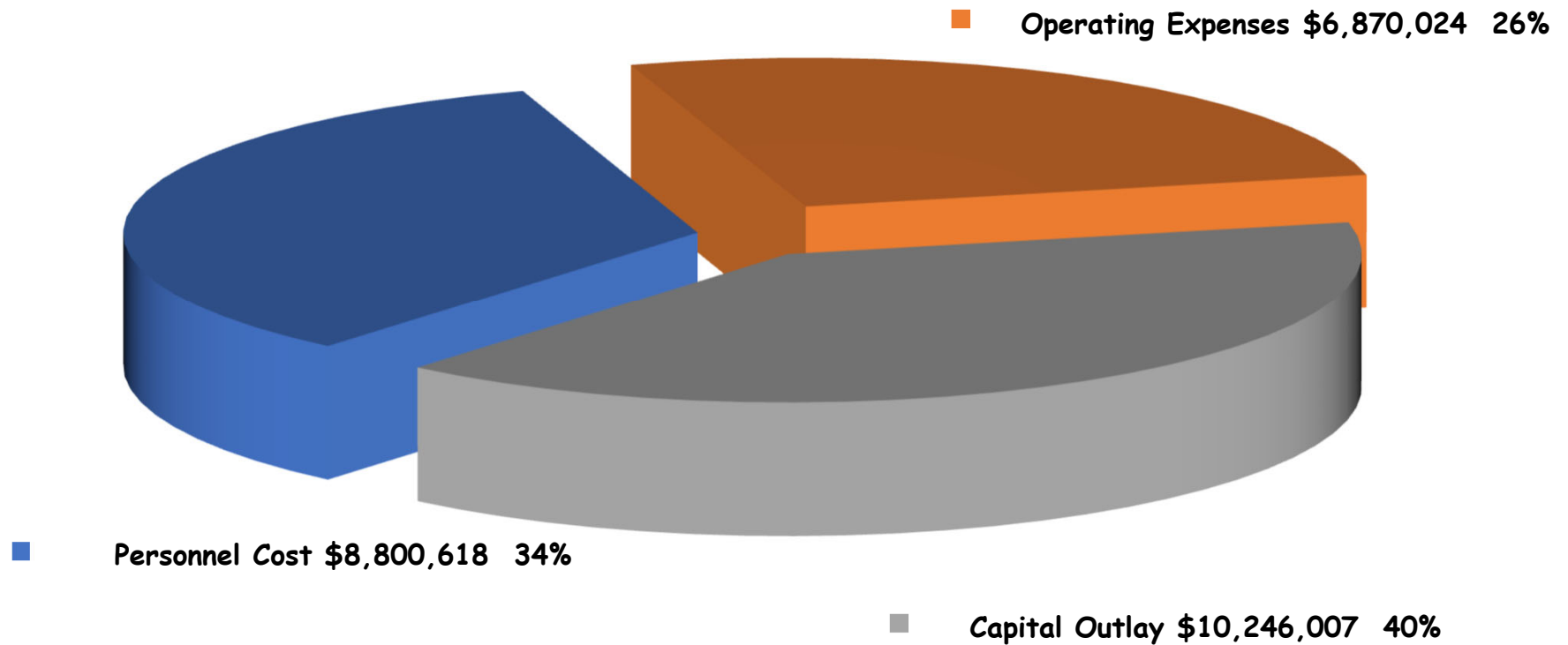
Enclosed in this budget is a graph showing the distribution of the expenditures by each of the service categories described above. Details of each category's proposed expenditures are also included in this budget with a narrative explanation of the purposes of these expenditures.

**Fiscal Year 2026-2027  
EXPENDITURES**

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	4,687,926	4,287,486	4,743,601	(55,675)	5,058,619	8%	370,692
Overtime	16,800	22,102	24,453	(7,653)	16,800	0%	0
Temporary	7,116	12,867	14,236	(7,120)	0	-100%	(7,116)
Directors Fees	85,000	39,218	42,783	42,217	85,000	0%	0
Worker's Compensation	80,976	86,809	94,700	(13,724)	81,093	0%	117
Retirement	1,243,170	1,154,719	1,277,561	(34,391)	1,368,083	10%	124,914
Active Employee Insurance-Health/Dental/Vision/Disability	1,259,385	1,149,988	1,254,532	4,853	1,469,990	17%	210,605
Retiree Health Insurance OPEB Funding	336,330	334,137	334,137	2,193	335,498	0%	(833)
FICA	277,569	259,963	287,618	(10,049)	307,125	11%	29,556
Medicare	68,322	63,354	70,094	(1,772)	73,594	8%	5,272
Unemployment Insurance	4,703	4,937	5,462	(759)	4,816	2%	113
<i>Subtotal</i>	8,067,297	7,415,579	8,149,177	(81,880)	8,800,618	9%	733,321
<b>OPERATING EXPENSES</b>							
Public Education	75,000	45,227	49,338	25,662	75,000	0%	0
Janitorial Service & Supplies	49,800	43,930	47,922	1,878	51,960	4%	2,160
Uniforms	17,205	14,501	15,820	1,385	20,244	18%	3,039
Licenses & Permits	179,216	105,697	115,046	64,170	204,750	14%	25,534
Freight & Postage	3,465	6,341	6,918	(3,453)	3,465	0%	0
Subscriptions	8,100	5,789	6,315	1,785	9,670	19%	1,570
Vehicle Repairs & Maintenance	77,415	73,615	80,407	(2,992)	94,703	22%	17,288
Liability & Property Insurance	436,399	424,035	424,035	12,364	461,524	6%	25,125
Dues & Memberships	58,623	52,401	57,280	1,343	64,881	11%	6,258
Office Supplies	18,060	17,426	19,010	(950)	18,667	3%	607
Analysis & Monitoring	206,825	62,725	68,334	138,491	213,145	3%	6,320
Operating Supplies	1,281,305	845,760	923,248	358,057	1,383,205	8%	101,899
Attorney Fees	65,000	67,854	74,022	(9,022)	75,000	15%	10,000
Printing & Publications	5,960	10,976	11,974	(6,014)	6,460	8%	500
Repairs and Maintenance	824,335	731,477	843,313	(18,978)	995,347	21%	171,012
Travel	67,690	60,249	65,502	2,188	61,469	-9%	(6,221)
Seminars, Conferences, Training, Employee Recognition	57,960	30,667	33,455	24,505	41,900	-28%	(16,060)
Utilities	853,797	768,113	877,844	(24,047)	852,445	0%	(1,352)
Election Expense	12,000	0	0	12,000	12,000	0%	0
Computer Service & Maintenance	242,200	227,346	239,510	2,691	264,915	9%	22,715
Lease/Rentals	129,263	9,084	9,911	119,352	9,263	-93%	(120,000)
Biosolids Hauling	709,104	494,827	593,793	115,311	779,339	10%	70,235
Professional Services	589,215	380,487	414,015	175,200	694,640	18%	105,425
Interest Expense	504,627	277,631	504,627	0	451,352	-11%	(53,275)
Other Expense	23,650	14,386	15,690	7,960	24,680	4%	1,030
<i>Subtotal</i>	6,496,215	4,770,545	5,497,329	998,885	6,870,024	6%	373,809
<b>Total Personnel and Operating Expenses</b>	<b>14,563,512</b>	<b>12,186,125</b>	<b>13,646,506</b>	<b>917,005</b>	<b>15,670,642</b>	<b>8%</b>	<b>1,107,130</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	3,936,758	3,923,183	3,923,183	13,575	4,438,095	13%	501,337
<i>Subtotal</i>	3,936,758	3,923,183	3,923,183	13,575	4,438,095	13%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment (Fund 640)	94,050	71,581	71,581	22,469	112,050	19%	18,000
Capital Projects - Replacement Reserve Fund (4655)	2,282,695	468,066	543,066	1,739,629	2,984,960	31%	702,265
Capital Projects - Capital Reserve Fund (4650)	9,243,003	3,980,964	4,618,975	4,624,028	6,556,700	-29%	(2,686,303)
Debt Service	944,048	575,021	575,021	369,027	592,297	-37%	(351,751)
<i>Subtotal</i>	12,563,796	5,095,632	5,808,643	6,755,153	10,246,007	-18%	(2,317,789)
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>27,127,308</b>	<b>\$ 17,281,757</b>	<b>\$ 19,455,149</b>	<b>\$ 7,672,159</b>	<b>25,916,648</b>	<b>-4.46%</b>	<b>(1,210,659)</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>31,064,066</b>	<b>\$ 21,204,940</b>	<b>\$ 23,378,333</b>		<b>30,354,744</b>	<b>-2.28%</b>	<b>(709,322)</b>

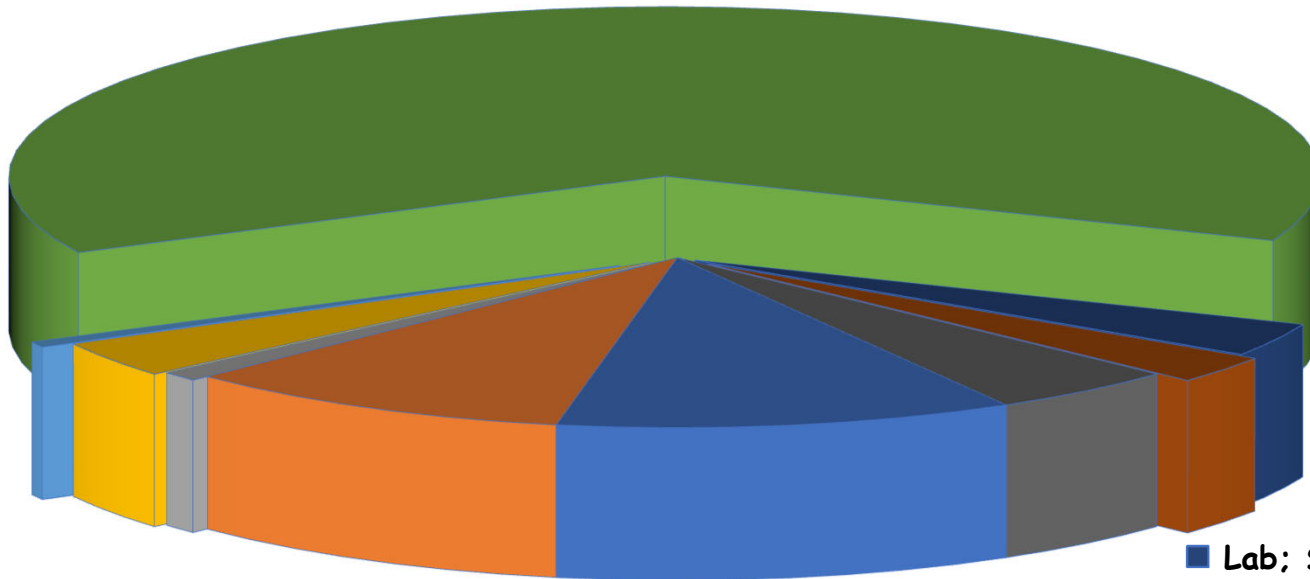
# District's Combined Expenditures

## Without Depreciation



# Distribution of Operating Costs

■ Plant Operations; \$4,370,282; 63.6%



■ IWC; \$36,479; 0.5%

■ Main P/S; \$236,562; 3.4%

■ Firestone P/S; \$63,890; 0.9%

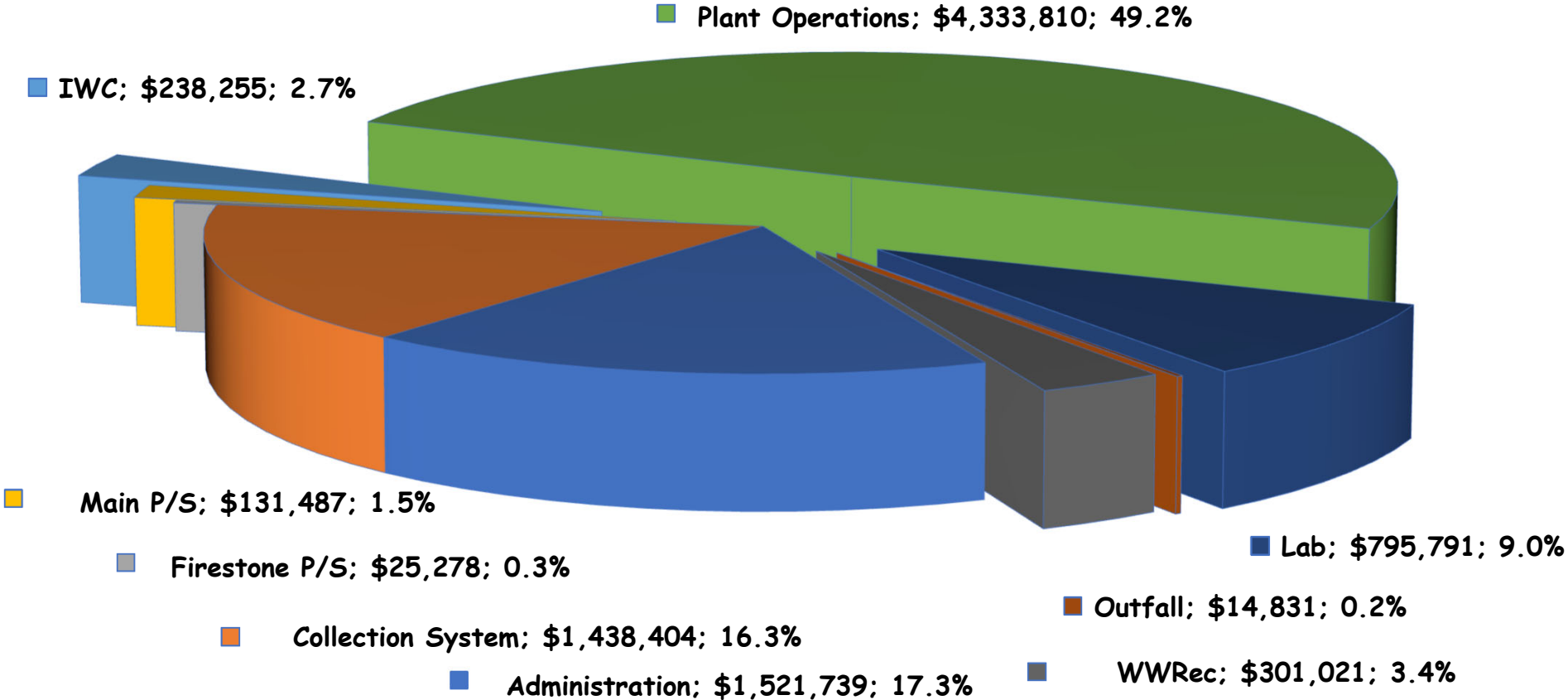
■ Collection System; \$668,131; 9.7%

■ Outfall; \$180,184;  
2.6%

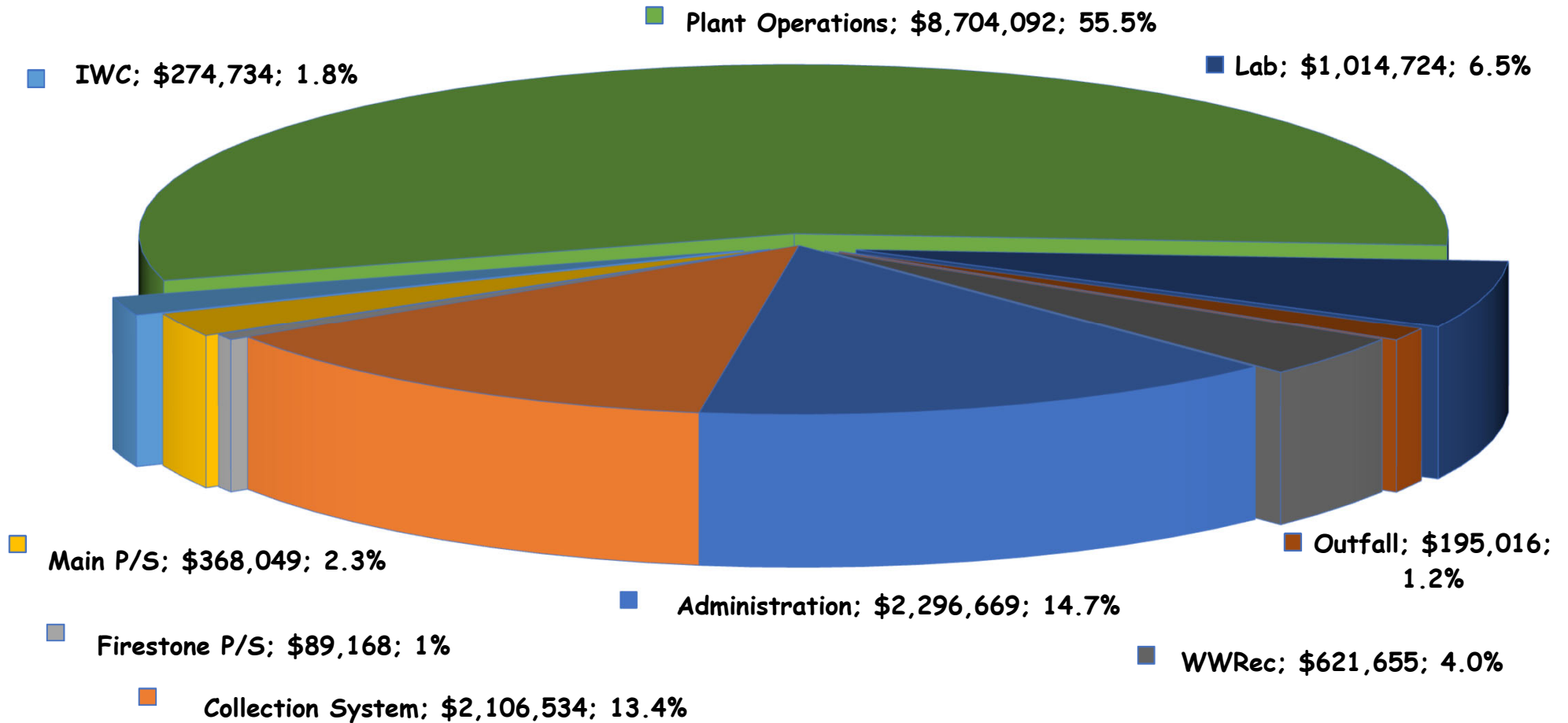
■ WWRec; \$320,634; 4.7%

■ Administration; \$774,930; 11.3%

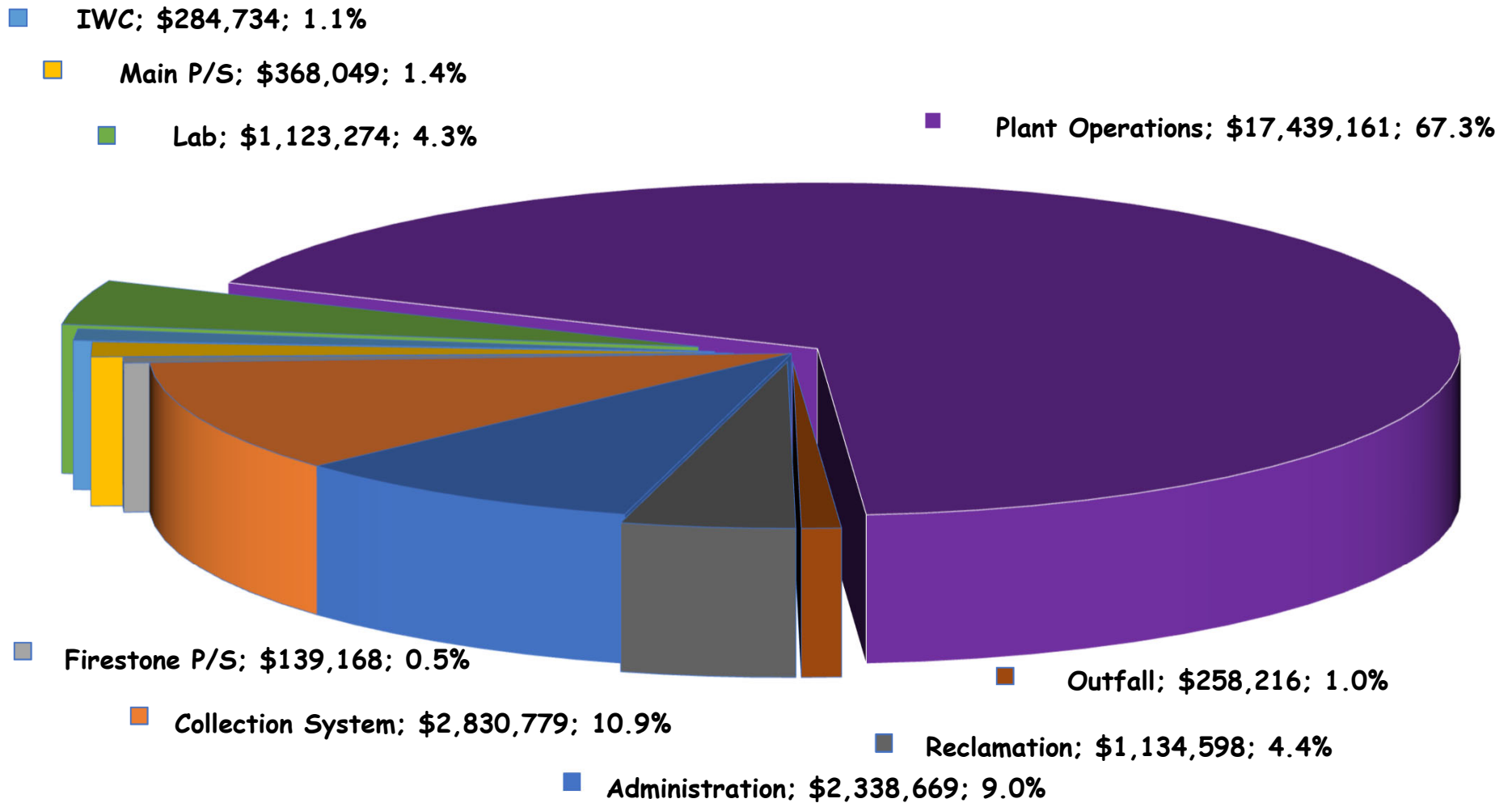
# Distribution of Personnel Cost



# Distribution of Personnel & Operating Costs



# Distribution of Total Expenditures by Service Category



***COMPARISON SUMMARY  
OF EXPENSES AND REVENUES***

## COMPARISON SUMMARY OF EXPENSES AND REVENUES

The budget contains a summary of the anticipated expenses and revenues for FY27. This summary explains the relationship between expenses and revenues in such a manner that defines the sources of revenues to meet budgeted expenditures. The categories discussed below have been selected on where proposed expenditures are anticipated to occur.

- ◆ **Running Expenses and Revenues**
- ◆ **Reclamation Facilities Expenses and Revenues**
- ◆ **Debt Service Expenses and Revenues**
- ◆ **Capital Improvements Expenses and Revenues**

### Running Expense Fund

The summary reflects the expected expenditures to operate the District, other than the Reclamation Facilities.

***The total anticipated running expense expenditures in FY27 are \$14,825,539***

On the revenue side the total revenue projected for this fund includes most revenue sources described under the running expense revenue discussion except for revenues associated with the reclamation facilities. The revenues shown in this category are considered new funds collected annually from the District's users. As noted below, the expenses in this fund are projected to be slightly higher than the anticipated revenues.

***The total anticipated running expense revenue in FY27 are \$13,103,575***

### Reclamation Facilities

The reclamation facilities are accounted for separately in this summary comparison, since the associated operations and maintenance costs are paid for separately by the Goleta Water District. As noted in the budget, the amount of revenue anticipated is higher than the anticipated expenses due to the 10 percent administration charge, which is charged to the Goleta Water District per an agreement between the two agencies.

***The total anticipated revenues for the reclamation facilities in FY27 are \$1,184,101***

***The total anticipated expenses for the reclamation facilities in FY27 are \$1,134,598***

### Debt Service

The District has obtained a loan in the amount of \$14M for the design and construction of the Biosolids and Energy Strategic Plan improvement projects. The term of the loan is 20 years and the debt service for FY26-27 consists of two payments of \$472,024, one in July, 2026 and one in January, 2027.

Additionally, interfund loan payments totaling \$400,000 from the 4640 fund to the 4655 fund will be made during the fiscal year.

## **Capital Improvements**

This summary includes all the expenditures projected for capital improvements of the treatment plant and collection system. Depending on the type of project, the funds are segregated to reflect whether the capital improvement under consideration is a replacement project, a capacity expansion project, or both. On the revenue side sewer services charges are included which fund the District's replacement reserve fund as well as revenues for the facilities upgrading project fund.

***The total anticipated expenses for capital improvements in FY27 are \$9,621,014***

***The total anticipated depreciation expenses in FY27 are \$4,438,095***

***The total anticipated revenue for capital improvements in FY27 is \$7,703,896***

### **THE TOTAL PLANNED EXPENDITURES FOR FY27**

**INCLUDING DEPRECIATION ARE \$30,354,744**

**WITHOUT DEPRECIATION ARE \$25,916,648**

**TOTAL ESTIMATED REVENUE FOR FY27 IS \$22,32,070**

**TOTAL ESTIMATED LOAN DRAWS OF \$176,000**

**TOTAL ESTIMATE CASH INFLOW \$22,502,070**

**COMPARISON SUMMARY OF  
EXPENSES AND REVENUES  
Fiscal Year 2026-2027**

EXPENDITURES		REVENUES	
<b><u>RUNNING EXPENSE FUND (4640)</u></b>		<b><u>RUNNING EXPENSE FUND (4640)</u></b>	
Personnel	\$7,764,099	Sewer Service Charges	\$7,996,671
Operating Expense	6,549,390	Permit and Inspection Fees	35,000
Machinery and Equipment	112,050	Administration Charges - Treatment	274,020
Sub-Total	\$14,425,539	RFOGA - Treatment and Disposal	4,579,271
		IWC Analysis Reimbursement	500
CalPERS UAL Loan Payment	\$400,000	Homeowners Property Tax Relief	500
		Annexation Processing Fee	400
Running Expense Fund Disbursements	<b>\$14,825,539</b>	Payments from Other Governmental Agencies	8,621
		Other Revenue	35,000
		Interest	173,592
		<b>Total</b>	<b>\$13,103,575</b>
<b><u>RECLAMATION FACILITIES (4640 Dept. 47)</u></b>		<b><u>RECLAMATION FACILITIES (4640 Dept. 47)</u></b>	
Personnel	\$301,021	GWD Reimbursement of O&M Expenses	\$610,143
Operating Expense	320,634	Administration Charges - Reclamation	61,014
Machinery and Equipment	0	RFOGA - Capital Projects (4655)	512,943
Capital Improvement Projects	512,943		
<b>Total</b>	<b>\$1,134,598</b>	<b>Total</b>	<b>\$1,184,101</b>
<b><u>CAPITAL IMPROVEMENT</u></b>		<b><u>CAPITAL IMPROVEMENT</u></b>	
<b><u>Capacity Reserve Fund (4650)</u></b>		<b><u>Capacity Reserve Fund (4650)</u></b>	
Other Capital Projects	\$6,350,000	Sewer Service Charges	\$429,725
BESP Plant Projects	206,700	Connection/Annexation/RFOGA	\$3,655,008
Debt Service	592,297	Interest	\$240,988
Sub-total	\$7,148,997	Sub-total	\$4,325,721
<b><u>Replacement Reserve Fund (4655):</u></b>		<b><u>Replacement Reserve Fund (4655)</u></b>	
Administration	\$32,000	Sewer Service Charges (\$/ERU+GSD Depr)	\$986,935
Firestone Pump Station	50,000	RFOGA - Capital Projects	924,558
Pump Station Projects	-	Property Tax Revenue	218,865
Plant, Lab and IWC Projects	1,671,072	Interest	825,174
Sewer Line Projects	655,745	Interfund Loan	400,000
Outfall Projects	63,200		
Sub-total	\$2,472,017	Sub-total	\$3,355,532
<b><u>District Plant Reserve Fund (4645)</u></b>		<b><u>District Plant Reserve Fund (4645)</u></b>	
	\$0	Interest	\$1,282
Sub-total	\$0	Sub-total	\$1,282
<b><u>District Emergency Fund (4675)</u></b>		<b><u>District Emergency Fund (4675)</u></b>	
	\$0	Interest	\$21,362
Sub-total	\$0	Sub-total	\$21,362
<b>Total</b>	<b>\$9,621,014</b>	<b>Total</b>	<b>\$7,703,896</b>
<b><u>Depreciation</u></b>			
Depreciation Expense	\$4,438,095		
<b><u>Retiree Medical Insurance Retirement Fund (660)</u></b>		<b><u>Retiree Medical Insurance Retirement Fund (660)</u></b>	
Disbursements Directly to CERBT	\$335,334	Sewer Service Charges	\$333,000
Disbursements District Retirees and/or PERS	\$164	Interest	\$2,498
<b>Total</b>	<b>\$335,498</b>	<b>Total</b>	<b>\$335,498</b>
<b>TOTAL EXPENSE WITHOUT DEPRECIATION:</b>	<b>\$25,916,648</b>	<b>TOTAL REVENUE:</b>	<b>\$22,327,070</b>
<b>TOTAL EXPENSE WITH DEPRECIATION:</b>	<b>\$30,354,744</b>		

***SERVICE CATEGORY EXPENSE DATA***

## ADMINISTRATION

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	845,416	735,872	814,156	31,260	827,101	-2%	(18,316)
Overtime	100	0	0	100	100	0%	0
Temporary	4,767	2,138	2,366	2,401	0	-100%	(4,767)
Directors Compensation	85,000	39,218	42,783	42,217	85,000	0%	0
Workers' Compensation	14,603	13,928	15,194	(591)	13,259	-9%	(1,344)
Retirement	259,381	224,751	248,660	10,721	239,407	-8%	(19,974)
Active Employee Insurance-Health/Dental/Vision/Disability	227,116	155,514	169,651	57,465	240,348	6%	13,232
Retiree Health Insurance OPEB Funding	60,653	60,258	60,258	396	54,855	-10%	(5,799)
FICA	46,086	43,322	47,931	(1,845)	48,888	6%	2,802
Medicare	12,329	10,132	11,210	1,119	11,994	-3%	(335)
Unemployment Insurance	903	721	798	105	787	-13%	(116)
<i>Subtotal</i>	1,556,356	1,285,853	1,413,007	143,349	1,521,739	-2%	(34,617)
<b>OPERATING EXPENSES</b>							
Public Education	13,875	8,593	9,374	4,501	13,875	0%	0
Janitorial Service & Supplies	6,100	6,095	6,649	(549)	7,200	18%	1,100
Uniforms	0	0	0	0	0	0%	0
Licenses & Permits	0	0	0	0	0	0%	0
Freight & Postage	400	5,051	5,510	(5,110)	400	0%	0
Subscriptions	400	510	556	(156)	400	0%	0
Vehicle Repairs & Maintenance	2,500	127	138	2,362	2,500	0%	0
Liability & Property Insurance	7,380	7,932	7,932	(552)	8,202	11%	822
Dues & Memberships	38,000	35,088	38,278	(278)	38,000	0%	0
Office Supplies	6,000	9,266	10,108	(4,108)	6,000	0%	0
Analysis & Monitoring	0	0	0	0	0	0%	0
Operating Supplies	1,000	0	1,000	0	1,000	0%	0
Attorney Fees	40,000	26,860	29,302	10,698	46,000	15%	6,000
Printing & Publications	1,500	10,323	11,262	(9,762)	2,000	33%	500
Repairs and Maintenance	7,000	9,673	10,553	(3,553)	9,000	29%	2,000
Travel	33,000	43,587	47,550	(14,550)	33,000	0%	0
Seminars, Conferences, Training, Employee Recognition	17,000	18,843	20,556	(3,556)	17,000	0%	0
Utilities	22,375	33,147	37,883	(15,508)	38,000	70%	15,625
Election Expense	12,000	0	0	12,000	12,000	0%	0
Computer Service & Maintenance	33,000	13,963	15,233	17,767	34,000	3%	1,000
Lease/Rentals	1,000	1,026	1,119	(119)	1,000	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	94,000	94,779	103,395	(9,395)	34,000	-64%	(60,000)
Interest Expense	504,627	277,631	504,627	0	451,352	-11%	(53,275)
Other Expense	20,000	14,351	15,655	4,345	20,000	0%	0
<i>Subtotal</i>	861,157	616,846	876,680	(15,523)	774,930	-10%	(86,227)
<b>Total Personnel and Operating Expenses</b>	<b>2,417,513</b>	<b>1,902,700</b>	<b>2,289,687</b>	<b>127,826</b>	<b>2,296,669</b>	<b>-5%</b>	<b>(120,844)</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	54,300	58,352	58,352	(4,052)	57,064	5%	2,764
<i>Subtotal</i>	54,300	58,352	58,352	(4,052)	57,064	5%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	10,000	7,986	7,986	2,014	10,000	0%	0
Capital Projects - Replacement Reserve Fund (4655)	0	0	0	0	32,000	+100%	32,000
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	10,000	7,986	7,986	2,014	42,000	320%	32,000
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>2,427,513</b>	<b>1,910,685</b>	<b>2,297,673</b>	<b>129,840</b>	<b>2,338,669</b>	<b>-4%</b>	<b>(88,844)</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>2,481,813</b>	<b>1,969,038</b>	<b>2,356,025</b>		<b>2,395,733</b>	<b>-3%</b>	<b>(86,080)</b>

## ADMINISTRATION

### I. Personnel:

This account has been based on projected labor needs that are anticipated for administrative duties, which provides for ten positions.

- 1 - General Manager/District Engineer
- 1 – Assistant General Manager
- 1 – Finance Director
- 1 – Communications and Human Resources Manager
- 1 – Finance Manager
- 1 – Accounting/Admin Specialist
- 2 – Accounting Technicians
- 1 – Management Assistant
- 1 – Administration Assistant

### II. Operating Expenses:

- A. Public Education  
This account provides for expenses incurred to inform the public about the District.
- B. Vehicle Repairs and Maintenance Expense  
This account provides for fuel and the maintenance and operation of the vehicles used for administration.
- C. Liability & Property Insurance  
This account provides for allocation of the insurance coverage applicable to the administration department.
- D. Dues and Memberships  
This account provides for memberships in various organizations such as CASA, CSDA, SBCSDA, WEF, CWEA, SCAP, etc.
- E. Office Supplies  
This account provides for office supplies such as letterhead, copy paper, postage, office machine and computer supplies, etc.
- F. Attorney Fees  
This account provides for legal counsel to handle the District's legal matters as well as to research, prepare for and attend Governing Board meetings.
- G. Printing and Publication  
This account provides for various publications of legal notices and recruitment ads.

- H. Repairs and Maintenance  
This account provides for general repair and maintenance of the administration building.
- I. Travel  
This account provides for travel by administrative staff and Board Members to attend meetings, conventions and training on behalf of the District.
- J. Seminars, Conferences, Training and Employee Recognition  
This account provides for fees paid in order for District staff and Board Members to attend seminars and conventions such as CASA, CWEA, CSDA, SWRCB, Regional Board hearings, training as well as the Employee Recognition Program.
- K. Utilities  
This account provides for utilities used in the administration building, such as telephone, electricity, and water.
- L. Computer Service and Maintenance  
This account provides for installation, repairs, and service on the administrative staff's computers, servers and software.
- M. Lease/Rentals  
This account provides for a leased copier.
- N. Professional Services  
This account provides for other miscellaneous professional services not mentioned above such as audit services, strategic planning efforts and implementation and various rate / financial model updates.
- P. Other Expense  
This account provides for SBCo LAFCO dues, bank fees and other expenses.

III. **Capital Outlay:**

- A. Machinery and Equipment  
This account provides for purchase of furniture and equipment for use in the administration department.
 

Miscellaneous Furniture, Fixtures and Equipment	\$ 10,000
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- B. Capital Projects  
This account provides for the construction of capital improvement projects for the administrative facilities
 

Boardroom AV improvement project	\$ 20,000
Boardroom Kitchen improvement project	\$12,000
<b>Total Capital Projects</b>	<b>\$ 42,000</b>

## COLLECTION SYSTEM

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual	Budget	Budget	Change	from FY
			2025-26	2025-26	2026-27	from last	from FY
						FY	2025-26
<b>PERSONNEL</b>							
Basic Salaries	701,069	669,337	740,543	(39,474)	858,133	22%	157,064
Overtime	2,000	2,989	3,307	(1,307)	2,000	0%	0
Temporary	285	3,414	3,777	(3,492)	0	-100%	(285)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	12,110	11,550	12,600	(490)	13,756	14%	1,647
Retirement	127,558	132,813	146,942	(19,384)	192,355	51%	64,798
Active Employee Insurance-Health/Dental/Vision/Disability	188,338	203,206	221,679	(33,341)	249,366	32%	61,028
Retiree Health Insurance OPEB Funding	50,297	49,969	49,969	328	56,913	13%	6,616
FICA	42,547	41,570	45,992	(3,445)	52,591	24%	10,044
Medicare	10,199	9,722	10,756	(557)	12,472	22%	2,273
Unemployment Insurance	691	979	1,083	(392)	817	18%	126
<i>Subtotal</i>	<b>1,135,094</b>	<b>1,125,550</b>	<b>1,236,648</b>	<b>(101,555)</b>	<b>1,438,404</b>	<b>27%</b>	<b>303,310</b>
<b>OPERATING EXPENSES</b>							
Public Education	12,000	7,236	7,894	4,106	12,000	0%	0
Janitorial Service & Supplies	13,300	11,505	12,551	749	13,600	2%	300
Uniforms	3,675	3,260	3,557	118	3,850	5%	175
Licenses & Permits	4,100	856	933	3,167	12,600	207%	8,500
Freight & Postage	600	439	479	121	600	0%	0
Subscriptions	1,100	917	1,000	100	1,100	0%	0
Vehicle Repairs & Maintenance	50,000	57,966	63,236	(13,236)	65,000	30%	15,000
Liability & Property Insurance	95,830	96,087	96,087	(257)	102,169	7%	6,339
Dues & Memberships	3,500	5,751	6,274	(2,774)	8,343	138%	4,843
Office Supplies	5,200	2,732	2,981	2,219	5,200	0%	0
Analysis & Monitoring	1,000	0	0	1,000	1,000	0%	0
Operating Supplies	16,500	8,112	15,000	1,500	16,500	0%	0
Attorney Fees	8,000	12,376	13,502	(5,502)	9,500	19%	1,500
Printing & Publications	1,000	20	22	978	1,000	0%	0
Repairs and Maintenance	97,500	47,129	97,129	371	125,000	28%	27,500
Travel	10,600	954	1,040	9,560	11,000	4%	400
Seminars, Conferences and Training	12,300	1,684	1,837	10,463	10,000	-19%	(2,300)
Utilities	19,450	21,280	24,320	(4,870)	25,075	29%	5,625
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	66,375	50,940	55,571	10,804	56,533	-15%	(9,842)
Lease/Rentals	1,500	3,835	4,184	(2,684)	1,500	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	180,310	65,051	70,965	109,345	185,560	3%	5,250
Interest Expense	0	0	0	0	0	0%	0
Other Expense	1,000	0	0	1,000	1,000	0%	0
<i>Subtotal</i>	<b>604,840</b>	<b>398,133</b>	<b>478,562</b>	<b>126,278</b>	<b>668,131</b>	<b>10%</b>	<b>63,291</b>
<b>Total Personnel and Operating Expenses</b>	<b>1,739,934</b>	<b>1,523,682</b>	<b>1,715,210</b>	<b>24,723</b>	<b>2,106,534</b>	<b>21%</b>	<b>366,601</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	696,667	754,509	754,509	(57,842)	703,387	1%	6,720
<i>Subtotal</i>	<b>696,667</b>	<b>754,509</b>	<b>754,509</b>	<b>(57,842)</b>	<b>703,387</b>	<b>1%</b>	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	45,500	48,066	48,066	(2,566)	68,500	51%	23,000
Capital Projects - Replacement Reserve Fund (4655)	961,624	276,080	351,080	610,544	655,745	-32%	(305,879)
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	<b>1,007,124</b>	<b>324,146</b>	<b>399,146</b>	<b>607,978</b>	<b>724,245</b>	<b>-28%</b>	<b>(282,879)</b>
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>2,747,058</b>	<b>1,847,828</b>	<b>2,114,356</b>	<b>632,701</b>	<b>2,830,779</b>	<b>3%</b>	<b>83,722</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>3,443,725</b>	<b>2,602,337</b>	<b>2,868,865</b>		<b>3,534,166</b>	<b>3%</b>	<b>90,442</b>

## COLLECTION SYSTEM

### I. **Personnel:**

This account has been based on projected labor needs that are anticipated for proper and efficient sewer line maintenance. The projections for labor requirements have been based on experience and modified for projected efforts. The following eight are the personnel included in this area.

- 1 - Collections Maintenance Manager
- 1 - Collections Maintenance Supervisor
- 1 - Collections Maintenance Technician III
- 0 - Collections Maintenance Technician II
- 5 - Collections Maintenance Technician I

Projections for overtime have been made to provide for emergency response required during non-working hours and holidays.

### II. **Operating Expenses:**

#### A. Public Education

This account provides for the collection system share of expenses incurred in order to inform the public about the District.

#### B. Vehicle Repairs and Maintenance

This account provides for fuel and the maintenance and operation of the vehicles used to maintain the sewer collection system. This includes the large commercial trucks.

#### C. Liability & Property Insurance

This account provides for the allocation of insurance costs that are associated with the collection system department.

#### D. Dues and Memberships

This account provides for costs associated with certifications, CWEA/WEF membership, and Class B licenses.

#### E. Office Supplies

This account provides for codebooks and office, computer, and map room supplies.

#### F. Operating Supplies

This account provides for the purchase of chemicals, safety equipment, calibration supplies, employee boot allowances, employee uniforms and supplies for special events.

#### G. Attorney Fees

This account provides for legal counsel for matters pertaining specifically to the collection system such as legal research or personnel matters.

- H. Printing and Publication  
This account provides for miscellaneous legal notices as required.
- I. Repair and Maintenance  
This account provides for routine repair and maintenance of the sewer line system and related facilities, including manhole rising relative to the Santa Barbara County chip seal and overlay program. In addition, this account provides for root control services. This account also provides for numerous repairs of various sewer lines and rental of necessary equipment.
- J. Travel  
This account provides for travel to attend traffic safety/defensive driving courses, training conferences and relative education courses.
- K. Seminar and Conference Registration  
This account provides for fees paid in order for collection system staff to attend conferences and seminars such as those hosted by CWEA.
- L. Utilities  
This account provides for power costs associated with the two lift stations within the sewage collection system, in addition to other proportionate costs for telephone service, mobile radios, pager service and drinking water.
- M. Computer Service and Maintenance  
This account provides for computer software licenses and service: GIS, WinCan, Mobile MMS programs, Smartcover and Parcel Data Base system maintenance.
- N. Professional Services  
This account provides for other miscellaneous professional services not mentioned above including but not limited to CPR/first aid training, Innozye hydraulic model, GIS updates and competency-based training program phase II.
- O. Replacement Reserve  
As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$457,202 will be added to the replacement reserve fund for replacement of the collection system facilities.

III. **Capital Outlay:**

- A. Machinery and Equipment  
Machinery and Equipment costs funded from Sewer Service Charge Revenue for FY 2026-27 include the following budgeted items:

Manhole covers and frames (annual allowance)	\$ 40,000
Smart covers and flow meters (annual allowance)	15,000
Warthog Switcher Lines Cleaning Nozzle	5,500
Sewer by-pass equipment	8,000
<b>Total Machinery and Equipment</b>	<b>\$ 68,500</b>

B. Capital Projects

This account provides for the construction of capital improvement projects for the collection system facilities.

1. The following projects are budgeted for FY 2026-27 and funded from replacement reserve fund #4655.

a. Manhole Raising Program, annual allowance	\$ 120,000
b. GSD El Sueno LS Force Main Project	135,745
c. GSD El Sueno LS access road repair	50,000
d. Contracted spot repairs	200,000
c. GSD 2024-25-26-27 CIP Projects design	100,000
d. Manhole lining repair project	50,000
<b>Fund 4655 Total</b>	<b>\$ 655,745</b>

**Total Capital Projects** **\$ 724,245**

## FIRESTONE PUMP STATION

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	16,368	15,434	17,076	(708)	14,774	-10%	(1,594)
Overtime	100	212	235	(135)	100	0%	0
Temporary	71	113	125	(54)	0	-100%	(71)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	283	270	294	(11)	237	-16%	(46)
Retirement	3,263	3,257	3,604	(341)	3,812	17%	549
Active Employee Insurance-Health/Dental/Vision/Disability	4,397	3,163	3,450	947	4,293	-2%	(104)
Retiree Health Insurance OPEB Funding	1,174	1,166	1,166	8	980	-17%	(194)
FICA	921	908	1,005	(84)	852	-8%	(70)
Medicare	240	212	235	5	216	-10%	(24)
Unemployment Insurance	17	18	20	(3)	14	-17%	(3)
<i>Subtotal</i>	26,835	24,754	27,210	(376)	25,278	-6%	(1,557)
<b>OPERATING EXPENSES</b>							
Public Education	750	452	493	257	750	0%	0
Janitorial Service & Supplies	0	0	0	0	0	0%	0
Uniforms	0	0	0	0	0	0%	0
Licenses & Permits	750	2,853	2,853	(2,103)	1,500	100%	750
Freight & Postage	15	0	0	15	15	0%	0
Subscriptions	0	0	0	0	0	0%	0
Vehicle Repairs & Maintenance	600	0	0	600	600	0%	0
Liability & Property Insurance	10,250	9,722	9,722	528	10,760	5%	510
Dues & Memberships	0	0	0	0	0	0%	0
Office Supplies	0	0	0	0	0	0%	0
Analysis & Monitoring	100	1,021	1,021	(921)	1,025	925%	925
Operating Supplies	1,000	0	0	1,000	1,000	0%	0
Attorney Fees	200	64	70	130	200	0%	0
Printing & Publications	20	0	0	20	20	0%	0
Repairs and Maintenance	20,000	0	0	20,000	40,000	100%	20,000
Travel	0	0	0	0	0	0%	0
Seminars, Conferences and Training	0	0	0	0	0	0%	0
Utilities	6,620	6,384	7,296	(676)	7,920	20%	1,300
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	0	0	0	0	0	0%	0
Lease/Rentals	100	42	46	54	100	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	0	0	0	0	0	0%	0
Interest Expense	0	0	0	0	0	0%	0
Other Expense	0	0	0	0	0	0%	0
<i>Subtotal</i>	40,405	20,538	21,501	18,904	63,890	58%	23,485
<b>Total Personnel and Operating Expenses</b>	<b>67,240</b>	<b>45,292</b>	<b>48,711</b>	<b>18,528</b>	<b>89,168</b>	<b>33%</b>	<b>21,928</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	84,546	83,709	83,709	837	83,709	-1%	(837)
<i>Subtotal</i>	84,546	83,709	83,709	837	83,709	-1%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	0	0	0	0	0	0%	0
Capital Projects - Replacement Reserve Fund (4655)	50,000	0	0	50,000	50,000	0%	0
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	50,000	0	0	50,000	50,000	0%	0
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>117,240</b>	<b>45,292</b>	<b>48,711</b>	<b>68,528</b>	<b>139,168</b>	<b>19%</b>	<b>21,928</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>201,786</b>	<b>129,001</b>	<b>132,421</b>		<b>222,877</b>	<b>10%</b>	<b>21,092</b>

**FIRESTONE PUMP STATION**

I. **Personnel:**

This account has been projected based on labor requirements anticipated for the operation of the Firestone pump station. The projections for labor requirements have been based on past experience and modified for projected efforts.

II. **Operating Expenses:**

The major operating expenses which are budgeted in this area provide for the utilities account and the repair and maintenance account.

A. Utilities

This account provides for power costs and telephone service associated with the Firestone pump station.

B. Repair and Maintenance

This account provides for the purchase of spare parts and continual work required in the repair and maintenance of the pump station.

III. **Replacement Reserve**

As a result of the revenue program, which has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation for the Firestone pump station is included in the Wastewater Treatment Facilities replacement reserve fund. This will provide adequate funding for replacement of the pump station facilities

IV. **Capital Outlay:**

A. Machinery and Equipment

This account provides for the purchase of equipment for the Firestone pump station.

B. Capital Projects

This account provides for the construction of capital improvement projects for the Firestone pump station facilities.

1. The following projects were previously budgeted and funded from replacement reserve fund #4655.

a.	Jocky Pump to regulate flow	\$ 50,000
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	<b>Total 655 Fund Capital Projects</b>	<b>\$ 50,000</b>
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## MAIN PUMP STATION

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual	Budget	Budget	Change	from FY
			2025-26	2025-26	2026-27	from last	2025-26
						FY	
<b>PERSONNEL</b>							
Basic Salaries	85,695	102,977	113,932	(28,237)	74,618	-13%	(11,077)
Overtime	300	42	46	254	300	0%	0
Temporary	71	113	125	(54)	0	-100%	(71)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	1,480	1,412	1,540	(60)	1,196	-19%	(284)
Retirement	27,660	27,516	30,443	(2,783)	23,150	-16%	(4,511)
Active Employee Insurance-Health/Dental/Vision/Disability	23,022	20,806	22,698	324	21,683	-6%	(1,338)
Retiree Health Insurance OPEB Funding	6,148	6,108	6,108	40	4,949	-20%	(1,199)
FICA	4,958	6,130	6,782	(1,824)	4,433	-11%	(525)
Medicare	1,248	1,434	1,586	(338)	1,086	-13%	(162)
Unemployment Insurance	85	117	130	(45)	71	-16%	(14)
<i>Subtotal</i>	150,668	166,655	183,390	(32,722)	131,487	-13%	(19,180)
<b>OPERATING EXPENSES</b>							
Public Education	750	452	493	257	750	0%	0
Janitorial Service & Supplies	100	74	81	19	100	0%	0
Uniforms	0	0	0	0	0	0%	0
Licenses & Permits	0	0	0	0	0	0%	0
Freight & Postage	100	23	25	75	100	0%	0
Subscriptions	0	0	0	0	0	0%	0
Vehicle Repairs & Maintenance	265	0	0	265	291	10%	26
Liability & Property Insurance	15,630	14,824	14,824	806	14,614	-6%	(1,016)
Dues & Memberships	115	0	115	0	126	10%	11
Office Supplies	230	49	54	176	255	11%	25
Analysis & Monitoring	0	0	0	0	0	0%	0
Operating Supplies	1,500	0	0	1,500	6,650	343%	5,150
Attorney Fees	500	166	181	319	500	0%	0
Printing & Publications	50	1	1	49	50	0%	0
Repairs and Maintenance	40,000	13,346	14,560	25,440	105,000	163%	65,000
Travel	115	0	0	115	126	10%	11
Seminars, Conferences and Training	0	0	0	0	0	0%	0
Utilities	92,370	82,587	94,385	(2,015)	99,500	8%	7,130
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	6,500	2,440	2,662	3,838	6,750	4%	250
Lease/Rentals	250	126	138	112	250	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	1,325	11,664	11,664	(10,339)	1,500	13%	175
Interest Expense	0	0	0	0	0	0%	0
Other Expense	0	0	0	0	0	0%	0
<i>Subtotal</i>	159,800	125,753	139,183	20,617	236,562	48%	76,762
<b>Total Personnel and Operating Expenses</b>	<b>310,468</b>	<b>292,408</b>	<b>322,573</b>	<b>(12,106)</b>	<b>368,049</b>	<b>19%</b>	<b>57,582</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	0	0	0	0	0.00	0%	0
<i>Subtotal</i>	0	0	0	0	0.00	0%	0
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	0	0	0	0	0.00	0%	0
Capital Projects - Replacement Reserve Fund (4655)	0	7,735	7,735	(7,735)	0.00	0%	0
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0.00	0%	0
Debt Service	0	0	0	0	0.00	0%	0
<i>Subtotal</i>	0	7,735	7,735	(7,735)	0.00	0%	0
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>310,468</b>	<b>300,143</b>	<b>330,308</b>	<b>(19,841)</b>	<b>368,049.42</b>	<b>19%</b>	<b>57,582</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>310,468</b>	<b>300,143</b>	<b>330,308</b>		<b>368,049.42</b>	<b>19%</b>	<b>57,582</b>

## **MAIN PUMP STATION**

### **I. Personnel:**

This account has been projected based on labor requirements anticipated for the operation of the District's pump station. This budget projection and allocation of personnel will be closely monitored and adjusted as necessary.

### **II. Operating Expenses:**

The major operating expenses which are budgeted in this area provide for the utilities account and the repair and maintenance account.

#### **A. Utilities**

This account provides for power costs associated with the plant pump station.

#### **B. Repair and Maintenance**

This account provides for the purchase of spare parts and continual work required in the repair and maintenance of the facility and the maintenance of the odor reduction tower (ORT).

### **III. Replacement Reserve**

As a result of the revenue program, which has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation for the pump station is included in the Wastewater Treatment Facilities replacement reserve fund. This will provide adequate funding for replacement of the pump station facilities

### **IV. Capital Outlay:**

#### **A. Machinery and Equipment**

This account provides for the purchase of equipment for the plant pump station.

#### **B. Capital Projects**

This account provides for the construction of capital improvement projects for the plant pump station facilities.

## INDUSTRIAL WASTE CONTROL

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual	Budget	Budget	Change	from FY
			2025-26	2025-26	2026-27	from last	2025-26
						FY	
<b>PERSONNEL</b>							
Basic Salaries	120,652	109,703	121,373	(721)	128,587	7%	7,935
Overtime	200	0	0	200	200	0%	0
Temporary	213	1,125	1,245	(1,032)	0	-100%	(213)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	2,084	1,988	2,168	(84)	2,061	-1%	(23)
Retirement	58,090	47,868	52,960	5,130	51,608	-11%	(6,481)
Active Employee Insurance-Health/Dental/Vision/Disability	32,413	38,699	42,217	(9,804)	37,366	15%	4,954
Retiree Health Insurance OPEB Funding	8,656	8,600	8,600	57	8,528	-1%	(128)
FICA	7,402	6,805	7,529	(127)	7,914	7%	512
Medicare	1,755	1,592	1,761	(6)	1,867	6%	112
Unemployment Insurance	122	127	141	(19)	122	0%	0
<i>Subtotal</i>	231,588	216,507	237,994	(6,406)	238,255	3%	6,667
<b>OPERATING EXPENSES</b>							
Public Education	7,500	4,523	4,934	2,566	7,500	0%	0
Janitorial Service & Supplies	1,100	907	989	111	1,100	0%	0
Uniforms	530	452	493	37	557	5%	27
Licenses & Permits	0	0	0	0	0	0%	0
Freight & Postage	100	23	25	75	100	0%	0
Subscriptions	450	264	288	162	470	4%	20
Vehicle Repairs & Maintenance	1,000	348	379	621	1,000	0%	0
Liability & Property Insurance	220	539	539	(319)	181	-18%	(39)
Dues & Memberships	690	550	600	90	760	10%	70
Office Supplies	1,265	514	561	704	1,391	10%	126
Analysis & Monitoring	10,350	1,043	1,138	9,212	11,400	10%	1,050
Operating Supplies	1,000	618	675	325	1,100	10%	100
Attorney Fees	2,000	1,767	1,927	73	2,000	0%	0
Printing & Publications	300	210	229	71	300	0%	0
Repairs and Maintenance	3,000	1,547	1,688	1,312	3,300	10%	300
Travel	1,500	2,473	2,473	(973)	1,650	10%	150
Seminars, Conferences and Training	1,400	1,054	1,150	250	1,540	10%	140
Utilities	500	424	484	16	500	0%	0
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	1,000	2,197	2,297	(1,297)	1,000	0%	0
Lease/Rentals	300	126	138	162	300	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	0	90	98	(98)	0	0%	0
Interest Expense	0	0	0	0	0	0%	0
Other Expense	300	0	0	300	330	10%	30
<i>Subtotal</i>	34,505	19,668	21,104	13,401	36,479	6%	1,974
<b>Total Personnel and Operating Expenses</b>	<b>266,093</b>	<b>236,174</b>	<b>259,098</b>	<b>6,995</b>	<b>274,734</b>	<b>3%</b>	<b>8,641</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	4,026	4,026	4,026	0	4,026	0%	(0)
<i>Subtotal</i>	4,026	4,026	4,026	0	4,026	0%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	10,000	0	0	10,000	10,000	0%	0
Capital Projects - Replacement Reserve Fund (4655)	0	0	0	0	0	0%	0
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	10,000	0	0	10,000	10,000	0%	0
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>276,093</b>	<b>236,174</b>	<b>259,098</b>	<b>16,995</b>	<b>284,734</b>	<b>3%</b>	<b>8,641</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>280,119</b>	<b>240,201</b>	<b>263,124</b>		<b>288,760</b>		<b>8,641</b>

## INDUSTRIAL WASTE CONTROL

### I. **Personnel:**

This account has been based on projected labor needs that are anticipated for implementation of the expanded Industrial Waste Control Program, which now includes permitting, inspecting, and monitoring restaurants.

This account provides for this position:

1 - Industrial Waste Control Officer

### II. **Operating Expenses:**

- A. Vehicle Repairs and maintenance  
This account provides for fuel and the maintenance and operation of the vehicles used for Industrial Waste Control Program operations.
- B. Dues and Memberships  
This account provides for CWEA membership and for fees associated with the CWEA technical certification program.
- C. Office Supplies  
This account provides for office supplies such as folders, binders, pens, paper, etc. It also provides for purchase of necessary regulatory books, manuals, handbooks, subscriptions, etc.
- D. Operating Supplies  
This account provides for the purchase of equipment and supplies necessary for program implementation.
- E. Attorney Fees  
This account provides for District counsel legal services.
- F. Printing and Publication  
This account provides for publication of legal notices for significant noncompliance, in addition to outside printing of Industrial Waste Control Program material such as educational newsletters.
- G. Repair and Maintenance  
This account provides for general repair and maintenance of Industrial Waste Control Program equipment, and for the purchase of tools and materials for in-house maintenance.
- H. Travel  
This account provides for travel to seminars and conferences related to the Industrial Waste Control Program.

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for purchase of equipment used for the IWC program.

B. Capital Projects

This account provides for the construction of capital improvement projects for the IWC program. The rehabilitation of the Old-lab facility has been on hold for a number of years and remains on hold for the foreseeable future and has been removed until such time as the work will be performed.

1. The following project was previously budgeted and funded from replacement reserve fund #4655

a. Replacement Sampler \$ 10,000

**TOTAL 655 Fund Capital Projects: \$ 10,000**

## ENVIRONMENTAL SERVICES

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	368,762	338,130	374,102	(5,340)	460,429	25%	91,667
Overtime	3,000	3,410	3,772	(772)	3,000	0%	0
Temporary	71	563	622	(551)	0	-100%	(71)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	6,370	6,075	6,627	(257)	7,381	16%	1,011
Retirement	104,849	95,831	106,026	(1,177)	124,898	19%	20,050
Active Employee Insurance-Health/Dental/Vision/Disabili	99,066	121,398	132,434	(33,368)	133,797	35%	34,731
Retiree Health Insurance OPEB Funding	26,456	26,284	26,284	173	30,537	15%	4,080
FICA	22,846	21,215	23,472	(626)	28,592	25%	5,746
Medicare	5,392	4,962	5,490	(98)	6,720	25%	1,328
Unemployment Insurance	362	359	397	(35)	438	21%	76
<i>Subtotal</i>	637,173	618,226	679,226	(42,053)	795,791	25%	158,619
<b>OPERATING EXPENSES</b>							
Public Education	4,000	2,261	2,467	1,533	4,000	0%	0
Janitorial Service & Supplies	4,000	3,421	3,732	268	4,100	3%	100
Uniforms	1,820	1,817	1,983	(163)	3,312	82%	1,492
Licenses & Permits	16,150	6,819	7,439	8,711	16,550	2%	400
Freight & Postage	950	426	465	485	950	0%	0
Subscriptions	850	790	861	(11)	1,100	29%	250
Vehicle Repairs & Maintenance	240	77	84	156	240	0%	0
Liability & Property Insurance	2,330	2,210	2,210	120	2,506	8%	176
Dues & Memberships	2,445	2,784	3,037	(592)	3,941	61%	1,496
Office Supplies	800	1,019	1,111	(311)	800	0%	0
Analysis & Monitoring	62,000	12,329	13,450	48,550	62,000	0%	0
Operating Supplies	58,258	56,006	58,258	0	58,536	0%	278
Attorney Fees	1,500	1,579	1,722	(222)	1,800	20%	300
Printing & Publications	450	9	10	440	450	0%	0
Repairs and Maintenance	6,622	5,805	6,332	290	6,622	0%	0
Travel	4,100	3,249	3,545	555	5,400	32%	1,300
Seminars, Conferences and Training	2,800	2,974	3,244	(444)	4,700	68%	1,900
Utilities	11,820	14,131	16,150	(4,330)	16,200	37%	4,380
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	7,980	9,782	10,671	(2,691)	9,120	14%	1,140
Lease/Rentals	700	604	659	41	700	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	20,705	476	519	20,186	15,705	-24%	(5,000)
Interest Expense	0	0	0	0	0	0%	0
Other Expense	200	0	0	200	200	0%	0
<i>Subtotal</i>	210,720	128,568	137,949	72,771	218,932	4%	8,212
<b>Total Personnel and Operating Expenses</b>	<b>847,893</b>	<b>746,793</b>	<b>817,175</b>	<b>30,718</b>	<b>1,014,724</b>	<b>20%</b>	<b>166,831</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	0	0	0	0	0.00	0%	0
<i>Subtotal</i>	0	0	0	0	0.00	0%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	28,550	8,686	8,686	19,864	23,550	-18%	(5,000)
Capital Projects - Replacement Reserve Fund (4655)	159,026	0	0	159,026	85,000	-47%	(74,026)
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	187,576	8,686	8,686	178,890	108,550	-42%	(79,026)
<b>Total Operating &amp; Non-Operating w/o Depreciatio</b>	<b>1,035,469</b>	<b>755,480</b>	<b>825,861</b>	<b>209,608</b>	<b>1,123,274</b>	<b>8%</b>	<b>87,805</b>
<b>Total Operating &amp; Non-Operating with Depreciatio</b>	<b>1,035,469</b>	<b>755,480</b>	<b>825,861</b>		<b>1,123,274</b>	<b>8%</b>	<b>87,805</b>

**ENVIRONMENTAL SERVICES**

I. **Personnel:**

This account has been based on projected labor needs that are anticipated for proper plant operations and reporting program requirements. The following six positions are included in this department.

- 1 – Environmental Services Manager
- 1 – Lab Supervisor
- 1 – Safety & Regulatory Compliance Coordinator
- 1 – Lab Analyst II
- 1 – Lab Analyst I
- 1 – Environmental Services Assistant

II. **Operating Expense:**

A. Vehicle Repairs and Maintenance

This account provides for fuel and the maintenance and operation of vehicles used for laboratory operations.

B. Liability & Property Insurance

This account provides for the allocation of the insurance coverage applicable to the lab operations and facilities.

C. Analysis & Monitoring

This account provides for outside professional services such as laboratory analysis and ocean monitoring.

OEC/ABC Labs, Bioassay, Ocean monitoring	\$ 57,000
Outside Laboratories	5,000
<b>Total Analysis &amp; Monitoring</b>	<b>\$ 62,000</b>

D. Operating Supplies

This account provides for the purchase of laboratory supplies, and other related items as follows:

Laboratory Supplies	\$ 25,000
Safety Equipment	2,800
Bacteriological Analysis Supplies	15,000
Lab DI water	4,500
Other Miscellaneous Operating Supplies	10,000
Boot Allowance	1,236
<b>Total Operating Supplies</b>	<b>\$ 58,536</b>

E. Printing and Publication

This account provides for miscellaneous legal notices as required.

- F. Professional Services  
This account provides for the other professional services not included in other line items.
- G. Seminar and Conference Registration  
This account provides for registration and attendance at training conferences and seminars such as those hosted by CWEA for assigned plant personnel.
- H. Utilities  
This account provides for utilities used in the lab facilities, with electric power being the major cost factor.

III. **Capital Outlay:**

- A. Machinery and Equipment  
This account provides for the purchase of equipment for use in the Laboratory.
 

24 Hour Refrigerated Composite Sampler	\$ 10,500
Laboratory Equipment Replacement(s)	10,000
Analytical Balance	3,050
<b>Total Machinery and Equipment</b>	<b>\$ 23,550</b>

- B. Capital Projects  
This account provides for the construction of capital improvement projects for the Laboratory.
  1. The following project is budgeted for Fiscal Year 2026-27 and funded from replacement reserve fund #4655.
 

Environmental Services Office Trailer	\$ 85,000
<b>Total Capital Projects</b>	<b>\$ 85,000</b>

**PLANT**

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	2,355,259	2,145,684	2,373,949	(18,690)	2,512,992	7%	157,733
Overtime	9,000	13,509	14,946	(5,946)	9,000	0%	0
Temporary	1,423	4,276	4,731	(3,308)	0	-100%	(1,423)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	40,683	48,379	52,778	(12,095)	40,285	-1%	(398)
Retirement	614,641	577,769	639,234	(24,593)	682,927	11%	68,286
Active Employee Insurance-Health/Dental/Vision/Disability	632,727	560,095	611,013	21,714	730,253	15%	97,526
Retiree Health Insurance OPEB Funding	168,975	167,874	167,874	1,102	166,667	-1%	(2,309)
FICA	141,063	129,713	143,512	(2,449)	152,725	8%	11,662
Medicare	34,302	30,336	33,563	739	36,569	7%	2,266
Unemployment Insurance	2,329	2,483	2,747	(418)	2,392	3%	63
<i>Subtotal</i>	<b>4,000,404</b>	<b>3,680,118</b>	<b>4,044,347</b>	<b>(43,943)</b>	<b>4,333,810</b>	<b>8%</b>	<b>333,407</b>
<b>OPERATING EXPENSES</b>							
Public Education	29,000	17,186	18,749	10,251	29,000	0%	0
Janitorial Service & Supplies	23,500	20,380	22,233	1,267	24,000	2%	500
Uniforms	11,180	8,971	9,787	1,393	12,525	12%	1,345
Licenses & Permits	156,716	94,974	103,608	53,108	172,600	10%	15,884
Freight & Postage	1,100	342	373	727	1,100	0%	0
Subscriptions	5,300	3,309	3,610	1,690	6,600	25%	1,300
Vehicle Repairs & Maintenance	22,595	15,097	16,470	6,125	24,857	10%	2,262
Liability & Property Insurance	239,859	231,167	231,167	8,692	254,897	6%	15,038
Dues & Memberships	13,773	8,228	8,976	4,797	13,611	-1%	(162)
Office Supplies	4,200	3,780	4,124	76	4,620	10%	420
Analysis & Monitoring	120,175	30,898	33,706	86,469	123,200	3%	3,025
Operating Supplies	1,165,872	740,215	807,507	358,365	1,262,226	8%	96,354
Attorney Fees	11,000	24,442	26,664	(15,664)	13,000	18%	2,000
Printing & Publications	2,500	409	447	2,053	2,500	0%	0
Repairs and Maintenance	600,425	623,282	679,944	(79,519)	612,925	2%	12,500
Travel	18,000	9,986	10,894	7,106	9,900	-45%	(8,100)
Seminars, Conferences and Training	24,360	6,112	6,668	17,692	8,560	-65%	(15,800)
Utilities	591,972	526,023	601,169	(9,197)	555,080	-6%	(36,892)
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	125,800	147,443	152,443	(26,643)	155,967	24%	30,167
Lease/Rentals	125,000	3,134	3,419	121,581	5,000	-96%	(120,000)
Biosolids Hauling	709,104	494,827	593,793	115,311	779,339	10%	70,235
Professional Services	253,025	208,426	227,374	25,651	296,775	17%	43,750
Interest Expense	0	0	0	0	0	0%	0
Other Expense	1,000	35	35	965	2,000	100%	1,000
<i>Subtotal</i>	<b>4,255,456</b>	<b>3,218,669</b>	<b>3,563,160</b>	<b>692,296</b>	<b>4,370,282</b>	<b>3%</b>	<b>114,826</b>
<b>Total Personnel and Operating Expenses</b>	<b>8,255,860</b>	<b>6,898,787</b>	<b>7,607,507</b>	<b>648,353</b>	<b>8,704,092</b>	<b>5%</b>	<b>448,232</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	2,569,615	2,593,919	2,593,919	(24,304)	3,073,342	20%	503,727
<i>Subtotal</i>	<b>2,569,615</b>	<b>2,593,919</b>	<b>2,593,919</b>	<b>(24,304)</b>	<b>3,073,342</b>	<b>20%</b>	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	0	6,843	6,843	(6,843)	0	0%	0
Capital Projects - Replacement Reserve Fund (4655)	677,558	184,251	184,251	493,307	1,586,072	134%	908,514
Capital Projects - Capital Reserve Fund (4650)	9,243,003	3,980,964	4,618,975	4,624,028	6,556,700	-29%	(2,686,303)
Debt Service (Principal only)	944,048	575,021	575,021	369,027	592,297	-37%	(351,751)
<i>Subtotal</i>	<b>10,864,609</b>	<b>4,747,080</b>	<b>5,385,090</b>	<b>5,479,519</b>	<b>8,735,069</b>	<b>-20%</b>	<b>(2,129,541)</b>
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>19,120,469</b>	<b>11,645,867</b>	<b>12,992,597</b>	<b>6,127,872</b>	<b>17,439,161</b>	<b>-9%</b>	<b>(1,681,308)</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>21,690,084</b>	<b>14,239,786</b>	<b>15,586,516</b>		<b>20,512,504</b>	<b>-5%</b>	<b>(1,177,581)</b>



Investigation Analysis and outside labs	92,000
APCD Annual Source Testing / Certification	13,200

**Total Analysis & Monitoring** **\$ 123,200**

D. Operating Supplies

This account provides for the purchase of chemicals for the plant operations, uniforms, laboratory supplies, and other related items as follows:

Sodium Hypochlorite	\$ 320,000
Sodium Bisulfite	120,000
Ferric Chloride	300,000
Polymer for Sludge Dewatering and thickening	273,000
Ammonium Sulfate for disinfection	10,000
Lystek System Sodium Hydroxide and Propane	69,000
Grease, Oils, Lubrication	10,120
Generator/Tractor Diesel Fuel	70,400
Herbicides/Lawn Products	3,165
Solvents/Degreasers/Make-up Water Inhibitors	1,900
Boiler Chemical Inhibitors	5,725
Boiler water softener tanks	6,325
Safety Boot Allowance	5,616
Safety Equipment and fall protection	22,000
Welding Gases and supplies	4,900
H2S Gas Detector Tubes (Draeger Tubes)	6,325
Fuel/Oil/Propane	13,750
Miscellaneous other supplies	20,000

**Total Operating Supplies** **\$ 1,262,226**

E. Printing and Publication

This account provides for miscellaneous legal notices as required.

F. Repairs and Maintenance

This account provides for the general repair and maintenance of the plant facilities as outlined below:

Road leak repair (near Chem. Storage)	\$ 25,000
Dredge Repairs	5,750
Electrical Parts/Equipment	17,250
Safety Equipment Repairs	15,000
Flow Meter Parts	11,500
Flygt Pump Parts	25,000
Generac Generator Spare Parts	10,000
Heavy Equip. Repair (Tractors/Loaders)	20,000
Huber Headworks and Solids Parts	50,000
Headworks Belt Conveyor (drum/belt)	100,000
Headworks Grit Drain Line parts	25,000
Kaeser Compressor Header for Service Air	15,000
Landscape Supplies	5,850
MCC doors inspection, clean, adjustments	10,000
Misc. Pumps, Process Equip. Mechanical Parts	57,500

Miscellaneous Parts and tools	29,000
Mower Parts	5,750
Area Signs and Pipe Identification Signs	5,750
O&M Cleaning supplies	1,725
Outside Contractor Repairs	23,000
Paint Supplies	23,000
Pipe and Fittings	57,500
Plant Compressors Spare and Wear parts	20,000
Primary ODS Pumps & Parts	5,000
Repair Services/Machine Shop	17,250
Safety Equipment Repairs and fire extinguisher service	9,200
Tree removal & chipping	10,000
Vehicle Storage Garage Repairs	10,000
Vogelsang WSS Pump Spare wear parts	2,500
Waste Oil	400

**Total Repairs and Maintenance: \$ 612,925**

G. Seminar and Conference Registration  
This account provides for registration and attendance at training conferences and seminars such as those hosted by CWEA for assigned plant personnel.

H. Utilities  
This account provides for utilities used in the treatment facilities, with electric power being the major cost factor.

I. Biosolids Hauling  
This account provides for Biosolids disposal and hauling **\$ 779,339**

J. Professional Services  
This account provides for other professional services not included in other line items such as emergency generator service; Boiler Maintenance; 2G-Cogen LTSA; Competency Based Training, SDS Management; Engineering Services; Health physicals and testing.

K. Replacement Reserve  
As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$956,396 will be added to the replacement reserve fund for adequate replacement of all the wastewater treatment facilities.

III. **Capital Outlay:**

A. Machinery and Equipment  
This account provides for the purchase of equipment for use in the Treatment Plant.

B. Capital Projects  
This account provides for the construction of capital improvement projects for the treatment facilities.

1. The following projects are budgeted for FY 2026-27 and funded from Capital replacement fund #4650.

Energy Storage Project (ESP)	\$ 4,500,000
Lystek Purchase Installment	150,000

2. The following projects are budgeted for FY 2025-26 and funded from Capital replacement fund #4650.

BESP Phase 1	\$ 206,700
BESP Solids-Handling-Improvement-Project continuation	1,700,000

**Fund 4650 Total** **\$ 6,556,700**

1. The following projects are budgeted for FY 2026-27 and funded from replacement reserve fund #4655.

Hypochlorite Feed Piping (additional)	\$ 5,000
Telehandler Forklift	235,000
Replacement Carts for Operations	35,000
Replacement Carts for Maintenance (additional)	25,000
Final CCC Gate replacement	150,000
Plant Main Breaker	100,000
Plant Spare MCC Breakers	120,000
Digester 2 hose/sediment tanks, drip traps	100,000
Interstage Pumps 1 & 2 engineering services	28,750
Interstage Pumps 1 & 2 upgrade	200,000
Chemical Storage Building CIP	75,000

2. The following projects were budgeted from prior Fiscal Years and funded from replacement reserve fund #4655

Hypochlorite Feed Piping	\$ 35,000
Wemco Grit Pump CCW	35,000
Chem Storage Discharge Pump	12,558
PM Building AHU Replacement-042-00146 Add'l	50,000
Neuros Variable Frequency Drive VFD spare	25,000
Digester #2 and #3 Gas System Rehab	173,751
Secondary Clarifier #3 and #4 housing bearings	50,000
Replacement Carts for Maintenance	13,811
Elevator Smoke Controller	25,000
Main Switchboard Breaker	40,964
Main MCC Breaker	40,000
Headworks, Operator Interface Pannels (4 each)	11,238

**Fund 4655 Total** **\$ 1,586,072**

Loan payments (Loan principal paid from Fund 4650) \$ 592,297

**Total Capital Projects and loan payment** **\$ 8,735,069**

## OUTFALL

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	9,228	9,321	10,312	(1,084)	8,410	-9%	(817)
Overtime	0	0	0	0	0	0%	0
Temporary	71	225	249	(178)	0	-100%	(71)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	159	152	166	(7)	135	-15%	(25)
Retirement	2,346	2,343	2,593	(247)	2,704	15%	357
Active Employee Insurance-Health/Dental/Vision/Disability	2,479	1,588	1,732	747	2,444	-1%	(35)
Retiree Health Insurance OPEB Funding	662	658	658	4	558	-16%	(104)
FICA	472	406	449	23	451	-5%	(22)
Medicare	135	95	105	30	122	-10%	(13)
Unemployment Insurance	10	12	13	(3)	8	-20%	(2)
<i>Subtotal</i>	15,563	14,799	16,277	(714)	14,831	-5%	(732)
<b>OPERATING EXPENSES</b>							
Public Education	1,125	905	987	138	1,125	0%	0
Janitorial Service & Supplies	60	47	51	9	60	0%	0
Uniforms	0	0	0	0	0	0%	0
Licenses & Permits	0	0	0	0	0	0%	0
Freight & Postage	50	8	8	42	50	0%	0
Subscriptions	0	0	0	0	0	0%	0
Vehicle Repairs & Maintenance	115	0	0	115	115	0%	0
Liability & Property Insurance	12,530	11,884	11,884	646	13,127	5%	597
Dues & Memberships	0	0	0	0	0	0%	0
Office Supplies	265	40	43	222	291	10%	26
Analysis & Monitoring	9,200	15,226	16,610	(7,410)	10,120	10%	920
Operating Supplies	175	0	0	175	193	10%	18
Attorney Fees	800	267	291	509	1,000	25%	200
Printing & Publications	40	1	1	39	40	0%	0
Repairs and Maintenance	3,100	4,148	4,148	(1,048)	3,500	13%	400
Travel	175	0	0	175	193	10%	18
Seminars, Conferences and Training	0	0	0	0	0	0%	0
Utilities	170	114	130	40	170	0%	0
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	0	0	0	0	0	0%	0
Lease/Rentals	200	84	92	108	200	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	28,750	0	0	28,750	150,000	422%	121,250
Interest Expense	0	0	0	0	0	0%	0
Other Expense	0	0	0	0	0	0%	0
<i>Subtotal</i>	56,755	32,723	34,245	22,510	180,184	217%	123,429
<b>Total Personnel and Operating Expenses</b>	<b>72,318</b>	<b>47,521</b>	<b>50,522</b>	<b>21,796</b>	<b>195,016</b>	<b>170%</b>	<b>122,698</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	106,141	16,315	16,315	89,826	106,141	0%	0
<i>Subtotal</i>	106,141	16,315	16,315	89,826	106,141	0%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	0	0	0	0	0	0%	0
Capital Projects - Replacement Reserve Fund (4655)	203,200	0	0	203,200	63,200	-69%	(140,000)
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	203,200	0	0	203,200	63,200	-69%	(140,000)
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>275,518</b>	<b>47,521</b>	<b>50,522</b>	<b>224,996</b>	<b>258,216</b>	<b>-6%</b>	<b>(17,302)</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>381,659</b>	<b>63,836</b>	<b>66,837</b>		<b>364,357</b>	<b>-5%</b>	<b>(17,302)</b>

## OUTFALL

Goleta Sanitary District, Goleta West Sanitary District, University of California, Santa Barbara Municipal Airport, and the County of Santa Barbara all share in the costs associated with the maintenance of the outfall facility based on their contractual outfall capacity percentage. The following is a summary of the costs associated with the maintenance of the outfall facility:

### **I. Personnel:**

This account has been projected based on labor requirements anticipated for the maintenance of the District's outfall. This budget projection and allocation of personnel will be closely monitored and adjusted as necessary.

### **II. Operating Expenses:**

- A. **Analysis and Monitoring**  
This account provides for inspecting the impressed current cathodic protection system and underwater inspection of the outfall.
- B. **Repair and Maintenance**  
This account provides for miscellaneous repairs to electrical box and access vault.
- C. **Professional Services**  
This account provides for services related to inspection services of both the interior and exterior of the outfall line.

### **III. Replacement Reserve**

As a result of the revenue program that has been prepared in accordance with Clean Water Grant guidelines, the annual replacement reserve allocation of \$38,504 will be added to the replacement reserve fund, a portion of the District's share, for adequate replacement of the outfall facility.

### **IV. Capital Outlay**

- A. *Machinery and Equipment*  
This account provides for purchase of equipment for use in the ocean outfall facilities. No equipment was specified for this operation.
- B. *Capital Projects*  
This account provides for the construction of capital projects for the Ocean Outfall Facilities.

Cathodic Well Replacement Project	\$ 53,200
Outfall line inspection for possible rehabilitation (Design):	10,000
<b>Total Capital Projects</b>	<b>\$ 63,200</b>

## RECLAMATION OPERATIONS

Description	Budgeted	To Date	Projected	Under(Over)	Proposed	Percent	\$ Change
	2025-26	6/1/2026	Actual 2025-26	Budget 2025-26	Budget 2026-27	Change from last FY	from FY 2025-26
<b>PERSONNEL</b>							
Basic Salaries	185,477	161,027	178,158	7,319	173,574	-6%	(11,903)
Overtime	2,100	1,941	2,147	(47)	2,100	0%	0
Temporary	142	900	996	(854)	0	-100%	(142)
Directors Compensation	0	0	0	0	0	0%	0
Workers' Compensation	3,204	3,056	3,333	(129)	2,783	-13%	(421)
Retirement	45,382	42,571	47,099	(1,717)	47,222	4%	1,840
Active Employee Insurance-Health/Dental/Vision/Disability	49,827	45,520	49,658	169	50,439	1%	612
Retiree Health Insurance OPEB Funding	13,307	13,221	13,221	86	11,512	-13%	(1,795)
FICA	11,273	9,894	10,946	327	10,679	-5%	(593)
Medicare	2,722	4,870	5,388	(2,666)	2,547	-6%	(175)
Unemployment Insurance	184	121	133	51	165	-10%	(19)
<i>Subtotal</i>	313,618	283,119	311,079	2,539	301,021	-4%	(12,597)
<b>OPERATING EXPENSES</b>							
Public Education	6,000	3,618	3,947	2,053	6,000	0%	0
Janitorial Service & Supplies	1,640	1,500	1,636	4	1,800	10%	160
Uniforms	0	0	0	0	0	0%	0
Licenses & Permits	1,500	195	213	1,287	1,500	0%	0
Freight & Postage	150	30	33	117	150	0%	0
Subscriptions	0	0	0	0	0	0%	0
Vehicle Repairs & Maintenance	100	0	100	0	100	0%	0
Liability & Property Insurance	52,370	49,670	49,670	2,700	55,066	5%	2,696
Dues & Memberships	100	0	0	100	100	0%	0
Office Supplies	100	26	28	72	110	10%	10
Analysis & Monitoring	4,000	2,208	2,409	1,591	4,400	10%	400
Operating Supplies	36,000	40,808	40,808	(4,808)	36,000	0%	0
Attorney Fees	1,000	333	363	637	1,000	0%	0
Printing & Publications	100	2	2	98	100	0%	0
Repairs and Maintenance	46,688	26,546	28,959	17,729	90,000	93%	43,312
Travel	200	0	0	200	200	0%	0
Seminars, Conferences and Training	100	0	0	100	100	0%	0
Utilities	108,520	84,024	96,027	12,493	110,000	1%	1,480
Election Expense	0	0	0	0	0	0%	0
Computer Service & Maintenance	1,545	580	633	912	1,545	0%	(0)
Lease/Rentals	213	107	116	97	213	0%	0
Biosolids Hauling	0	0	0	0	0	0%	0
Professional Services	11,100	0	0	11,100	11,100	0%	0
Interest Expense	0	0	0	0	0	0%	0
Other Expense	1,150	0	0	1,150	1,150	0%	0
<i>Subtotal</i>	272,576	209,648	224,944	47,632	320,634	18%	48,058
<b>Total Personnel and Operating Expenses</b>	<b>586,194</b>	<b>492,766</b>	<b>536,023</b>	<b>50,171</b>	<b>621,655</b>	<b>6%</b>	<b>35,461</b>
<b>DEPRECIATION FUNDING</b>							
Replacement Reserve	421,463	412,352	412,352	9,111	410,425	-3%	(11,037)
<i>Subtotal</i>	421,463	412,352	412,352	9,111	410,425	-3%	
<b>CAPITAL OUTLAY</b>							
Machinery and Equipment	0	0	0	0	0	0%	0
Capital Projects - Replacement Reserve Fund (4655)	231,287	0	0	231,287	512,943	122%	281,656
Capital Projects - Capital Reserve Fund (4650)	0	0	0	0	0	0%	0
Debt Service	0	0	0	0	0	0%	0
<i>Subtotal</i>	231,287	0	0	231,287	512,943	122%	281,656
<b>Total Operating &amp; Non-Operating w/o Depreciation</b>	<b>817,481</b>	<b>492,766</b>	<b>536,023</b>	<b>281,458</b>	<b>1,134,598</b>	<b>39%</b>	<b>317,117</b>
<b>Total Operating &amp; Non-Operating with Depreciation</b>	<b>1,238,944</b>	<b>905,118</b>	<b>948,375</b>		<b>1,545,023</b>	<b>25%</b>	<b>306,080</b>

## RECLAMATION FACILITIES

All costs associated with the operation and maintenance of the wastewater reclamation facilities are reimbursed by the Goleta Water District as per the agreement for construction and operation of the wastewater reclamation facilities between the Goleta Sanitary District and the Goleta Water District. The following is a summary of the costs associated with the operation and maintenance of the reclamation facilities:

### I. **Personnel:**

This account has been projected based on labor requirements anticipated for the operation of the reclamation facilities. This budget projection and allocation of personnel was based on full operation of the facilities to reclaim the production volume projected by the Goleta Water District.

### II. **Operating Expenses:**

The major operating expenses that are budgeted in this area provide for the following accounts based on full operation as projected by the Goleta Water District.

#### A. Operating Supplies

This account provides for the purchase of chemicals and lab supplies for the reclamation facilities.

Reclaimed Water Production:

Coagulant and Polymer:	\$ 36,000
Sodium Hypochlorite (free to GWD in exchange for Irrigation water (3W)	
<b>Total</b>	<b>\$ 36,000</b>

#### B. Repair and Maintenance

This account provides for the general repair and maintenance of the reclamation facilities.

Electrical Parts/Circuit Boards	\$ 27,000
Mechanical Parts	20,500
Lubricants & Misc.	800
Paint	700
Sump Pump, 7.5hp spare	40,000
Miscellaneous	<u>1,000</u>
<b>Total</b>	<b>\$ 90,000</b>

#### C. Utilities

This account provides for utilities used in the reclamation facilities, including water and electricity for distribution system pumps.

#### D. Professional Services

This account provides for professional services not included in other line items, CCC programing and testing, for example.

III. **Capital Outlay:**

A. Machinery and Equipment

This account provides for the purchase of equipment for use in the reclamation plant:

B. Capital Projects

This account provides for the construction of capital projects for the wastewater reclamation facilities.

The following projects have been budgeted:

Rec Electrical and Communication	\$ 452,943
SCADA Programing	10,000
Chemical Storage building CIP	50,000

**Total Capital Projects** **\$ 512,943**

**CAPITAL PROJECTS SUMMARY  
FISCAL YEAR 2026-27**

The following projects will be funded from the replacement reserve fund #4655.

**Administration:**

1.	Capital Improvement Projects Budgeted for FY27		
	a. Boardroom AV improvement project	\$	20,000
	b. Boardroom Kitchen improvement project		12,000
	<b>Total</b>	<b>\$</b>	<b>32,000</b>

**Collection System:**

2.	Capital Improvement Projects Budgeted for FY27		
	a. Manhole Raising Program, annual allowance	\$	120,000
	b. GSD El Sueno LS Force Main Project		135,745
	c. GSD El Sueno LS access road repair		50,000
	d. Contracted spot repairs		200,000
	c. GSD 2024-25-26-27 CIP Projects design		100,000
	d. Manhole lining repair project		50,000
	<b>Total</b>	<b>\$</b>	<b>655,745</b>

**Firestone Lift Station:**

1.	Capital Improvement Projects Budgeted for FY27		
	a. Jocky pump to regulate flows	\$	50,000
	<b>Total</b>	<b>\$</b>	<b>50,000</b>

**Environmental Services:**

1.	Capital Improvement Projects Budgeted for FY27 Budget		
	a. Environmental Services Office Trailer	\$	85,000
	<b>Total</b>	<b>\$</b>	<b>85,000</b>

**Wastewater Treatment Facilities:**

The following projects will be funded from the Capital replacement fund #4650.

1.	Capital Improvement Projects Budgeted for FY27		
	a. Energy Storage Project (ESP)	\$	4,500,000
	b. Lystek Purchase Installment		150,000
2.	Capital Improvement Projects Budgeted from prior Fiscal Years		
	a. BEBP Phase 1	\$	206,700
	b. BEBP Solids-Handling-Improvement-Project continuation		1,700,000
	<b>Total</b>	<b>\$</b>	<b>6,556,700</b>

The following projects will be funded from the replacement reserve fund #4655.

**Plant:**

1. Capital Improvement Projects Budgeted for FY27		
a. Hypochlorite Feed Piping (additional)	\$	5,000
b. Telehandler Forklift		235,000
c. Replacement Carts for Operations		35,000
d. Replacement Carts for Maintenance (additional)		25,000
e. Final CCC Gate replacement		150,000
f. Plant Main Breaker		100,000
g. Plant Spare MCC Breakers		120,000
h. Digester 2 hose/sediment tanks, drip traps		100,000
i. Interstage Pumps 1 & 2 engineering services		28,750
j. Interstage Pumps 1 & 2 upgrade		200,000
k. Chemical Storage Building CIP		75,000
2. Capital Improvement Projects Budgeted from prior Fiscal Years		
a. Hypochlorite Feed Piping	\$	35,000
b. Wemco Grit Pump CCW		35,000
c. Chem Storage Discharge Pump		12,558
d. PM Building AHU Replacement (additional)		50,000
e. Neuros Variable Frequency Drive VFD spare		25,000
f. Digester #2 and #3 Gas System Rehab		173,751
g. Secondary Clarifier #3 and #4 housing bearings		50,000
h. Replacement Carts for Maintenance		13,811
i. Elevator Smoke Controller		25,000
j. Main Switchboard Breaker		40,964
k. Main MCC Breaker		40,000
l. Headworks, Operator Interface Pannels (4 each)		11,238
<b>Total</b>	<b>\$</b>	<b>1,586,072</b>

**Outfall:**

1. Capital Improvement Projects Budgeted		
a. Cathodic Well Replacement Project additional	\$	53,200
b. Outfall line inspection and possible rehabilitation		10,000
<b>Total</b>	<b>\$</b>	<b>63,200</b>

**Reclamation Facilities:**

1. Capital Improvement Projects Budgeted the facility		
a. Reclamation Electrical and Communication projects	\$	452,943
b. SCADA Programing		10,000
c. Chemical Storage building CIP		50,000
<b>Total</b>	<b>\$</b>	<b>512,943</b>

**Total District Capital Projects FY27** **\$ 9,541,660**

# **AGENDA ITEM #3**

**AGENDA ITEM: 3**

**MEETING DATE: June 15, 2026**

**I. NATURE OF ITEM**

Consideration and Adoption of Resolution No. 26-734 Approving Revised Employee Pay Schedule and Organizational Chart

**II. BACKGROUND INFORMATION**

The current Employee Pay Schedule and Organizational Chart for the District was adopted by Resolution No. 25-722 on June 16, 2025. On April 20, 2026, the Governing Board approved a cost-of-living adjustment (COLA) of 3.19% for Fiscal Year 2026-27 (FY27) for eligible employees. That adjustment is reflected in the FY27 Pay Schedule attached as Exhibit A to Resolution No. 26-734 and an updated Organizational Chart is attached as Exhibit B.

The adoption of a formal resolution relating to changes to employee compensation is necessary to comply with existing regulations (Title 2, California Code of Regulations Section 570.5), which set forth specific requirements pertaining to publicly available pay schedules.

**III. COMMENTS AND RECOMMENDATIONS**

Included in Resolution No. 26-734 is the pay schedule exhibit showing the changes as discussed in the review of the draft FY27 Budget. In order to meet the above-referenced requirements associated with the approval of public employee pay schedules, and to reflect the personnel costs to be included in the FY27 Budget, it is recommended that the Board adopt Resolution No. 26-734 approving and adopting a revised employee pay schedule.

**IV. REFERENCE MATERIAL**

Resolution No. 26-734 with Exhibits A and B

**RESOLUTION NO. 26-734**

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA  
SANITARY DISTRICT APPROVING AND ADOPTING A REVISED  
EMPLOYEE PAY SCHEDULE**

**WHEREAS**, on June 16, 2025, the Governing Board (the “Board”) of the Goleta Sanitary District (the “District”) adopted Resolution No. 25-722 approving and adopting a revised pay schedule (the “Current Pay Schedule”) and adopting a revised organization chart (the “Current Organization Chart”) relating to the District’s employees; and

**WHEREAS**, on April 20, 2026, the Board approved a 3.19% cost of living adjustment to the rate of pay of all eligible employees, effective as of July 1, 2026 (the “Approved COLA”); and

**WHEREAS**, on June 15, 2026, the Board adopted the Fiscal Year 2026-27 (FY27) budget that included the Approved COLA; and

**WHEREAS**, the Board desires to revise the Current Pay Schedule to reflect the approved FY27 Budget.

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Board of the Goleta Sanitary District as follows:

**1. Adoption of Revised Pay Schedule.** The Board hereby approves and adopts the revised pay schedule attached hereto as Exhibit “A” and incorporated herein by this reference to reflect the approved COLA (the “2026-27 Pay Schedule”), effective as of July 1, 2026.

**2. Requirements Applicable to Revised Pay Schedule.** The 2026-27 Pay Schedule shall be immediately accessible and available for public review from the District during normal business hours and shall be retained by the District and available for public inspection for not less than five years.

**3. Future Revisions.** Any revisions that are made to the 2026-27 Pay Schedule in the future shall be approved by the Board in accordance with the requirements of applicable public meetings laws, and shall comply in all other respects with Title 2, California Code of Regulations Section 570.5. Further, pursuant to Resolution No. 14-579, (i) any future increases in Board member compensation shall be approved in accordance with Health & Safety Code Section 6489, Chapter 2 of Division 10 of the Water Code, and other applicable provisions of law, and (ii) Board member compensation shall not be subject to Resolution No. 11-522, which sets forth the procedure for calculating cost of living adjustments to the salary scale for employees of the District.

**PASSED AND ADOPTED** this 15th day of June, 2026, by the following vote of the Governing Board of the Goleta Sanitary District:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Steven T. Majoewsky  
President of the Governing Board

**COUNTERSIGNED:**

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Robert O. Mangus, Jr.,  
Secretary of the Governing Board

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Goleta Sanitary District Governing Board held on June 15, 2026.

ATTEST:

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Robert O. Mangus, Jr.,  
Secretary of the Governing Board  
of the Goleta Sanitary District

PAY SCHEDULE - Monthly/Annually/Biweekly and Hourly

					3.19%	Effective:	7/1/2026
POSITION	RANGE	AA	A	B	C	D	E
Part-time, Hourly Maintenance/Intern; but meet or exceed CA Minimum wage	100	18.59	19.52	20.50	21.52	22.60	23.73
Administrative Assistant		58,136	61,048	64,106	67,309	70,678	74,202
		4,845	5,087	5,342	5,609	5,890	6,183
		2,236	2,348	2,466	2,589	2,718	2,854
	300	27.95	29.35	30.82	32.36	33.98	35.67
Maintenance Worker		61,443	64,522	67,746	71,136	74,693	78,431
		5,120	5,377	5,645	5,928	6,224	6,536
		2,363	2,482	2,606	2,736	2,873	3,017
	320	29.54	31.02	32.57	34.20	35.91	37.71
Collection System Maintenance Technician I		68,848	72,301	75,920	79,726	83,720	87,913
		5,737	6,025	6,327	6,644	6,977	7,326
		2,648	2,781	2,920	3,066	3,220	3,381
	460	33.10	34.76	36.50	38.33	40.25	42.27
Accounting Technician		69,618	73,091	76,752	80,600	84,635	88,872
		5,801	6,091	6,396	6,717	7,053	7,406
		2,678	2,811	2,952	3,100	3,255	3,418
	500	33.47	35.14	36.90	38.75	40.69	42.73
Plant Maintenance Technician I		72,946	76,586	80,413	84,427	88,650	93,078
		6,079	6,382	6,701	7,036	7,387	7,756
		2,806	2,946	3,093	3,247	3,410	3,580
	540	35.07	36.82	38.66	40.59	42.62	44.75
Laboratory Analyst I		74,838	78,582	82,514	86,632	90,958	95,501
		6,237	6,549	6,876	7,219	7,580	7,958
		2,878	3,022	3,174	3,332	3,498	3,673
	560	35.98	37.78	39.67	41.65	43.73	45.91
Operator in Training III		75,005	78,749	82,680	86,819	91,166	95,730
		6,250	6,562	6,890	7,235	7,597	7,977
		2,885	3,029	3,180	3,339	3,506	3,682
	565	36.06	37.86	39.75	41.74	43.83	46.02
Treatment Plant Operator I		75,150	78,915	82,867	87,006	91,354	95,911
		6,263	6,576	6,906	7,251	7,613	7,993
		2,890	3,035	3,187	3,346	3,514	3,689
	570	36.13	37.94	39.84	41.83	43.92	46.11
Management Assistant		76,378	80,205	84,219	88,421	92,851	97,490
		6,365	6,684	7,018	7,368	7,738	8,124
		2,938	3,085	3,239	3,401	3,571	3,750
	580	36.72	38.56	40.49	42.51	44.64	46.87
Environmental Services Assistant		76,378	80,205	84,219	88,421	92,851	97,490
		6,365	6,684	7,018	7,368	7,738	8,124
		2,938	3,085	3,239	3,401	3,571	3,750
	585	36.72	38.56	40.49	42.51	44.64	46.87
Collection System Maintenance Technician II		79,893	83,886	88,088	92,498	97,115	101,970
		6,658	6,991	7,341	7,708	8,093	8,497
		3,073	3,226	3,388	3,558	3,735	3,922
	620	38.41	40.33	42.35	44.47	46.69	49.02

PAY SCHEDULE - Monthly/Annually/Biweekly and Hourly

POSITION	RANGE	AA	A	B	3.19%	Effective:	7/1/2026
					C	D	E
<i>Accounting/Administration Specialist</i>		80,621	84,656	88,899	93,350	98,010	102,904
		6,718	7,055	7,408	7,779	8,167	8,575
		3,101	3,256	3,419	3,590	3,770	3,958
	660	38.76	40.70	42.74	44.88	47.12	49.47
<i>Treatment Plant Operator II</i>		84,198	88,400	92,810	97,448	102,315	107,430
		7,017	7,367	7,734	8,121	8,526	8,952
		3,238	3,400	3,570	3,748	3,935	4,132
	690	40.48	42.50	44.62	46.85	49.19	51.65
<i>Plant Maintenance Technician II</i>		84,406	88,629	93,059	97,718	102,606	107,727
		7,034	7,386	7,755	8,143	8,551	8,977
		3,246	3,409	3,579	3,758	3,946	4,143
	700	40.58	42.61	44.74	46.98	49.33	51.79
<i>Safety &amp; Regulatory Compliance Coordinator</i>		87,838	92,227	96,845	101,691	106,766	112,114
		7,320	7,686	8,070	8,474	8,897	9,343
		3,378	3,547	3,725	3,911	4,106	4,312
	740	42.23	44.34	46.56	48.89	51.33	53.90
<i>Collection System Maintenance Technician III</i>		87,838	92,227	96,845	101,691	106,766	112,114
		7,320	7,686	8,070	8,474	8,897	9,343
		3,378	3,547	3,725	3,911	4,106	4,312
	760	42.23	44.34	46.56	48.89	51.33	53.90
<i>Laboratory Analyst II</i>		89,627	94,099	98,800	103,730	108,909	114,354
		7,469	7,842	8,233	8,644	9,076	9,530
		3,447	3,619	3,800	3,990	4,189	4,398
	800	43.09	45.24	47.50	49.87	52.36	54.98
<i>Industrial Waste Control Officer</i>		90,480	94,994	99,736	104,728	109,970	115,471
		7,540	7,916	8,311	8,727	9,164	9,623
		3,480	3,654	3,836	4,028	4,230	4,441
	840	43.50	45.67	47.95	50.35	52.87	55.52
<i>Electrician</i>		91,853	96,450	101,275	106,330	111,654	117,231
		7,654	8,037	8,440	8,861	9,305	9,769
		3,533	3,710	3,895	4,090	4,294	4,509
	860	44.16	46.37	48.69	51.12	53.68	56.36
<i>Plant Maintenance Technician III</i>		92,872	97,510	102,378	107,494	112,861	118,512
		7,739	8,126	8,531	8,958	9,405	9,876
		3,572	3,750	3,938	4,134	4,341	4,558
	900	44.65	46.88	49.22	51.68	54.26	56.98
<i>Treatment Plant Operator III</i>		94,120	98,821	103,771	108,950	114,400	120,114
		7,843	8,235	8,648	9,079	9,533	10,009
		3,620	3,801	3,991	4,190	4,400	4,620
	950	45.25	47.51	49.89	52.38	55.00	57.75
<i>Administrative Supervisor</i>		95,493	100,277	105,290	110,552	116,085	121,896
		7,958	8,356	8,774	9,213	9,674	10,158
		3,673	3,857	4,050	4,252	4,465	4,688
	960	45.91	48.21	50.62	53.15	55.81	58.60
<i>Engineering Assistant</i>		97,032	101,878	106,974	112,320	117,936	123,822
		8,086	8,490	8,915	9,360	9,828	10,319
		3,732	3,918	4,114	4,320	4,536	4,762
	970	46.65	48.98	51.43	54.00	56.70	59.53

PAY SCHEDULE - Monthly/Annually/Biweekly and Hourly

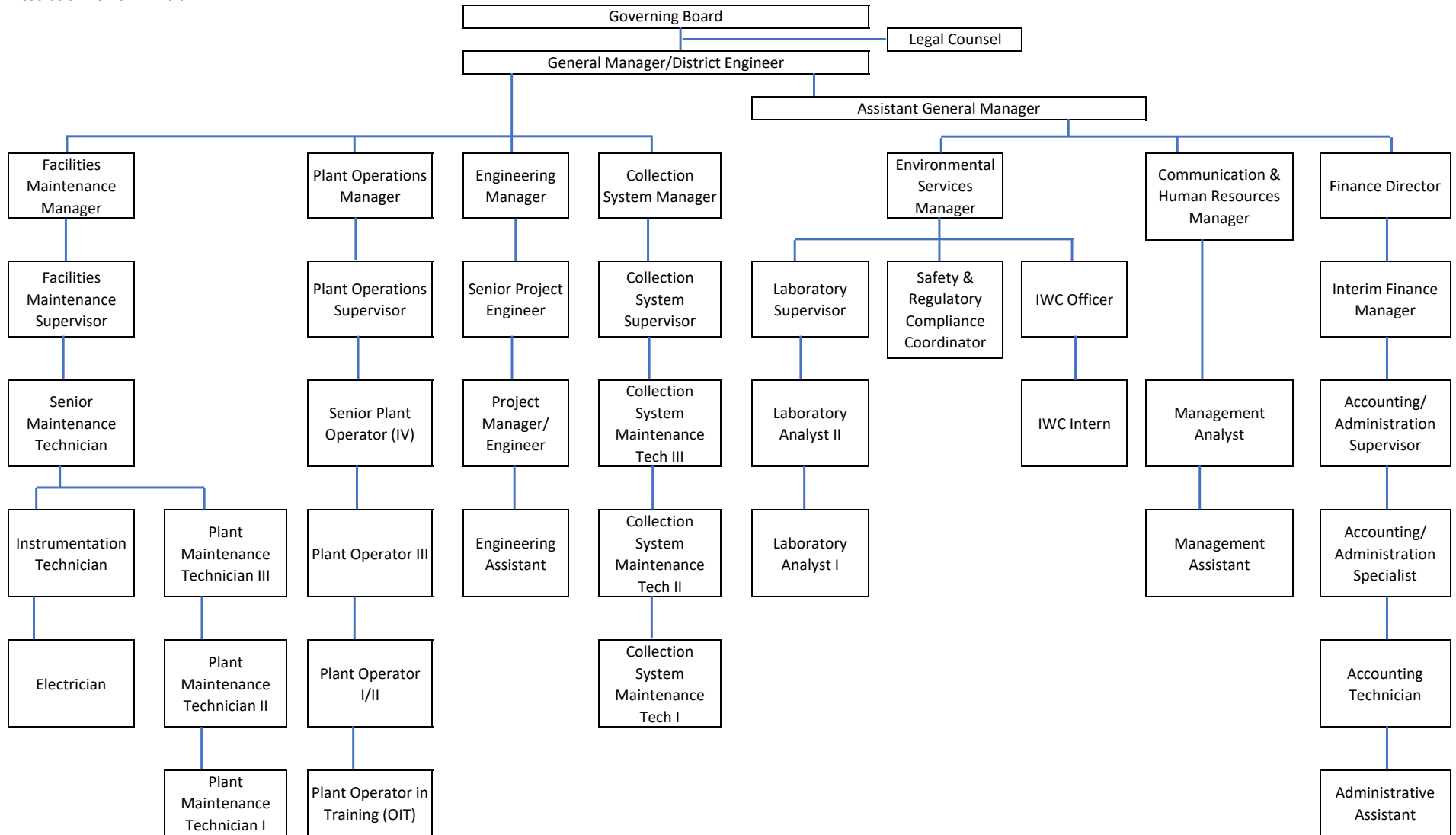
POSITION	RANGE	AA	A	B	3.19%	Effective:	7/1/2026
					C	D	E
<i>Instrumentation Technician</i>		99,112	104,062	109,262	114,733	120,474	126,489
		8,259	8,672	9,105	9,561	10,039	10,541
		3,812	4,002	4,202	4,413	4,634	4,865
	980	47.65	50.03	52.53	55.16	57.92	60.81
<i>Senior Plant Maintenance Technician</i>		101,234	106,288	111,592	117,166	123,032	129,185
		8,436	8,857	9,299	9,764	10,253	10,765
		3,894	4,088	4,292	4,506	4,732	4,969
	1150	48.67	51.10	53.65	56.33	59.15	62.11
<i>Collection System Supervisor</i>		101,234	106,288	111,592	117,166	123,032	129,189
		8,436	8,857	9,299	9,764	10,253	10,766
		3,894	4,088	4,292	4,506	4,732	4,969
	1153	48.67	51.10	53.65	56.33	59.15	62.11
<i>Management Analyst</i>		102,357	107,474	112,840	118,477	124,405	130,624
		8,530	8,956	9,403	9,873	10,367	10,885
		3,937	4,134	4,340	4,557	4,785	5,024
	1155	49.21	51.67	54.25	56.96	59.81	62.80
<i>Accounting/Administration Manager</i>		105,310	110,573	116,106	121,909	128,003	134,397
		8,776	9,214	9,675	10,159	10,667	11,200
		4,050	4,253	4,466	4,689	4,923	5,169
	1160	50.63	53.16	55.82	58.61	61.54	64.61
<i>Senior Plant Operator (IV)</i>		106,288	111,592	117,166	123,032	129,189	135,639
		8,857	9,299	9,764	10,253	10,766	11,303
		4,088	4,292	4,506	4,732	4,969	5,217
	1190	51.10	53.65	56.33	59.15	62.11	65.21
<i>Project Manager</i>		110,490	116,022	121,826	127,920	134,326	141,045
		9,207	9,669	10,152	10,660	11,194	11,754
		4,250	4,462	4,686	4,920	5,166	5,425
	1320	53.12	55.78	58.57	61.50	64.58	67.81
<i>Facilities Maintenance Supervisor</i>		112,715	118,352	124,259	130,478	137,010	143,857
		9,393	9,863	10,355	10,873	11,417	11,988
		4,335	4,552	4,779	5,018	5,270	5,533
	1330	54.19	56.90	59.74	62.73	65.87	69.16
<i>Laboratory Supervisor</i>		115,357	121,118	127,171	133,536	140,213	147,214
		9,613	10,093	10,598	11,128	11,684	12,268
		4,437	4,658	4,891	5,136	5,393	5,662
	1360	55.46	58.23	61.14	64.20	67.41	70.78
<i>Communications and Human Resources Manager</i>		118,477	124,405	130,624	137,155	144,019	151,214
		9,873	10,367	10,885	11,430	12,002	12,601
		4,557	4,785	5,024	5,275	5,539	5,816
	1380	56.96	59.81	62.80	65.94	69.24	72.70
<i>Plant Operations Supervisor</i>		119,226	125,195	131,456	138,029	144,934	152,173
		9,935	10,433	10,955	11,502	12,078	12,681
		4,586	4,815	5,056	5,309	5,574	5,853
	1400	57.32	60.19	63.20	66.36	69.68	73.16
<i>Facilities Maintenance Manager</i>		120,598	126,630	132,954	139,610	146,598	153,924
		10,050	10,553	11,079	11,634	12,217	12,827
		4,638	4,870	5,114	5,370	5,638	5,920
	1420	57.98	60.88	63.92	67.12	70.48	74.00

PAY SCHEDULE - Monthly/Annually/Biweekly and Hourly

POSITION	RANGE	AA	A	B	C	D	E
<i>Collection System Manager</i>		121,285	127,358	133,723	140,400	147,410	154,779
		10,107	10,613	11,144	11,700	12,284	12,898
		4,665	4,898	5,143	5,400	5,670	5,953
	1600	58.31	61.23	64.29	67.50	70.87	74.41
<i>Environmental Services Manager</i>		132,122	138,736	145,683	152,963	160,618	168,653
		11,010	11,561	12,140	12,747	13,385	14,054
		5,082	5,336	5,603	5,883	6,178	6,487
	1650	63.52	66.70	70.04	73.54	77.22	81.08
<i>Finance Manager</i>		141,107	148,158	155,563	163,342	171,517	180,101
		11,759	12,347	12,964	13,612	14,293	15,008
		5,427	5,698	5,983	6,282	6,597	6,927
	1700	67.84	71.23	74.79	78.53	82.46	86.59
<i>Plant Operations Manager</i>		151,923	159,515	167,482	175,864	184,662	193,904
		12,660	13,293	13,957	14,655	15,389	16,159
		5,843	6,135	6,442	6,764	7,102	7,458
	1800	73.04	76.69	80.52	84.55	88.78	93.22
<i>Engineering Manager</i>		166,296	174,616	183,352	192,525	202,155	212,254
		13,858	14,551	15,279	16,044	16,846	17,688
		6,396	6,716	7,052	7,405	7,775	8,164
	1900	79.95	83.95	88.15	92.56	97.19	102.05
<i>Finance Director</i>		182,374	191,485	201,053	211,099	221,645	232,729
		15,198	15,957	16,754	17,592	18,470	19,394
		7,014	7,365	7,733	8,119	8,525	8,951
	2000	87.68	92.06	96.66	101.49	106.56	111.89
<i>Assistant General Manager</i>		205,920	216,216	227,032	238,389	250,307	262,827
		17,160	18,018	18,919	19,866	20,859	21,902
		7,920	8,316	8,732	9,169	9,627	10,109
	2500	99.00	103.95	109.15	114.61	120.34	126.36
<i>General Manager / District Engineer</i>		General Manager's compensation is set annually by the Board in accordance with an employment contract dated 07/01/2015.					298,255
							24,855
							11,471
	GM						143.39
<i>Governing Board Members</i>	Governing Board Members are compensated on a per meeting basis, compensation is limited to six meetings per month. The rate of per meeting increased July 1, 2023 to \$236.25.						236.25

Note, employees, by job title, will fall within the range values, from AA to E.

**PROPOSED ORGANIZATIONAL CHART, JULY 1, 2026**



# **AGENDA ITEM #4**

**AGENDA ITEM: 4**

**MEETING DATE: June 15, 2026**

**I. NATURE OF ITEM**

Consideration and Approval of Resolution No. 26-735 Electing to Have Sewer Service Charges Collected on the Tax Roll for Fiscal Year 2026-27, Directing the Preparation and Filing of Report, Fixing Time and Place for Hearing, and Providing for Notice Thereof

**II. BACKGROUND INFORMATION**

In order to provide for the collection of the District's sewer service charges on the Santa Barbara County tax roll for the Fiscal Year 2026-27 (FY27), the Board needs to adopt a resolution formally making that election. The resolution also needs to provide for (i) the preparation and filing of a written report containing a description of each parcel of property receiving service, and the amount of the service charge for each such parcel, (ii) the scheduling of a public hearing on the report, and (iii) the publication of a notice of the hearing.

**III. COMMENTS AND RECOMMENDATIONS**

Staff has prepared a proposed resolution providing for the Board's election to have the District's sewer service charges collected on the tax roll for FY27. The adoption of the resolution must be by 2/3 approval, which requires the affirmative vote of four Board members. It is recommended that the Board adopt the proposed resolution.

**IV. REFERENCE MATERIALS**

Resolution No. 26-735 Electing to Have Sewer Service Charges Collected on the Tax Roll for Fiscal Year 2026-27, Directing the Preparation and Filing of Report, Fixing Time and Place for Hearing, and Providing for Notice Thereof

**RESOLUTION NO. 26-735**

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA  
SANITARY DISTRICT ELECTING TO HAVE SEWER SERVICE CHARGES  
COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2026-27, DIRECTING  
THE PREPARATION AND FILING OF REPORT, FIXING TIME AND PLACE  
FOR HEARING, AND PROVIDING FOR NOTICE THEREOF**

**WHEREAS**, the Governing Board of the Goleta Sanitary District (the “District”) has passed and adopted an ordinance prescribing sewer service charges; and

**WHEREAS**, pursuant to California Health and Safety Code Section 5473 et seq., the Governing Board desires to have said service charges for Fiscal Year 2026-27 (the “Service Charges”) collected on the Santa Barbara County tax roll with the general taxes.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Governing Board of the Goleta Sanitary District as follows:

- 1.** Pursuant to Health and Safety Code Section 5473, the election is hereby made to have the Service Charges collected on the Santa Barbara County tax roll in the same manner, by the same persons, at the same time as, together with, and not separately from, the general taxes.
- 2.** District staff is directed to prepare and file with the Secretary of the Board a written report containing a description of each parcel of real property receiving sewer service and the amount of the Service Charges for each such parcel (the “Report”).
- 3.** A hearing on the Report shall be held before this Board on Monday, July 20, 2026, at 6:30 p.m., at the office of the Goleta Sanitary District, One William Moffett Place, Goleta, California 93117.
- 4.** Pursuant to Health and Safety Code Section 5473.1, the Secretary shall cause a notice of the filing of the Report and of the time and place set for the hearing, at which oral or written presentation can be made, to be published pursuant to Government Code Section 6066 once a week for two successive weeks preceding said hearing with at least five (5) days intervening between the respective publication dates, not counting such publication dates, and the first publication date being not less than fourteen (14) days prior to the date set for hearing.
- 5.** The Secretary is hereby authorized and directed to sign and publish said notice on behalf of the Board as ordered above.
- 6.** The above-mentioned notice shall be in the form set forth in Exhibit “A” attached hereto and by this reference made a part hereof.

**PASSED AND ADOPTED** this 15th day of June, 2026, by the following vote of the Governing Board of the Goleta Sanitary District.

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

---

Steven T. Majoewsky,  
President of the Governing Board

**COUNTERSIGNED:**

---

Robert O. Mangus, Jr.  
Secretary of the Governing Board

**EXHIBIT “A”**

**NOTICE OF FILING AND HEARING  
ON REPORT OF SEWER SERVICE CHARGES  
LEVIED BY THE GOLETA SANITARY DISTRICT**

NOTICE IS HEREBY GIVEN that, pursuant to Section 5473 of the California Health and Safety Code, there has been filed with the Secretary of the Goleta Sanitary District, a report containing: (a) a proposal to have sewer service charges for the Fiscal Year 2026-27 collected on the tax roll, (b) a description of each parcel of real property receiving services and facilities furnished by the Goleta Sanitary District in connection with its wastewater system, and (c) the amount of the sewer service charge to be levied upon each parcel for the Fiscal Year 2026-27, computed in conformity with the charges prescribed by an ordinance duly passed and approved by the Governing Board of the Goleta Sanitary District; and that the time and place for a hearing on said report has been set for Monday, July 20, 2026, at 6:30 p.m., at the office of the Goleta Sanitary District, One William Moffett Place, Goleta, California 93117.

DATED: June 15, 2026

GOLETA SANITARY DISTRICT

By \_\_\_\_\_  
Robert O. Mangus, Jr.  
Secretary of the Governing Board

# **AGENDA ITEM #5**

## **(Closed Session)**

# **GENERAL MANAGER'S REPORT**

## **GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT**

The following summary report describes the District's activities from June 2, 2026, through June 14, 2026. It provides updated information on significant activities under three major categories: Collection System, Treatment/Reclamation and Disposal Facilities, and General and Administration Items.

### **1. COLLECTION SYSTEM REPORT**

#### **LINES CLEANING**

Staff has been conducting priority lines cleaning throughout the District.

#### **CCTV INSPECTION**

Staff has been conducting routine CCTV inspections in the area of Pedernal Avenue and Vega Drive. Staff has also been conducting priority CCTV inspections throughout the District.

#### **CCTV INSPECTION VAN: 2004 FORD E450**

The CCTV inspection van was taken to Automotive Technicians Group on June 9, 2026, for replacement of the brake hydro-boost and anti-lock braking system modulator.

#### **FORTE RANCH HOMES ASSOCIATION MANHOLE INSPECTIONS**

Tierra has completed the replacement of the manhole frames and covers at the Forte Ranch Homes Association, located near North San Antonio Road and Calle Real. As previously reported, the Association hired Tierra Contracting to replace and raise 26 of the District's manhole frames and covers that were damaged and incorrectly raised by a paving contractor following paving of the Association's roadways. District staff has completed inspection of the work.

#### **DUKE'S ROOT FOAMING**

Duke's staff began root foaming (chemical root control) work on May 28, 2026, earlier than originally scheduled. Over three working days, they completed the root foaming of 13,945 linear feet of sewer pipe. The work was completed on June 1, 2026.

### **2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT**

The Plant flow for the month of May, 2026 averaged 5.09 MGD (million gallons per day). The Reclamation Plant is online, producing 1.02 MGD of reclaimed water. Biofilter #1 was returned to service on 6/1/2026. The Digester #3 hose replacement project was completed on 6/2/2026. Step Screen #2 was taken out of service for maintenance and repair.

Construction on the BESP Phase 1 project continues with civil and site work. The digester has been filled with water in preparation for seeding. Work is continuing on the Digester #4 Programming.

The Reclamation Plant ran 29 days out of 31 for the month of May. The average daily flow was 1.45 MGD.

### 3. **GENERAL AND ADMINISTRATIVE ITEMS**

#### **Financial Report**

The District account balances as of June 15, 2026, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 703,814
Investment Accounts (including interest earned):	<u>\$ 47,488,356</u>
Total District Funds:	\$ 48,192,170

The following transactions are reported herein for the period 06/02/2026 – 06/15/2026

Regular, Overtime, Cash-outs, and Net Payroll:	\$ 179,476
Claims:	\$ 595,302
Total Expenditures:	\$ 774,778
Total Deposits:	\$ 154,767

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$ - 0 -
CWB Operational to CWB Money Market:	\$ - 0 -
CWB Money Market to CWB Operational:	\$ 750,000
CWB Operational to CA-Class Investment Account	\$ - 0 -
CA-Class Investment Account to CWB Operational	\$ - 0 -

The District's investments comply with the District's Investment Policy adopted per Resolution No. 16-606. The District has adequate funds to meet the next six months of normal operating expenses.

#### **Local Agency Investment Fund (LAIF)**

LAIF Monthly Statement – May, 2026  
LAIF Quarterly Report – Previously reported  
PMIA/LAIF Performance – May, 2026  
PMIA Effective Yield – May, 2026

#### **Community West Bank (CWB)**

CWB Money Market and ICS Accounts – May, 2026

#### **CA-Class Investment Account**

CA-Class Investment Account – May, 2026

#### **Deferred Compensation Accounts**

CalPERS 457 Deferred Compensation Plan – May, 2026  
Lincoln 457 Deferred Compensation Plan – May, 2026

#### **Personnel**

A verbal personnel update will be provided at the meeting.

**Future Agenda Items**

- Consideration of Ordinances for Revised Connection and Annexation Fees Pursuant to Raftelis Rate and Fee Study
- Review of updates to Lincoln 457 Deferred Compensation Program and Website
- Summary of recommended changes to the Admin Code and Human Resources Policy Manual
- Review of Audio/Visual upgrades to Boardroom
- Public Hearing for Placing Sewer Service Charges on the FY27 Property Tax Roll

**Upcoming Calendar of Events:**

- CASA Annual Conference August 4-7, 2026 Napa
- CSDA Annual Conference August 24-27, 2026 Palm Desert
- Lemon Festival Outreach Event- September 26-27, 2026



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

June 01, 2026

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

GOLETA SANITARY DISTRICT

GENERAL MANAGER  
ONE WILLIAM MOFFETT PLACE  
GOLETA, CA 93117

[Tran Type Definitions](#)

**Account Number:** 70-42-002

May 2026 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,325.15
Total Withdrawal:	0.00	Ending Balance:	4,325.15



# PMIA/LAIF Performance Report as of 06/03/26



## Quarterly Performance Quarter Ended 03/31/26

LAIF Apportionment Rate <sup>(2)</sup> :	3.98
LAIF Earnings Ratio <sup>(2)</sup> :	0.00010906180047888
LAIF Administrative Cost <sup>(1)*</sup> :	0.24
LAIF Fair Value Factor <sup>(1)</sup> :	0.999980831
PMIA Daily <sup>(1)</sup> :	3.82
PMIA Quarter to Date <sup>(1)</sup> :	3.92
PMIA Average Life <sup>(1)</sup> :	261

## PMIA Average Monthly Effective Yields<sup>(1)</sup>

<b>May</b>	<b>3.810</b>
April	3.811
March	3.826
February	3.871
January	3.931
December	4.025

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 04/30/26 \$183.4 billion

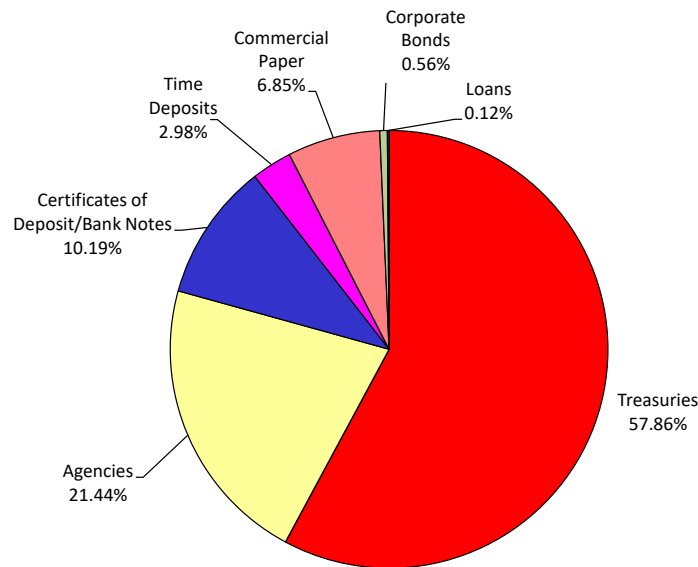


Chart does not include \$803,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



**POOLED MONEY INVESTMENT ACCOUNT**

**PMIA Average Monthly Effective Yields**

06/10/26

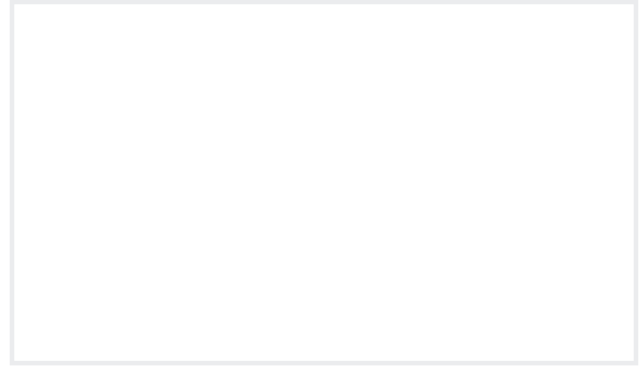
Max: 12.844

Min: 0.203

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305	3.434	3.534	3.670	3.843	3.929
2024	4.012	4.122	4.232	4.272	4.332	4.480	4.516	4.579	4.575	4.518	4.477	4.443
2025	4.336	4.333	4.313	4.281	4.272	4.269	4.258	4.251	4.212	4.150	4.096	4.025
2026	3.931	3.871	3.826	3.811	3.810							

7100 N. Financial Dr. STE 101  
Fresno, CA 93720

GOLETA SANITARY DISTRICT  
1 WILLIAM MOFFETT PL  
GOLETA CA 93117-3901





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### Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXXXXXX554	\$250,000.00

### PUBLIC MONEY MARKET - XXXXXXXXXXXXX554

#### Account Summary

Date	Description	Amount
05/01/2026	Beginning Balance	\$250,000.00
	2 Credit(s) This Period	\$2,750,715.07
	2 Debit(s) This Period	\$2,750,715.07
05/29/2026	Ending Balance	\$250,000.00

#### Interest Summary

Description	Amount
Interest Earned From 05/01/2026 Through 05/29/2026	
Annual Percentage Yield Earned	3.66%
Interest Days	29
Interest Earned	\$715.07
Interest Paid This Period	\$715.07
Interest Paid Year-to-Date	\$3,673.98
Minimum Balance	\$250,000.00
Average Ledger Balance	\$250,000.00

#### Other Credits

Date	Description	Amount
05/01/2026	SBCo SSC and Prop Taxes	\$2,750,000.00
05/29/2026	INTEREST	\$715.07
		2 item(s) totaling \$2,750,715.07

#### Other Debits

Date	Description	Amount
05/01/2026	TRANSFER TO ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXX8650	\$2,750,000.00
05/29/2026	TRANSFER TO ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXX8650	\$715.07
		2 item(s) totaling \$2,750,715.07



Community West Bank  
7100 N Financial Dr Ste 101  
Fresno, CA 93720



RETURN SERVICE REQUESTED



143977-29A  
Goleta Sanitary District  
One William Moffett Place  
Goleta, CA 93117

Contact Us  
559-298-1775  
www.communitywestbank.com



Account  
Goleta Sanitary District

Date  
05/31/2026

Page  
1 of 6

**IntraFi Cash Service<sup>SM</sup>, or ICS<sup>®</sup>, Monthly Statement**

The following information is a summary of activity in your account(s) for the month of May 2026 and the list of FDIC-insured institution(s) that hold your deposits as of the date indicated. These deposits have been placed by us, as your agent and custodian, in deposit accounts through IntraFi Cash Service. Funds in your deposit accounts at the FDIC-insured institutions at which your funds have been placed will be "deposits," as defined by federal law. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply. To meet the conditions for pass-through FDIC deposit insurance, deposit accounts at FDIC-insured banks in IntraFi's network that hold deposits placed using an IntraFi service are titled, and deposit account records are maintained, in accordance with FDIC regulations for pass-through coverage.

**Summary of Accounts**

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****554	Demand	3.60%	\$39,145,509.51	\$42,023,720.52
<b>TOTAL</b>			<b>\$39,145,509.51</b>	<b>\$42,023,720.52</b>

**DETAILED ACCOUNT OVERVIEW**

Account ID: \*\*\*\*\*554  
Account Title: Goleta Sanitary District

**Account Summary - Demand**

Statement Period	5/1-5/31/2026	Average Daily Balance	\$41,634,232.18
Previous Period Ending Balance	\$39,145,509.51	Interest Rate at End of Statement Period	3.60%
Total Program Deposits	2,750,739.73	Annual Percentage Yield Earned	3.67%
Total Program Withdrawals	(0.00)	YTD Interest Paid	602,703.89
Interest Capitalized	127,471.28		
<b>Current Period Ending Balance</b>	<b>\$42,023,720.52</b>		

**Account Transaction Detail**

Date	Activity Type	Amount	Balance
05/01/2026	Deposit	\$739.73	\$39,146,249.24
05/04/2026	Deposit	2,750,000.00	41,896,249.24
05/29/2026	Interest Capitalization	127,471.28	42,023,720.52

**Summary of Balances as of May 31, 2026**

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Alerus Financial, N.A.	Grand Forks, ND	3931	\$247,756.32
Amalgamated Bank	New York, NY	622	247,683.03
Amerant Bank, N.A.	Coral Gables, FL	22953	247,756.32
Ameris Bank	Atlanta, GA	20504	247,756.32
Apple Bank	New York, NY	16068	247,756.31
Associated Bank, N.A.	Green Bay, WI	5296	247,756.32
Atlantic Union Bank	Glen Allen, VA	34589	247,756.32
Avidbank	San Jose, CA	57510	247,756.32
BOKF, National Association	Tulsa, OK	4214	247,756.32
Banc of California	Los Angeles, CA	24045	247,756.32
Bangor Savings Bank	Bangor, ME	18408	153,903.74
Bank 7	Oklahoma City, OK	4147	247,756.32
Bank OZK	Little Rock, AR	110	247,756.32
Bank of Baroda	New York, NY	33681	247,756.32
Bank of Central Florida	Lakeland, FL	58479	247,683.03
Bank of China	New York, NY	33653	247,756.32
Bank of New Hampshire	Laconia, NH	18012	247,756.32
BankUnited	Miami Lakes, FL	58979	247,756.32
Bankers Trust Company	Des Moines, IA	953	247,756.32
Banner Bank	Walla Walla, WA	28489	247,756.32
Banterra Bank	Marion, IL	17514	247,756.32
Bar Harbor Bank & Trust	Bar Harbor, ME	11971	247,756.32
Barclays Bank Delaware	Wilmington, DE	57203	247,756.32
Bell Bank	Fargo, ND	19581	247,756.32

**DETAILED ACCOUNT OVERVIEW**

Account ID: \*\*\*\*\*554  
Account Title: Goleta Sanitary District



**Summary of Balances as of May 31, 2026**

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Benchmark Community Bank	Kenbridge, VA	20484	247,756.32
Bridgewater Bank	Saint Louis Park, MN	58210	247,756.32
Busey Bank	Champaign, IL	16450	247,756.32
CIBC Bank USA	Chicago, IL	33306	247,756.32
California Bank of Commerce, N.A.	San Diego, CA	57044	247,756.32
Cape Cod 5	Hyannis, MA	23287	247,683.03
Capra Bank	Dubuque, IA	16363	247,756.32
Cathay Bank	Los Angeles, CA	18503	247,747.04
Cedar Rapids Bank and Trust Company	Cedar Rapids, IA	57244	247,756.32
Centennial Bank	Conway, AR	11241	247,756.32
Choice Financial Group	Grafton, ND	9423	247,756.32
Citizens Bank, National Association	Providence, RI	57957	247,756.32
Citizens Business Bank, N.A.	Ontario, CA	21716	247,756.32
City National Bank	Beverly Hills, CA	17281	247,756.32
City National Bank of Florida	Miami, FL	20234	247,756.32
Coastal Community Bank	Everett, WA	34403	247,756.32
Columbia Bank	Roseburg, OR	17266	247,756.32
Commercial Bank of California	Irvine, CA	57417	247,756.32
ConnectOne Bank	Englewood Cliffs, NJ	57919	247,683.03
Cross River Bank	Teaneck, NJ	58410	247,756.32
Customers Bank	Malvern, PA	34444	247,756.32
Dacotah Bank	Aberdeen, SD	17437	247,756.32
Dime Community Bank	Hauppauge, NY	6976	247,756.32
EagleBank	Silver Spring, MD	34742	247,756.32
East West Bank	Pasadena, CA	31628	247,756.32
Eastern Bank	Boston, MA	32773	247,756.32
Encore Bank	Little Rock, AR	34562	247,756.32
Enterprise Bank & Trust	Clayton, MO	27237	247,756.32
Equity Bank	Andover, KS	25858	247,756.32
Farmers Bank & Trust Company	Magnolia, AR	1291	247,756.32
Farmers National Bank of Canfield	Canfield, OH	6540	247,756.32
Fifth Third Bank	Cincinnati, OH	6672	247,683.02
First Bank	Creve Coeur, MO	12229	247,756.32
First Bank Chicago	Highland Park, IL	17470	247,756.32
First Carolina Bank	Rocky Mount, NC	35530	247,756.32
First Commonwealth Bank	Indiana, PA	7468	247,756.32
First Financial Bank	Abilene, TX	3066	247,756.32
First Horizon Bank	MEMPHIS, TN	4977	247,756.32
First International Bank & Trust	Watford City, ND	10248	247,683.03

**DETAILED ACCOUNT OVERVIEW**

Account ID: \*\*\*\*\*554  
Account Title: Goleta Sanitary District

**Summary of Balances as of May 31, 2026**

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
First Interstate Bank	Billings, MT	1105	247,756.32
First Merchants Bank	Muncie, IN	4365	247,756.32
First Mid Bank & Trust N.A.	Mattoon, IL	3705	247,756.32
First National Bank of Omaha	Omaha, NE	5452	247,756.32
First National Bank of Pennsylvania	Greenville, PA	7888	247,756.32
First United Bank and Trust Company	Durant, OK	4239	247,756.32
First-Citizens Bank & Trust Company	Raleigh, NC	11063	247,756.32
FirstBank	Nashville, TN	8663	247,756.32
Five Star Bank	Warsaw, NY	659	247,756.32
Flagstar Bank, N.A.	Hicksville, NY	32541	247,756.32
Fulton Bank, N.A.	Lancaster, PA	7551	247,756.32
Glacier Bank	Kalispell, MT	30788	247,756.32
Grasshopper Bank, N.A.	New York, NY	59113	247,682.30
Great Southern Bank	Reeds Spring, MO	29546	247,756.32
Guaranty Bank	Springfield, MO	58892	247,756.32
Gulf Coast Bank and Trust Company	New Orleans, LA	32974	247,756.32
Hanover Community Bank	Mineola, NY	58675	247,756.32
Heritage Bank	Olympia, WA	29012	247,756.32
Home Bank, N.A.	Lafayette, LA	28094	247,756.32
INB	Springfield, IL	3664	247,756.32
INTRUST Bank NA	Wichita, KS	4799	247,756.32
Independent Bank	Ionia, MI	27811	247,756.32
InterBank	Oklahoma City, OK	27210	247,756.32
Inwood National Bank	Dallas, TX	19080	247,756.32
Israel Discount Bank of New York	New York City, NY	19977	247,756.32
Kearny Bank	Fairfield, NJ	28765	247,756.32
KeyBank National Association	Cleveland, OH	17534	247,756.32
Lake City Bank	Warsaw, IN	13102	247,756.32
Liberty National Bank	Lawton, OK	11522	247,756.32
Live Oak Banking Company	Wilmington, NC	58665	247,683.02
MVB Bank, Inc	Fairmont, WV	34603	247,756.32
Machias Savings Bank	Machias, ME	19531	247,756.32
Manufacturers and Traders Trust Co	Buffalo, NY	588	247,756.32
Mechanics Bank	Walnut Creek, CA	1768	247,756.32
Mercantile Bank	Grand Rapids, MI	34598	247,756.32
MidFirst Bank	Oklahoma City, OK	4063	247,756.32
Midland States Bank	Effingham, IL	1040	247,756.32
Midwest BankCentre	St. Louis, MO	1058	247,683.03
Morton Community Bank	Morton, IL	18429	247,756.32

**DETAILED ACCOUNT OVERVIEW**

Account ID: \*\*\*\*\*554  
Account Title: Goleta Sanitary District



**Summary of Balances as of May 31, 2026**

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
NBH Bank	Greenwood Village, CO	59052	247,756.32
NBT Bank, National Association	Norwich, NY	7230	247,756.32
National Cooperative Bank, NA	Hillsboro, OH	32612	2.75
Nicolet National Bank	Green Bay, WI	57038	247,606.13
Northeast Bank	Lewiston, ME	19690	247,756.32
Northpointe Bank	Grand Rapids, MI	34953	247,756.31
Northwest Bank	Warren, PA	28178	247,756.32
OceanFirst Bank	Red Bank, NJ	28359	247,756.32
Old National Bank	Evansville, IN	3832	247,756.31
Origin Bank	Ruston, LA	12614	247,756.32
Outdoor Bank	Manhattan, KS	17685	247,718.71
Park National Bank	Newark, OH	6653	247,683.03
Peoples National Bank, N.A.	Mt. Vernon, IL	3809	247,756.32
Pinnacle Bank	Omaha, NE	10634	247,756.32
Pinnacle Bank	Nashville, TN	35583	247,756.32
Pinnacle Bank	Keene, TX	20231	247,756.32
PlainsCapital Bank	Lubbock, TX	17491	247,756.32
Planters Bank, Inc.	Hopkinsville, KY	34254	247,756.32
Popular Bank	New York, NY	34967	247,756.32
Preferred Bank	Los Angeles, CA	33539	247,756.32
Primis Bank	Mclean, VA	57968	247,756.32
Prosperity Bank	El Campo, TX	16835	247,756.32
Provident Bank	Jersey City, NJ	12010	247,756.32
Quad City Bank and Trust Company	Bettendorf, IA	33867	247,683.03
RCB Bank	Claremore, OK	15399	247,756.32
Raymond James Bank	St. Petersburg, FL	33893	247,756.32
Renasant Bank	Tupelo, MS	12437	247,756.32
River City Bank	Sacramento, CA	18983	247,756.32
Rockland Trust Company	Rockland, MA	9712	247,756.32
SMBC MANUBANK	Los Angeles, CA	18618	247,756.32
Seacoast National Bank	Stuart, FL	131	247,756.32
Security First Bank	Rapid City, SD	5415	247,756.32
Shore United Bank, N.A.	Easton, MD	4832	247,756.32
Simmons Bank	Pine Bluff, AR	3890	247,756.32
South State Bank, N.A.	Winter Haven, FL	33555	247,756.32
SouthEast Bank	Farragut, TN	57348	247,756.32
Southern Bank	Poplar Bluff, MO	28332	247,756.32
State Bank of India	New York City, NY	33682	247,756.32
Stifel Bank	St. Louis, MO	57358	247,756.32

**DETAILED ACCOUNT OVERVIEW**

Account ID: \*\*\*\*\*554  
Account Title: Goleta Sanitary District

**Summary of Balances as of May 31, 2026**

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Stock Yards Bank & Trust Company	Louisville, KY	258	247,756.32
Sunflower Bank NA	Salina, KS	4767	247,756.32
Texas Capital Bank	Dallas, TX	34383	247,756.32
The Camden National Bank	Camden, ME	4255	247,756.32
The Farmers & Merchants State Bank	Archbold, OH	5969	247,756.32
The Huntington National Bank	Columbus, OH	6560	247,756.32
Tompkins Community Bank	Ithaca, NY	609	247,756.32
TowneBank	Portsmouth, VA	35095	247,756.32
Tradition Capital Bank	Edina, MN	58057	247,756.32
Traditional Bank, Inc.	Mount Sterling, KY	2711	247,756.32
Tri Counties Bank	Chico, CA	21943	247,756.32
TriState Capital Bank	Pittsburgh, PA	58457	247,756.32
Truist Bank	Charlotte, NC	9846	247,756.32
Trustmark Bank	Jackson, MS	4988	247,756.32
UMB Bank, National Association	Kansas City, MO	8273	247,756.32
UniBank for Savings	Whitinsville, MA	90290	247,756.32
Union Bank & Trust	Lincoln, NE	13421	247,756.32
United Bank	Fairfax, VA	22858	247,756.32
United Community Bank	Greenville, SC	16889	247,756.32
Univest Bank and Trust Co.	Souderton, PA	7759	247,756.32
Valley National Bank	Morristown, NJ	9396	247,756.32
WaFd Bank	Seattle, WA	28088	247,756.32
Waterford Bank, N.A.	Toledo, OH	58433	247,756.32
Webster Bank, National Association	Waterbury, CT	18221	247,756.32
WesBanco Bank, Inc.	Wheeling, WV	803	247,756.32
West Bank	West Des Moines, IA	15614	247,756.32
Western Alliance Bank	Phoenix, AZ	57512	247,756.32
Wilmington Savings Fund Society, FSB	Wilmington, DE	17838	247,756.32
Woodforest Natl Bank	The Woodlands, TX	23220	247,756.32
Zions Bancorporation, N. A.	Salt Lake City, UT	2270	247,756.32



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**Goleta Sanitary District**  
**1 William Moffett Place**  
**Goleta, CA 93117**

**California CLASS**

**California CLASS**

**Average Monthly Yield: 3.6977%**

	<b>Beginning Balance</b>	<b>Contributions</b>	<b>Withdrawals</b>	<b>Income Earned</b>	<b>Income Earned YTD</b>	<b>Average Daily Balance</b>	<b>Month End Balance</b>
Goleta Sanitary District	5,940,979.05	0.00	0.00	18,657.74	90,918.39	5,942,784.64	5,959,636.79
<b>TOTAL</b>	<b>5,940,979.05</b>	<b>0.00</b>	<b>0.00</b>	<b>18,657.74</b>	<b>90,918.39</b>	<b>5,942,784.64</b>	<b>5,959,636.79</b>



Goleta Sanitary District

Account Summary

Average Monthly Yield: 3.6977%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	5,940,979.05	0.00	0.00	18,657.74	90,918.39	5,942,784.64	5,959,636.79

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
05/01/2026	Beginning Balance			5,940,979.05	
05/31/2026	Income Dividend Reinvestment	18,657.74			
05/31/2026	Ending Balance			5,959,636.79	



California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
05/01/2026	0.000304044	3.6992%
05/02/2026	0.000000000	3.6992%
05/03/2026	0.000000000	3.6992%
05/04/2026	0.000101117	3.6908%
05/05/2026	0.000100965	3.6852%
05/06/2026	0.000101131	3.6913%
05/07/2026	0.000101154	3.6921%
05/08/2026	0.000303681	3.6948%
05/09/2026	0.000000000	3.6948%
05/10/2026	0.000000000	3.6948%
05/11/2026	0.000101350	3.6993%
05/12/2026	0.000101625	3.7093%
05/13/2026	0.000101812	3.7161%
05/14/2026	0.000101682	3.7114%
05/15/2026	0.000303912	3.6976%
05/16/2026	0.000000000	3.6976%
05/17/2026	0.000000000	3.6976%
05/18/2026	0.000101436	3.7024%
05/19/2026	0.000101086	3.6897%
05/20/2026	0.000100914	3.6834%
05/21/2026	0.000100861	3.6814%
05/22/2026	0.000403668	3.6835%
05/23/2026	0.000000000	3.6835%
05/24/2026	0.000000000	3.6835%
05/25/2026	0.000000000	3.6835%
05/26/2026	0.000101307	3.6977%
05/27/2026	0.000101923	3.7202%
05/28/2026	0.000101883	3.7187%
05/29/2026	0.000304965	3.7104%
05/30/2026	0.000000000	3.7104%
05/31/2026	0.000000000	3.7104%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

# CalPERS 457 Plan

5/31/26

This document includes important information to help you compare the investment options under your retirement plan. If you want additional information about your investment options, you can go to <https://calpers.voya.com>.

A free paper copy of the information available on the website can be obtained by contacting:

Voya Financial  
Attn: CalPERS 457 Plan  
P.O. Box 389  
Hartford, CT 06141  
(800) 260-0659

## **Document Summary**

This document has two parts. Part I consists of performance information for the plan investment options. This part shows you how well the investments have performed in the past. Part I also shows the total annual operating expenses of each investment option.

Part II provides additional information concerning Plan administrative fees that may be charged to your individual account.

# CalPERS 457 PLAN

## Part I. Performance Information For Periods Ended May 31, 2026

<https://calpers.voya.com>

Table 1 focuses on the performance of investment options that do not have a fixed or stated rate of return. Table 1 shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods<sup>1</sup>. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about an investment option's principal risks is available on the website listed above.

Table 1 also shows the Total Annual Operating Expenses of each investment option. Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option<sup>2</sup>. The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the U.S. Department of Labor's website for an example showing the long-term fees and expenses at <http://www.dol.gov/ebsa>. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

**Table 1 - Variable Net Return Investments**

Name of Fund / Name of Benchmark	Performance		Annualized Performance				Total Annual Operating Expenses <sup>3</sup>	
	3 Month	1 Year	5 Years	10 Years	Since Inception	Inception Date	As a %	Per \$1000
<b>Equity Funds</b>								
State Street Russell All Cap Index Fund - Class I	9.99	29.23	12.70	14.80	13.65	10/07/13	0.19%	\$1.90
<i>Russell 3000 Index</i>	10.03	29.45	12.92	15.12	13.98			
State Street Global All Cap Equity ex-US Index Fund - Class I	2.69	32.77	8.60	9.68	7.21	10/07/13	0.20%	\$2.00
<i>MSCI ACWI ex-USA IMI Index (net)</i>	2.54	32.49	8.53	9.73	7.32			
<b>Fixed Income</b>								
State Street US ShortTerm Gov't/Credit Bond Index Fund - Class I	-0.11	3.53	1.83	1.71	1.45	10/07/13	0.20%	\$2.00
<i>Bloomberg US 1-3 yr Gov't/Credit Bond Index</i>	-0.06	3.72	2.08	2.05	1.83			
State Street US Bond Fund Index - Class I	-1.38	4.97	-0.04	1.43	1.85	10/07/13	0.19%	\$1.90
<i>Bloomberg US Aggregate Bond Index</i>	-1.35	5.13	0.17	1.70	2.12			
<b>Real Assets</b>								
State Street Real Asset Fund - Class A	2.08	29.18	9.63	8.18	5.70	10/08/13	0.32%	\$3.20
<i>State Street Custom Benchmark<sup>4</sup></i>	2.03	29.36	9.86	8.47	6.02			
<b>Cash (Cash Equivalents)</b>								
State Street STIF	0.92	4.02	3.52	2.24	1.88	09/02/14	0.21%	\$2.10
<i>ICE BofA US 3-Month Treasury Bill Index</i>	0.89	3.88	3.46	2.31	1.98			
<b>Target Retirement Date Funds<sup>5</sup></b>								
CalPERS Target Income Fund	1.82	13.55	4.19	5.09	5.43	12/01/08	0.20%	\$2.00
<i>SIP Income Policy Benchmark<sup>6</sup></i>	1.82	13.65	4.35	5.28	5.86			
CalPERS Target Retirement 2020	1.98	14.38	4.76	5.90	6.93	12/01/08	0.20%	\$2.00
<i>SIP 2020 Policy Benchmark<sup>6</sup></i>	1.98	14.47	4.91	6.08	7.34			
CalPERS Target Retirement 2025	3.12	17.63	6.13	7.33	7.99	12/01/08	0.20%	\$2.00
<i>SIP 2025 Policy Benchmark<sup>6</sup></i>	3.11	17.71	6.27	7.50	8.39			
CalPERS Target Retirement 2030	4.12	20.70	7.35	8.48	8.99	12/01/08	0.20%	\$2.00
<i>SIP 2030 Policy Benchmark<sup>6</sup></i>	4.11	20.77	7.48	8.68	9.39			
CalPERS Target Retirement 2035	5.02	23.57	8.58	9.71	9.91	12/01/08	0.20%	\$2.00
<i>SIP 2035 Policy Benchmark<sup>6</sup></i>	5.00	23.63	8.69	9.90	10.34			
CalPERS Target Retirement 2040	6.09	27.00	9.92	10.97	10.71	12/01/08	0.20%	\$2.00
<i>SIP 2040 Policy Benchmark<sup>6</sup></i>	6.06	27.04	10.03	11.17	11.12			
CalPERS Target Retirement 2045	6.74	29.26	10.64	11.63	11.05	12/01/08	0.20%	\$2.00
<i>SIP 2045 Policy Benchmark<sup>6</sup></i>	6.70	29.28	10.74	11.82	11.49			
CalPERS Target Retirement 2050	6.74	29.26	10.64	11.63	11.11	12/01/08	0.20%	\$2.00
<i>SIP 2050 Policy Benchmark<sup>6</sup></i>	6.70	29.28	10.74	11.82	11.49			
CalPERS Target Retirement 2055	6.74	29.26	10.64	11.63	9.69	10/07/13	0.20%	\$2.00
<i>SIP 2055 Policy Benchmark<sup>6</sup></i>	6.70	29.28	10.74	11.82	9.95			
CalPERS Target Retirement 2060	6.74	29.26	10.64	-	12.89	11/01/18	0.20%	\$2.00
<i>SIP 2060 Policy Benchmark<sup>6</sup></i>	6.70	29.28	10.74	-	13.06			
CalPERS Target Retirement 2065	6.74	29.26	-	-	18.71	12/01/22	0.20%	\$2.00
<i>SIP 2065 Policy Benchmark<sup>6</sup></i>	6.70	29.28	-	-	18.94			
<b>Broad-Based Benchmarks<sup>7</sup></b>								
<i>Russell 3000 Index</i>	10.03	29.45	12.92	15.12	-	-	-	-
<i>MSCI ACWI ex-USA IMI Index (net)</i>	2.54	32.49	8.53	9.73	-	-	-	-
<i>Bloomberg US Aggregate Bond Index</i>	-1.35	5.13	0.17	1.70	-	-	-	-

## Part II. Explanation of CalPERS 457 Plan Expenses 5/31/26

<https://calpers.voya.com>

Table 2 provides information concerning Plan administrative fees and expenses that may be charged to your individual account if you take advantage of certain features of the Plan. In addition to the fees and expenses described in Table 2 below, some of the Plan's administrative expenses are paid from the Total Annual Operating Expenses of the Plan's investment options.

Table 2 - Fees and Expenses				
Individual Expenses <sup>8</sup>				
Service	Fee Amount	Frequency	Who do you pay this fee to?	Description
Loan Origination Fee	\$50	Per loan application	Voya	The charge covers the processing of your loan and applies each time you request a loan from your retirement account. This fee is deducted from your Plan account.
Maintenance Fee (For loans taken on or after April 1, 2020)	\$35 (\$8.75 assessed quarterly)	Annual	Voya	The charge covers the maintenance costs of your loan and applies on a quarterly basis. This fee is deducted from your Plan account.
Self-Managed Account (SMA) Maintenance Fee	\$50	Annual fee deducted monthly on a pro-rata basis	Voya	Schwab Personal Choice Retirement Account is available to you if your Employer has elected it as an option. This fee is deducted pro rata on a monthly basis from your core fund investments <sup>9</sup> in your CalPERS 457 account. For more information about SMAs, including a complete list of fees charged by Schwab for different types of investment transactions, please contact Schwab at (888) 393-PCRA (7272). Fees may also be incurred as a result of actual brokerage account trades. Before purchasing or selling any investment through the SMA, you should contact Schwab at (888) 393-PCRA (7272) to inquire about any fees, including any undisclosed fees, associated with the purchase or sale of such investment.
Self-Managed Account (SMA) Plan Administrative Fee	0.19% (\$1.90 per \$1,000)	Annual fee deducted monthly on a pro-rata basis	Voya	The SMA Plan Administrative fee pays for recordkeeping costs for assets in your SMA account. This fee is deducted pro rata on a monthly basis from your core fund investments in your CalPERS 457 account. The SMA Plan Administrative Fee is subject to change based on total Plan assets.

### Footnotes for Table 1 and Table 2:

<sup>1</sup> Fund returns shown are net of investment management and administrative expenses and fees unless otherwise noted. Benchmark performance returns do not reflect any management fees, transaction costs or expenses. Benchmarks are unmanaged. You cannot invest directly in a benchmark.

<sup>2</sup> Historical annual operating expenses are not available. Reported annual operating expenses are estimated based on Voya recordkeeping, and State Street Investment Management capped investment fees, and operating expenses.

<sup>3</sup> Total annual operating expenses are comprised of investment management and administrative expenses and fees incurred by the funds.

<sup>4</sup> State Street Real Asset Fund has a custom benchmark comprised of 25% Bloomberg Enhanced Roll Yield Index, 25% S&P® Global Large MidCap Commodity and Resources Index, 10% Dow Jones US Select REIT Index, 20% Bloomberg US Government Inflation-Linked 1-10 Year Bond Index, and 20% S&P® Global Infrastructure Index.

<sup>5</sup> If the ending market value (EMV) falls to zero in any one month, the inception date resets to the next month with an EMV. Performance is then calculated from the new inception date.

<sup>6</sup> The benchmark for each Target Retirement Date Fund is a composite of asset class benchmarks that are weighted according to each Fund's policy target weights. The asset class benchmarks are Russell 3000 Index, MSCI ACWI ex-USA IMI Index (net), Bloomberg US Aggregate Bond Index, the State Street Investment Management customized benchmark for Real Assets (see footnote 4), and ICE BofA US 3-Month Treasury Bill Index.

<sup>7</sup> Broad-based benchmarks grouped here provide comparative performance standards for domestic equity, international equity and fixed income.

<sup>8</sup> The CalPERS Board of Administration periodically reviews the plan administrative fees and adjusts fees to reflect expenses incurred by the Plan. Participant fees are charged to reimburse CalPERS for actual administrative fees of the Plan.

<sup>9</sup> Core fund investments are listed in Table 1 above the Target Retirement Date funds. Core funds include: State Street Russell All Cap Index Fund (Class I), State Street Global All Cap Equity ex-US Index Fund (Class I), State Street US Short Term Government/Credit Bond Index Fund (Class I), State Street US Bond Fund Index (Class I), State Street Real Asset Fund (Class A), and State Street Short Term Investment Fund ("STIF").

# Performance Update

MultiFund

Quoted performance data represents past performance. Past performance does not guarantee nor predict future performance. Current performance may be lower or higher than the performance data quoted. Please keep in mind that double-digit returns are highly unusual and cannot be sustained.

Variable products are sold by prospectus. Consider the investment objectives, risks, charges, and expenses of the variable product and its underlying investment options carefully before investing. The prospectus contains this and other information about the variable product and its underlying investment options. Please review the prospectus available online for additional information. Read it carefully before investing.

Investment return and principal value of an investment will fluctuate so that an investor's unit values, when redeemed, may be worth more or less than their original cost.

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026					
							1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	
<b>Maximum Capital Appreciation</b>												
DWS Alternative Asset Allocation VIP Portfolio - Class B <sup>1, 2, 3, 4, 5</sup>	MCA	02/02/2009	-0.14	8.63	10.42	-0.22	2.24	16.49	9.65	4.45	4.16	4.42
LVIP Baron Growth Opportunities Fund - Service Class <sup>8, 9</sup>	MCA	10/01/1998	1.01	-11.92	-11.17	0.86	-4.15	-16.34	-3.36	-4.73	6.26	8.59
LVIP Franklin Templeton Multi-Factor Emerging Markets Equity Fund - Service Class <sup>1, 7, 9</sup>	MCA	06/18/2008	3.42	24.36	26.97	8.98	10.39	55.36	25.12	9.88	9.00	4.85
LVIP Nomura SMID Cap Core Fund - Service Class <sup>8, 9, 12</sup>	MCA	07/12/1991	0.59	15.25	14.14	2.84	7.05	28.87	17.06	7.29	9.57	8.99
LVIP State Street Small-Cap Index Fund - Service Class <sup>8, 9, 22</sup>	MCA	04/18/1986	0.41	15.31	17.40	4.25	10.84	40.84	18.36	4.91	9.40	6.86

# Performance Update

MultiFund

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Service Class <sup>8,9</sup>	MCA	02/03/1994	0.49	2.12	4.27	3.58	3.65	9.08	16.36	6.47	11.78	7.11
<b>Long Term Growth</b>												
American Funds® IS Global Growth Fund - Class 2 <sup>1</sup>	LTG	04/30/1997	0.80	15.42	19.13	9.11	11.24	37.11	21.40	9.18	13.27	9.71
American Funds® IS Growth Fund - Class 2	LTG	02/08/1984	-0.06	3.09	7.65	7.53	10.02	24.63	25.60	12.12	17.56	12.45
American Funds® IS International Fund - Class 2 <sup>1</sup>	LTG	05/01/1990	0.49	11.15	14.60	5.97	4.66	34.36	16.46	4.27	7.45	6.70
Fidelity® VIP Contrafund® Portfolio - Service Class 2	LTG	01/03/1995	-0.05	6.86	8.99	4.22	8.40	26.98	26.02	14.00	15.20	11.21
Fidelity® VIP Growth Portfolio - Service Class 2	LTG	10/09/1986	-0.48	9.67	13.60	6.38	14.19	29.68	24.78	13.34	17.70	10.55
LVIP BlackRock Real Estate Fund - Service Class <sup>1, 8, 9, 14, 15</sup>	LTG	04/30/2007	1.59	8.86	9.09	-0.23	-1.62	12.33	9.86	0.24	2.98	1.18
LVIP Dimensional U.S. Core Equity 1 Fund - Service Class <sup>9</sup>	LTG	12/28/1981	0.05	9.66	11.32	3.85	7.98	28.09	20.52	10.88	13.01	9.88
LVIP Mondrian International Value Fund - Service Class <sup>1, 9</sup>	LTG	05/01/1991	0.51	6.70	7.98	1.77	-0.99	20.31	18.50	8.86	7.17	5.80
LVIP Nomura Mid Cap Value Fund - Service Class <sup>8, 9, 12</sup>	LTG	12/28/1981	0.78	17.69	16.82	0.41	4.04	32.53	19.61	9.49	10.23	10.17
LVIP State Street International Index Fund - Service Class <sup>1, 9, 22, 23</sup>	LTG	04/30/2008	0.03	6.43	9.00	2.47	-1.07	20.84	16.30	7.12	7.71	3.34
LVIP State Street S&P 500 Index Fund - Service Class <sup>9, 22, 24</sup>	LTG	05/01/2000	-0.26	7.78	10.59	5.14	10.10	27.87	21.79	12.46	13.94	6.89
LVIP Vanguard Domestic Equity ETF Fund - Service Class <sup>3, 4</sup>	LTG	04/29/2011	-0.20	8.40	10.87	5.00	9.63	27.69	20.76	11.14	13.21	11.55

# Performance Update

MultiFund

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP Vanguard International Equity ETF Fund - Service Class <sup>1, 3, 4</sup>	LTG	04/29/2011	0.08	10.69	13.60	3.62	2.23	30.48	18.26	6.72	8.13	5.02
MFS® VIT Utilities Series - Service Class <sup>14</sup>	LTG	01/03/1995	0.88	4.89	5.94	-5.33	-5.99	13.43	10.02	6.72	7.63	9.33
Nomura VIP Small Cap Value Series - Service Class <sup>8, 12</sup>	LTG	12/27/1993	1.01	16.15	14.20	-0.74	3.82	27.40	16.08	5.50	8.33	8.93
<b>Growth and Income</b>												
American Funds® IS Growth-Income Fund - Class 2	GI	02/08/1984	0.13	7.82	10.13	3.72	8.45	26.48	22.30	12.33	13.56	10.56
Fidelity® VIP Freedom 2020 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/26/2005	0.23	4.30	5.47	1.73	1.64	13.08	10.13	3.59	6.39	5.49
Fidelity® VIP Freedom 2025 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/26/2005	0.23	5.03	6.35	2.04	2.05	14.88	11.36	4.25	7.12	6.09
Fidelity® VIP Freedom 2030 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/26/2005	0.22	5.63	7.03	2.19	2.37	16.29	12.46	4.88	8.08	6.47
Fidelity® VIP Freedom 2035 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/08/2009	0.20	6.36	7.91	2.46	2.84	18.17	14.17	5.90	9.30	10.39
Fidelity® VIP Freedom 2040 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/08/2009	0.16	7.76	9.55	2.93	3.78	21.43	16.60	7.34	10.33	11.08
Fidelity® VIP Freedom 2045 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/08/2009	0.19	8.68	10.64	3.27	4.41	23.37	17.72	7.98	10.66	11.33
Fidelity® VIP Freedom 2050 Portfolio <sup>SM</sup> - Service Class 2 <sup>3, 6</sup>	GI	04/08/2009	0.14	8.79	10.81	3.30	4.53	23.58	17.78	8.01	10.68	11.42
LVIP BlackRock Equity Dividend Fund - Service Class <sup>9, 12</sup>	GI	07/28/1988	0.87	8.85	8.44	1.85	3.21	23.58	11.95	5.79	7.31	7.55
LVIP JPMorgan Retirement Income Fund - Service Class <sup>2, 9, 12</sup>	GI	04/27/1983	0.15	3.38	4.56	1.60	1.82	12.48	9.48	3.47	4.50	6.15

# Performance Update

MultiFund

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP Nomura U.S. REIT Fund - Service Class <sup>8, 9, 12, 14, 15</sup>	GI	05/04/1998	2.24	15.27	13.02	0.02	2.47	13.69	10.06	3.42	3.64	6.67
<b>Income</b>												
LVIP BlackRock Inflation Protected Bond Fund - Service Class <sup>1, 9, 13</sup>	I	04/30/2010	0.08	1.28	1.76	0.13	0.30	3.60	3.06	1.44	1.76	1.47
LVIP Fidelity Institutional AM <sup>®</sup> Total Bond Fund - Service Class <sup>9, 12, 13</sup>	I	05/16/2003	0.21	-0.27	0.14	0.20	-1.56	4.21	3.08	-1.14	0.96	2.96
LVIP Franklin Templeton Core Bond Fund - Service Class <sup>9, 12, 13</sup>	I	12/28/1981	0.24	-0.37	0.05	0.22	-1.64	4.14	2.89	-1.26	0.62	5.51
LVIP Mondrian Global Income Fund - Service Class <sup>1, 9, 10, 13</sup>	I	05/04/2009	0.19	-0.97	0.02	0.31	-2.21	0.23	0.44	-3.92	-1.00	0.42
LVIP Nomura Diversified Floating Rate Fund - Service Class <sup>9, 12, 13, 18, 19</sup>	I	04/30/2010	0.02	1.20	1.25	0.37	0.86	3.65	4.19	2.36	1.60	0.93
LVIP Nomura High Yield Fund - Service Class <sup>9, 12, 13, 20</sup>	I	07/28/1988	0.04	0.20	0.55	0.26	0.30	5.69	7.52	2.53	4.10	4.99
LVIP State Street Bond Index Fund - Service Class <sup>9, 13, 22</sup>	I	04/30/2008	0.23	-0.59	-0.16	0.15	-1.76	3.46	2.32	-1.39	0.11	1.22
PIMCO VIT Total Return Portfolio - Administrative Class <sup>7, 13</sup>	I	12/31/1997	0.22	-0.37	0.19	0.39	-1.80	5.59	4.11	-0.47	1.13	3.40
<b>Preservation of Capital</b>												
LVIP Government Money Market Fund - Service Class	PC	01/07/1982	0.01	0.92	0.86	0.17	0.52	2.39	3.12	2.02	0.81	2.49
7-Day Current (Net/Gross) Yield as of 4/30/2026: 3.08%/3.71% <sup>9, 17</sup>												
<b>Risk Managed - Asset Allocation</b>												

# Performance Update

MultiFund

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026					
							1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	
LVIP Global Conservative Allocation Managed Risk Fund - Service Class <sup>1, 2, 3, 9, 16</sup>	RMAA	05/03/2005	0.22	2.74	3.79	1.56	1.20	11.59	8.24	2.12	3.80	4.13
LVIP Global Growth Allocation Managed Risk Fund - Service Class <sup>1, 2, 3, 9, 16</sup>	RMAA	05/03/2005	0.32	5.56	7.16	2.72	3.29	18.28	12.95	4.19	5.49	4.47
LVIP Global Moderate Allocation Managed Risk Fund - Service Class <sup>1, 2, 3, 9, 16</sup>	RMAA	05/03/2005	0.32	4.53	5.97	2.41	2.59	16.03	11.09	3.40	4.85	4.39
LVIP State Street Global Tactical Allocation Managed Volatility Fund - Service Class <sup>1, 2, 3, 9, 11</sup>	RMAA	05/03/2005	0.13	5.37	7.14	2.58	2.81	18.46	12.69	4.95	5.86	4.10
<b>Asset Allocation</b>												
Fidelity® VIP Freedom 2055 Portfolio <sup>SM</sup> - Service Class <sup>2, 3, 7</sup>	AsA	04/11/2019	0.19	8.95	10.96	3.36	4.66	23.81	17.86	8.06	N/A	11.22
Fidelity® VIP Freedom 2060 Portfolio <sup>SM</sup> - Service Class <sup>2, 3, 7</sup>	AsA	04/11/2019	0.19	8.98	11.04	3.37	4.70	23.84	17.87	8.07	N/A	11.24
LVIP BlackRock Global Allocation Fund - Service Class <sup>1, 2, 9</sup>	AsA	04/26/2019	0.23	4.78	6.78	3.25	3.02	18.50	13.59	4.92	N/A	7.80
LVIP T. Rowe Price 2020 Fund - Service Class <sup>3, 6, 9</sup>	AsA	05/01/2007	0.09	4.45	5.85	2.00	2.31	14.80	11.04	4.18	6.02	4.15
LVIP T. Rowe Price 2030 Fund - Service Class <sup>3, 6, 9</sup>	AsA	05/01/2007	0.10	5.44	7.13	2.47	2.84	17.90	13.26	5.36	7.18	4.66
LVIP T. Rowe Price 2040 Fund - Service Class <sup>3, 6, 9</sup>	AsA	05/01/2007	0.08	7.47	9.68	3.32	4.16	23.43	16.81	7.44	8.80	5.17
LVIP T. Rowe Price 2050 Fund - Service Class <sup>3, 6, 9</sup>	AsA	04/29/2011	0.06	8.42	10.89	3.71	4.87	26.05	18.40	8.37	9.74	6.78

# Performance Update

MultiFund

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day 06/09/2026	YTD as of 06/09/2026	YTD as of 05/29/2026	1 Mo as of 05/29/2026	3 Mo as of 05/29/2026	Average Annual Total Return (%) as of 5/29/2026				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP T. Rowe Price 2060 Fund - Service Class <sup>3, 6, 9</sup>	AsA	04/30/2020	0.06	8.56	11.06	3.76	5.01	26.33	18.50	8.46	N/A	14.06
<b>Risk Managed - US Large Cap</b>												
LVIP BlackRock Dividend Value Managed Volatility Fund - Service Class <sup>9, 10, 11</sup>	RMUSL	02/03/1994	0.45	11.12	11.08	1.72	3.24	24.58	14.50	7.36	8.44	6.85
LVIP Blended Large Cap Growth Managed Volatility Fund - Service Class <sup>9, 10, 11</sup>	RMUSL	02/03/1994	-0.40	0.79	4.90	5.44	9.68	19.12	17.49	9.72	11.58	7.37
<b>Risk Managed - US Mid Cap</b>												
LVIP Blended Mid Cap Managed Volatility Fund - Service Class <sup>8, 9, 10, 11</sup>	RMUSM	05/01/2001	0.48	2.28	4.17	2.86	3.73	6.42	11.18	3.91	8.96	4.49
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Service Class <sup>8, 9, 10, 11</sup>	RMUSM	05/01/2001	1.01	9.17	8.09	0.00	0.59	15.90	11.98	5.11	6.43	5.96
<b>Risk Managed - Global/International</b>												
LVIP Global Equity Managed Volatility Fund - Service Class <sup>1, 9, 10, 11</sup>	RMGI	08/01/1985	0.01	1.45	4.84	2.42	0.93	18.68	13.03	6.39	7.64	6.85
LVIP State Street International Managed Volatility Fund - Service Class <sup>1, 3, 9, 11</sup>	RMGI	12/31/2013	0.05	6.48	9.04	2.53	-1.01	20.93	14.23	5.31	5.37	3.07
<b>ESG/Socially Conscious</b>												
AB VPS Sustainable Global Thematic Portfolio - Class B <sup>1</sup>	ESC	01/11/1996	-0.42	0.91	3.77	3.39	5.12	7.76	8.13	1.25	9.36	5.37
LVIP Nomura Social Awareness Fund - Service Class <sup>9, 12, 21</sup>	ESC	05/02/1988	-0.05	5.31	8.29	3.68	8.92	24.11	19.32	10.79	12.82	10.05

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\* These returns are measured from the inception date of the fund and predate its availability as an investment option in the variable annuity (separate account). This hypothetical representation depicts how the investment option would have performed had the fund been available in the variable annuity during the time period. It includes deductions for the M&E charge and the contract administrative fee. If selected above, the cost for the i4LIFE® Advantage feature or a death benefit will be reflected. The cost for other riders with quarterly charges is not reflected. No surrender charge and no annual contract charge is reflected.

**Risk disclosure(s):** The following summarizes some of the risks associated with the underlying funds available for investment. For risks specific to each investment option, please see each fund's prospectus.

## 1: International

Investing internationally involves risks not associated with investing solely in the United States, such as currency fluctuation, political or regulatory risk, currency exchange rate changes, differences in accounting and the limited availability of information.

## 2: Asset Allocation Portfolios

Asset allocation does not ensure a profit, nor protect against loss in a declining market.

## 3: Fund of funds

Each fund is operated as a fund of funds that invests primarily in one or more other funds, rather than in individual securities. A fund of this nature may be more expensive than other investment options because it has additional levels of expenses. From time to time, the Fund's advisor may modify the asset allocation to the underlying funds and may add new funds. A Fund's actual allocation may vary from the target strategic allocation at any point in time. Additionally, the Fund's advisor may directly manage assets of the underlying funds for a variety of purposes.

## 4: Exchange-traded funds

Exchange-traded funds (ETFs) in this lineup are available through collective trusts or mutual funds. Investors cannot invest directly in an ETF.

## 5: Alternative Funds

Certain funds (sometimes called "alternative funds") expect to invest in (or may invest in some) positions that emphasize alternative investment strategies and/or nontraditional asset classes and, as a result, are subject to the risk factors of those asset classes and/or investment strategies. Some of those risks may include general economic risk, geopolitical risk, commodity-price volatility, counterparty and settlement risk, currency risk, derivatives risk, emerging markets risk, foreign securities risk, high-yield bond exposure, index investing risk, exchange-traded notes risk, industry concentration risk, leveraging risk, real estate investment risk, master limited partnership risk, master limited partnership tax risk, energy infrastructure companies risk, sector risk, short sale risk, direct investment risk, hard assets sector risk, active trading and "overlay" risks, event-driven investing risk, global macro strategies risk, temporary defensive positions and large cash positions. If you are considering investing in alternative investment funds, you should ensure that you understand the complex investment strategies sometimes employed and be prepared to tolerate the risks of such asset classes. For a complete list of risks, as well as a discussion of risk and investment strategies, please refer to the fund's prospectus. The fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the fund's losses to be greater than if it invested only in conventional securities and can cause the fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The fund's use of derivatives may cause the fund's investment returns to be impacted by the performance of securities the fund does not own and may result in the fund's total investment exposure exceeding the value of its portfolio.

## 6: Target-date funds

The target date is the approximate date when investors plan to retire or start withdrawing their money. Some target-date funds make no changes in asset allocation after the target date is reached; other target-date funds continue to make asset allocation changes following the target date. (See the prospectus for the funds allocation strategy.) The principal value is not guaranteed at any time, including at the target

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# Performance Update

date. An asset allocation strategy does not guarantee performance or protect against investment losses. A "fund of funds" may be more expensive than other types of investment options because it has additional levels of expenses.

## 7: Emerging Markets

Investing in emerging markets can be riskier than investing in well-established foreign markets. International investing involves special risks not found in domestic investing, including increased political, social and economic instability, all of which are magnified in emerging markets.

## 8: Small & Mid Cap

Funds that invest in small and/or midsize company stocks may be more volatile and involve greater risk, particularly in the short term, than those investing in larger, more established companies.

## 9: Manager of managers funds

Subject to approval of the fund's board, Lincoln Financial Investments Corporation (LFI) has the right to engage or terminate a subadvisor at any time, without a shareholder vote, based on an exemptive order from the Securities and Exchange Commission. LFI is responsible for overseeing all subadvisors for funds relying on this exemptive order.

## 10: Multimanager

For those LVIP funds that employ a multimanager structure, Lincoln Financial Investments Corporation (LFI) is responsible for overseeing the subadvisor(s). While the investment styles employed by the fund's subadvisors are intended to be complementary, they may not, in fact, be complementary, they may not, in fact, be complementary. A multimanager approach may result in more exposure to certain types of securities risks and in higher portfolio turnover.

## 11: Managed Volatility Strategy

The fund's managed volatility strategy is not a guarantee, and the fund's shareholders may experience losses. The fund employs hedging strategies designed to reduce overall portfolio volatility. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.

## 12: Macquarie Investment Management

Investments in Macquarie VIP Series, Delaware Funds, Ivy Funds, LVIP Macquarie Funds or Lincoln Life accounts managed by Macquarie Investment Management Advisers, a series of Macquarie Investments Management Business Trust, are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46008 583 542 and its holding companies, including their subsidiaries or related companies, and are subject to investment risk, including possible delays in prepayment and loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the series or funds or accounts, the repayment of capital from the series or funds or account, or any particular rate of return.

## 13: Bonds

The return of principal in bond funds is not guaranteed. Bond funds have the same interest rate, inflation, credit, duration, prepayment and market risks that are associated with the underlying bonds owned by the fund or account.

## 14: Sector Funds

Funds that target exposure to one region or industry may carry greater risk and higher volatility than more broadly diversified funds.

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# Performance Update

## 15: REIT

A real estate investment trust (REIT) involves risks such as refinancing, economic conditions in the real estate industry, declines in property values, dependency on real estate management, changes in property taxes, changes in interest rates and other risks associated with a portfolio that concentrates its investments in one sector or geographic region.

## 16: Risk Management Strategy

The fund's risk management strategy is not a guarantee, and the funds shareholders may experience losses. The fund employs hedging strategies designed to provide downside protection during sharp downward movements in equity markets. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to other unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.

## 17: LVIP Government Money Market Fund

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$10.00 per share for LVIP Government Money Market Fund, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress. The 7-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.

## 18: Ultra Short Bond Funds

During periods of extremely low short-term interest rates, the fund may not be able to maintain a positive yield and, given a historically low interest rate environment, may experience risks associated with rising rates.

## 19: Floating rate funds

Floating rate funds should not be considered alternatives to CDs or money market funds and should not be considered as cash alternatives.

## 20: High-yield or mortgage-backed funds

High-yield funds may invest in high-yield or lower rated fixed income securities (junk bonds) or mortgage-backed securities with exposure to subprime mortgages, which may experience higher volatility and increased risk of nonpayment or default.

## 21: ESG

An environmental, social, governance (ESG) standards strategy (also referred to as engagement, green, impact, responsible, social aware, sustainable) generally prohibits investment in certain types of companies, industries and segments of the U.S. economy. Thus this strategy may (i) miss opportunities to invest in companies, industries or segments of the U.S. economy that are providing superior performance relative to the market as a whole and (ii) become invested in companies, industries and segments of the U.S. economy that are providing inferior performance relative to the market as a whole.

## 22: Index

An index is unmanaged, and one cannot invest directly in an index. Indices do not reflect the deduction of any fees.

## 23: MSCI

The fund described herein is indexed to an MSCI® index. It is not sponsored, endorsed, or promoted by MSCI®, and MSCI® bears no liability with respect to any such fund or to an index on which a fund is based. The prospectus and statement of additional information contain a more detailed description of the limited relationship MSCI® has with Lincoln Investment Advisors Corporation and any related funds.

# Performance Update

## 24: S&P

The Index to which this fund is managed is a product of S&P Dow Jones Indices LLC (SPDJI) and has been licensed for use by one or more of the portfolio's service providers (licensee). Standard & Poor's®, and S&P®, S&P GSCI® and S&P 500® are registered trademarks of S&P Global, Inc. or its affiliates (S&P); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). The trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the licensee. The licensee's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or their third party licensors, and none of these parties or their respective affiliates or third party licensors make any representation regarding the advisability of investing in such products, nor do they have liability for any errors, omissions, or interruptions of the Index.

## Important Disclosures

Variable products are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, distributed by Lincoln Financial Distributors, Inc., and offered by broker/dealers with an effective selling agreement. The Lincoln National Life Insurance Company is not authorized nor does it solicit business in the state of New York. **Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

Limitations and exclusions may apply.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

## Asset Categories

MCA	= Maximum Capital Appreciation
LTG	= Long Term Growth
GI	= Growth and Income
I	= Income
PC	= Preservation of Capital
RMAA	= Risk Managed - Asset Allocation
AsA	= Asset Allocation
RMUSL	= Risk Managed - US Large Cap
RMUSM	= Risk Managed - US Mid Cap
RMGI	= Risk Managed - Global/International
ESC	= ESG/Socially Conscious

**DISTRICT  
CORRESPONDENCE**  
Board Meeting of June 15, 2026



**Date:**                      **Correspondence Sent To:**

1. 06/02/2026      Mr. Thomas Springer, GM

**Subject:** Notice of Violations – Failure to Submit Required Restaurant Questionnaire

2. 06/10/2026      Alpha Resource Center of Santa Barbra

**Subject:** Goleta Sanitary District Sewer Service Charge Fiscal Year Ending June 30, 2026

Letters also sent to:

- Goleta Union School District
- Goleta Water District
- Hope School District
- Santa Barbara Unified School District
- St. Rafael School
- United Boys & Girls Clubs of Santa Barbara Country

**Date:**                      **Correspondence Received From:**

None

***Hard Copies of the Correspondence are available at the District's Office for review***