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/85679289298?pwd=36kPeYCVo6qyKwavAo2De9G0QPsNGI.1

Meeting ID: 856 7928 9298

Passcode: 674703

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

August 3, 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 July 20, 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. CONSIDERATION AND ADOPTION OF RESOLUTION AUTHORIZING THE INVESTMENT OF DISTRICT MONEY IN THE CALIFORNIA COOPERATIVE LIQUID ASSET SECURITIES SYSTEM ("CA-CLASS") TERM SERIES II PORTFOLIOS
(Board may take action on this item)

2. CONSIDERATION AND ADOPTION OF RESOLUTION APPROVING REVISED STATEMENT OF INVESTMENT POLICY
(Board may take action on this item)

3. CONSIDERATION OF FY27 ACTION PLAN STATUS REPORT

4. CONSIDERATION AND POSSIBLE ACTION TO APPROVE A PERFORMANCE INCENTIVE PAYMENT TO THE GENERAL MANAGER PURSUANT TO THE GENERAL MANAGER'S PERFORMANCE INCENTIVE PROGRAM
   (Board may take action on this item)

5. GENERAL MANAGER'S REPORT

6. LEGAL COUNSEL'S REPORT

7. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES

8. PRESIDENT'S REPORT

9. ITEMS FOR FUTURE MEETINGS

10. CORRESPONDENCE
    (The Board will consider correspondence received by and sent by the District since the last Board Meeting.)

11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT
    (The Board will be asked to ratify claims.)

12. CLOSED SESSION

    (i) PUBLIC COMMENTS ON CLOSED SESSION ITEMS

    (ii) PUBLIC EMPLOYMENT
    Government Code Section 54957
    Title: General Manager

    (iii) CONFERENCE WITH LABOR NEGOTIATORS
    Government Code 54957.6
    Agency designated representatives: Personnel Committee Members
    President Steve Majoewsky and Board member Jon Frye
    Unrepresented employee: General Manager

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.

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
OF THE GOLETA SANITARY DISTRICT
DISTRICT OFFICE CONFERENCE ROOM
ONE WILLIAM MOFFETT PLACE
GOLETA, CALIFORNIA 93117

July 20, 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, Jeff Ferre, General Counsel (via Zoom)
OTHERS PRESENT:	Tom Evans, Director, Goleta Water District (via Zoom) Craig Geyer, Director, Goleta West Sanitary District (via Zoom) Bob Thomas, 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 07/06/2026. The motion carried by the following vote:

(26/07/2137)

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 24 hours in advance of the meeting.
PUBLIC COMMENTS:	None

BUSINESS:

1. PUBLIC HEARING REGARDING PLACING SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL FOR FISCAL YEAR 2026-27. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 26-738 OVERRULING OBJECTIONS AND ADOPTING REPORT ON SEWER SERVICE CHARGES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2026-27
Mr. Adomaitis gave the staff report.

President Majoewsky opened the Public Hearing at 6:32 p.m.
No public comment.
The Public Hearing was closed at 6:33 p.m.

Director Nevins made a motion, seconded by Director Frye to approve and adopt Resolution No. 26-738 overruling objections and adopting report on sewer service charges to be collected on the tax roll for Fiscal Year 2026-27.

The motion carried by the following vote:

(26/07/2138)

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

2. REVIEW OF QUARTERLY CAPITAL IMPROVEMENT PROGRAM PROJECT STATUS REPORT
Mr. Wilson and Mr. Wagner gave the staff report on this presentation item. No Board action was taken.

3. CONSIDERATION OF VOTING TO ELECT A REPRESENTATIVE TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS FOR SEAT C - COASTAL NETWORK FOR THE 2027-29 TERM
Mr. Adomaitis gave the staff report.

Director Frye made a motion, seconded by Director Glancy to direct the General Manager to submit a vote for Vincent Ferrante as representative to the California Special District Association Board of Directors Seat C – Coastal Network for the 2027-29 term.

The motion carried by the following vote:

(26/07/2139)

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

NOES:	None
ABSENT:	None
ABSTAIN:	None

4. GENERAL MANAGER'S REPORT
Mr. Adomaitis gave the report.

5. LEGAL COUNSEL'S REPORT
Mr. Ferre reported on California SB 1159 regarding artificial intelligence; transparency and governance. The bill would prohibit a person from knowingly using artificial intelligence to falsely represent that a natural person appeared before, submitted information to, or otherwise engaged with a governmental agency.

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

Director Nevins – Submitted a report on the Goleta West Sanitary District meeting he attended.

Director Frye – No report.

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 07/07/2026 to 07/20/2026 as follows:

Running Expense Fund #4640	$	711,556.46
Capital Reserve Fund #4650	$	71,909.74
Depreciation Replacement Reserve Fund #4655	$	96,148.58
Retiree Health Insurance Sinking Fund #4660	$	22,011.61

The motion carried by the following vote:

(26/07/2140)

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

11. CLOSED SESSION

(i) PUBLIC COMMENTS ON CLOSED SESSION ITEM

(ii) CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 – PUBLIC PERFORMANCE EVALUATION: GENERAL MANAGER

Board entered closed session at 7:19 p.m.
Board returned to open session at 7:46 p.m.

(iii) PUBLIC REPORT ON CLOSED SESSION
No reportable action was taken.

ADJOURNMENT
There being no further business, the meeting was adjourned at 7:47 p.m.

ATTEST

Steven T. Majoewsky	Robert O. Mangus, Jr.
Governing Board President	Governing Board Secretary

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: August 3, 2026

I. NATURE OF ITEM

Consideration and Adoption of Resolution Authorizing the Investment of District Money in the California Cooperative Liquid Asset Securities System ("CA-CLASS") Term Series II Portfolios

II. BACKGROUND INFORMATION

On November 21, 2022, the Board passed Resolution No. 22-695 authorizing investment of District Funds in the CA-CLASS Prime Fund. CA-CLASS has established Term Series II portfolios as an alternative investment for Prime Fund participants. Each Series portfolio has a portfolio-specific final maturity date of not more than two (2) years. Each Term Series portfolio offers a fixed interest rate based on the redemption date selected by the participant. An investment of a minimum of sixty (60) days and a maximum of one (1) year is available. This investment is much like a Certificate of Deposit.

III. COMMENTS AND RECOMMENDATIONS

If the Board wishes to authorize the investment of District funds in the CA-CLASS Term Series II portfolios, it is recommended that the Board adopt the proposed resolution, subject to such revisions as the Board deems appropriate.

IV. REFERENCE MATERIAL

Resolution No. 22-695 Authorizing the Investment of District Money in the California Cooperative Liquid Asset Securities System Prime Cash Fund
CA-CLASS Information Statement Term Series II portfolios
Resolution No. 26-739 Authorizing the Investment of District Money in the California Cooperative Liquid Asset Securities System Term Series II Portfolios

RESOLUTION NO. 22-695

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT AUTHORIZING THE INVESTMENT OF DISTRICT MONEY IN THE CALIFORNIA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM PRIME CASH FUND

WHEREAS, as authorized by Government Code Section 6509.7, the California Cooperative Liquid Assets Securities System ("California CLASS") has been created by a joint exercise of powers agreement by and among California public agencies to offer public agencies a method for investing in a pooled investment with highly liquid, investment-grade securities selected to optimize interest earnings while maximizing safety and liquidity; and

WHEREAS, the California CLASS Prime Cash Fund (the "CLASS Prime Fund") is managed by California CLASS to comply with the requirements of California law, specifically California Government Code Section 53601. The investment objectives of the CLASS Prime Fund are to preserve principal, provide daily liquidity, earn a competitive rate of return, and maintain a stable Net Asset Value (NAV) of $1.00; and

WHEREAS, the Governing Board (the "Board") of the Goleta Sanitary District (the "District") desires to authorize the investment of District funds in the CLASS Prime Fund.

NOW THEREFORE, BE IT RESOLVED, by the Governing Board of the Goleta Sanitary District as follows:

1. The Board hereby finds that the investment of District funds in the CLASS Prime Fund is in the best interests of the District.

2. The Board hereby authorizes the investment of District funds in the CLASS Prime Fund.

3. The persons holding the following District offices shall be authorized to order (i) the deposit of funds into the CLASS Prime Fund, and (ii) the transfer of funds between the CLASS Prime Fund and other accounts maintained by the District with various financial institutions, including the account maintained by the District with the Local Agency Investment Fund (LAIF):

- President of the Governing Board
- General Manager/District Engineer/Treasurer
- Finance and Human Resources Manager/Board Secretary

PASSED AND ADOPTED this 21st day of November, 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES: **Majoewsky, Emerson, Rose, Fuller, Smith**

NOES: **None**

ABSENT: **None**

ABSTAIN: **None**

COPY

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED:

COPY

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

ABOUT CALIFORNIA CLASS TERM SERIES II

California CLASS Term Series II (TS II) is a pooled investment vehicle designed to deliver a fixed rate of return while prioritizing capital preservation, planned liquidity (scheduled-maturity date), and competitive yields - built on the same high-quality investments as the California CLASS Prime portfolio.

Permitted investments include highly rated investment vehicles such as obligations of the U.S. government and its agencies and instrumentalities, commercial paper, bankers' acceptance, repurchase agreements, and investments permitted by California state statute and the California CLASS Investment Policy.

INVEST WITH CONFIDENCE

TS II provides fixed rates, targeted liquidity, and high-rated securities, enabling Participants to confidently align investments with their operational needs. Find out more below!

KEY FEATURES:

- Rated AAAf by Fitch Ratings
- Comprised of Permissible Investments by California Government Code Section 53601
- Competitive, Fixed Rate of Return
- Customized Redemption Date Selected by You!

TERM SERIES II SUMMARY

Minimum Investment Period:	60 days
Maximum Investment Period:	One (1) Year [365 days]
Minimum Investment:	$1,000,000
Investment Rate:	Fixed to planned redemption date. All investment rates are quoted net of fees and on a 365 basis unless noted otherwise.
Planned Redemption Date:	Principal plus interest is posted to the Participant's California CLASS account.
Withdrawal Prior to Planned Redemption Date:	Withdrawals made at any time prior to the planned redemption date are subject to an early redemption penalty associated with early liquidation which may reduce or eliminate income and/or may reduce principal.
Rating:	Fitch Ratings has assigned a AAAf to the California CLASS Term Series II portfolio.

YOUR DEDICATED RELATIONSHIP TEAM

Bob Shull
Senior Director
(213) 378-2070
bob.shull@californiaclass.com

Crystal Lynn
Director
(213) 291-7422
crystal.lynn@californiaclass.com

INVESTING MADE EASY

Offering your local government a comprehensive approach to investing your funds

Investment Option	California CLASS Prime	California CLASS Enhanced Cash	California CLASS Term Series II
Portfolio Type	Prime-style fund	Enhanced cash	Target maturity fund
Safety	Rated 'AAAm' by S&P Global Ratings	Rated 'AAAf/S1' by Fitch Ratings	Rated 'AAAf' by Fitch Ratings
Liquidity Offered	Daily	Next-day	Held to maturity (of investors choosing)
Minimum Investment	None	None	$1 Million
Withdrawals	Unlimited	Unlimited	Planned redemption at maturity
Investment Horizon	Day-to-day	12-18 Months	60 to 365 Days
Dividend Rate	Apply daily	Accrue daily	Accrue daily / Paid at maturity
WAM	≤60 days	90-200 days	N/A
Net Asset Value (NAV)	Stable $1.00 per share	Variable $10.00 per share	Principal at maturity

ELIGIBLE INVESTMENTS

California CLASS investments are made in accordance with California Statutes. Information regarding any investments in a California CLASS portfolio will be provided upon request. To review the California CLASS Investment Policy, please visit www.californiaclass.com.

California CLASS

Information Statement
Term Series II
April 2026

Introduction

The purpose of this Information Statement for the California CLASS Term Series II ("Term Series II") is to provide information to Participants (as defined herein) in connection with the purchase of Shares (as defined herein) in Term Series II funds to be established by California CLASS from time to time. This Information Statement for Term Series II describes certain provisions of the JPA Agreement (as defined herein) for the California CLASS and the Investment Policy for Term Series II funds. Participants interested in the purchase of Shares in Term Series II funds should review the full terms of the JPA Agreement (located in the Document Center at www.californiaclass.com) and the Investment Policy for Term Series II funds described herein (located in the Document Center at www.californiaclass.com), each of which are incorporated herein by reference. Capitalized terms not otherwise defined herein shall have the meanings set forth in the JPA Agreement.

The JPA Agreement authorizes California CLASS to create one or more funds and one or more classes of such funds. As of February 2026, California CLASS has established the California CLASS Prime Fund (Prime Fund) and the California CLASS Enhanced Cash Fund, and has authorized an unlimited number of Term Series II funds (also referred to as "portfolios") to be established from time to time. This Information Statement describes Term Series II.

The contents of this Information Statement should not be considered to be legal, tax or investment advice, and Participants should consult with their own counsel and advisers as to all matters concerning investment in Term Series II.

California CLASS Summary

The California Cooperative Liquid Assets Securities System, doing business as the California CLASS, is a California joint powers authority created pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (commencing with Section 6500), known as the Joint Exercise of Powers Act (Act) and the JPA Agreement referenced below.

The Act provides that two or more public agencies (as defined herein, Public Agencies) that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power and create a joint powers authority separate from such Public Agencies to exercise such common power and to act as administrator of the agreement. Under this authority, California CLASS was created pursuant to a Joint Exercise of Powers Agreement (as amended, JPA Agreement) dated as of June 6, 2022, between the Founding Participants (as defined in the JPA Agreement).

The Act authorizes a joint powers authority, such as California CLASS, to issue shares of beneficial interest in authorized investments to participating Public Agencies (collectively referred to herein, as "Participants" and individually, as a "Participant"). See "Eligible Shareholders." The JPA Agreement sets forth the terms of the investment program known as California CLASS Investment Program, including the establishment of Funds in which Participants purchase shares of beneficial interest issued by

California CLASS in authorized investments that are owned by California CLASS. California CLASS has authorized an unlimited number of Term Series II portfolios to be established from time to time. Each Term Series II portfolio is a "Fund" under the JPA Agreement.

The purpose of California CLASS is to consolidate investment activities of the Participants and thereby reduce duplication, take advantage of economies of scale and perform governmental functions more efficiently through the California CLASS Investment Program.

As a joint powers authority, California CLASS provides a professionally managed pooled investment program for Participants. See "Investment Advisor & Administrator." Pursuant to the JPA Agreement, California CLASS is governed by a Board of Trustees and is sponsored by the California Special Districts Association (CSDA) and the League of California Cities (Cal Cities and together with CSDA, the Sponsors). See "Board of Trustees."

Shares in Term Series II portfolios have not been, and are not required to be, registered under any federal or state securities law. California CLASS has not been, and is not required to be, registered under the Investment Company Act of 1940, as amended. Accordingly, the California CLASS and Term Series II are not subject to the provisions of that Act, including the protective rules relating to registered money market funds and other types of mutual funds.

Term Series II Investment Objectives

California CLASS provides a professionally managed pooled investment program for Participants. The general objectives of Term Series II is to generate additional investment income for the Participants while maintaining safety of principal. Term Series II portfolios are managed to comply with the requirements of California law, specifically California Government Code Section 53601.

California CLASS may establish an unlimited number of funds of California CLASS designated as Term Series II portfolios. Each Term Series II portfolio is a separate fund of California CLASS and will have a portfolio-specific final maturity date of not more than two (2) years. Each Term Series II portfolio offers a fixed interest rate based on the redemption date selected by the Participant from pre-determined ranges of maturity dates (hereinafter, each a "Planned Redemption Date"). A Participant may invest in any Term Series II portfolio for a minimum investment term of sixty (60) days and maximum investment term of one (1) year, measured from the date the Participant purchases Shares. Each Term Series II portfolio seeks to return all invested principal and accrued interest on the Planned Redemption Date.

The Investment Policy created by California CLASS for Term Series II establishes the objectives, policies and restrictions that are designed to facilitate the achievement of these objectives. Information about specific Planned Redemption Date ranges available, and associated interest rates, are published weekly on the Rate Sheet for the California CLASS Term Series II. Please contact the Marketer (as defined herein) for further information.

Term Series II portfolios are designed for Participants who will not need access to their Investment Funds (as defined in the JPA Agreement) prior to the Planned Redemption Date selected by the Participant. It is anticipated that after the launch of the initial Term Series II portfolio, Term Series II portfolios will be established with portfolio-specific final maturity dates in successive years, with each portfolio having a final maturity date of no more than two (2) years from its inception date. As such, each portfolio will close to new investments after one year, at such time as a new Term Series II portfolio will launch. This ensures that Participants can purchase Shares in a Term Series II portfolio at any time.

Each Term Series II portfolio is separate and distinct from any other Term Series II portfolio or any other Fund of California CLASS, and if a Term Series II portfolio were to realize a loss, it would not impact any other Term Series II portfolio or any other Fund of the California CLASS Investment Program.

California CLASS Term Series II is rated 'AAAf' by Fitch Ratings which generally speaks to the overall credit quality of the portfolio's holdings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments (or lowest vulnerability to default).

The investment objectives of Term Series II in order of priority are:

Safety: Term Series II portfolios are managed to emphasize the preservation of principal.

Limited Liquidity: Term Series II portfolios are managed with the objective that cash will only be available at the Planned Redemption Date selected by the Participant as required to fund such Participant's needs.

Competitive Returns: Term Series II portfolios are managed to generate competitive returns while providing limited liquidity at the applicable Planned Redemption Date and stability of principal.

No assurances can be given that the investment objectives of Term Series II will be achieved.

Transparency

California CLASS seeks to provide transparency to Participants in Term Series II by allowing Participants to readily obtain account information. California CLASS will offer dedicated Participant support with an easy-to-use technology platform. Through this platform, called the Participant Portal, Participants can access information including the account balance, maturity date, expected income, up-to-date account information, and a transaction history. Confirmations of each contribution (purchase of Shares) and withdrawal (redemption of Shares) will be available via the Participant Portal within one business day of the transaction. Each Participant in Term Series II will receive a monthly report of its account(s).

Eligible Shareholders

Any Public Agency that has the authority to invest funds in its treasury in statutorily permitted investments, including but not limited to Section 53601 of the California Government Code, and meets the requirements described in the next paragraph is eligible to become a Participant of the California CLASS Investment Program and is eligible to purchase Shares in Term Series II funds.

Each Participant must be a "Public Agency", as that term is defined in Section 6509.7 of the Act, which, as of the date of this Information Statement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, or regional transportation commission of the State of California or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials." Each Participant must also be a political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state, or any political subdivision of a state.

Each Participant, by its purchase of Shares in Term Series II portfolios, is certifying that it meets the requirements described in the preceding paragraph and is legally authorized to make such investment. Participants should consult with their legal counsel and/or advisors regarding the legality of purchasing Shares in Term Series II portfolios.

Term Series II Eligible Investments

Investment Funds in Term Series II are required to be invested by the Investment Advisor in investments permitted by California law, specifically California Government Code Section 53601, and will be made in accordance with the Investment Policy established by California CLASS for Term Series II. As required by California law, Investment Funds in Term Series II portfolios will be invested by the Investment Advisor in accordance with the prudent investor standard of the California Government Code.

While the Investment Policy established by California CLASS for Term Series II covers the eligible investments and their maximum maturity, maximum portfolio allocation, maximum per issuer allocation and minimum credit quality in greater detail, the following types of investments are eligible for inclusion in Term Series II portfolios:

- U.S. Government and agency obligations
- Repurchase agreements collateralized by U.S. Government and agency obligations
- Registered warrants or treasury notes of the state of California
- Bonds, notes, warrants, or other obligations of a local agency in the state of California
- Registered treasury notes or bonds of any of the other 49 states

- Bankers' acceptances
- Prime commercial paper and asset-backed commercial paper
- Negotiable certificates of deposit
- Corporate notes
- Asset-backed securities
- U.S. dollar denominated senior unsecured obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank
- Money market mutual funds

As set forth in Section 53601 of the California Government Code, the legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in the investments described in Section 53601. However, the California Government Code limits the amount of surplus money of a local agency that may be invested in such investments. Each Participant is responsible for monitoring the aggregate amount of its investments in any of these types of investments to ensure its own compliance with the California Government Code. None of California CLASS, the Administrator, the Investment Advisor, the Custodian or any other agents of California CLASS shall be responsible for such monitoring or compliance.

Shares; Classes; Interests of Participants

The JPA Agreement provides that the beneficial interests of the Participants in the assets of Term Series II portfolios and the earnings thereon are divided into "Shares." "Shares" means the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in a Fund within the California CLASS Investment Program, including each Term Series II portfolio. As required by Section 6509.7 of the Act, each Share shall represent an equal proportionate interest in the Investment Property (as defined in the JPA Agreement) within a Fund, including each Term Series II portfolio. The JPA Agreement provides that the number of Shares that may be used to measure and represent the proportionate allocation of beneficial interests among the Participants in a Fund, including each Term Series II portfolio, is unlimited. All Shares in a Fund, including each Term Series II portfolio, shall be of equal distribution, liquidation, and other rights. The beneficial interests measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the California CLASS Investment Program or the Investment Property held in the applicable Fund, including any portfolios within Term Series II. Title to the Investment Property held in the applicable Fund, including each Term Series II portfolio, of every description is vested in California CLASS. The Participants shall have no interest in the Investment Property held in the applicable Fund, including any Term Series II portfolio, other than the beneficial interests conferred by and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights, or interests of California CLASS.

Investment Risks

Participants should specifically consider the following risks before deciding to purchase Shares in Term Series II funds. The following summary does not purport to be comprehensive or definitive of all risk factors.

Investing involves risks including the possible loss of principal.

Interest Rate Risks

The prices of the fixed-income securities in Term Series II will rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The Investment Advisor will seek to manage this risk by purchasing short-term securities.

Credit Risks

Credit risk is the possibility that an issuer (or counterparty) of a fixed-income security held in Term Series II will default on the security by failing to pay interest or principal when due. If an issuer defaults, Participants in Term Series II may incur losses. The Investment Advisor will seek to manage this risk by purchasing high quality securities as determined by one or more Nationally Recognized Statistical Ratings Organizations and/or the Investment Advisor’s credit research team. The Investment Policy for Term Series II contains a description of the minimum credit quality for each category of eligible investments in Term Series II.

Risks in Net Asset Value (NAV) Fluctuations Prior to Any Planned Redemption Dates

Term Series II portfolios are variable net asset value vehicles. Each Term Series II portfolio will be marked to market daily. The NAV per Share of a Term Series II portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of the securities held by a Term Series II portfolio. The market value of such securities will generally vary inversely to changes in prevailing interest rates. Accordingly, investors could experience a loss.

While each Term Series II portfolio seeks to return all invested principal to Participants on each Planned Redemption Date, the value of a Share of a Term Series II fund may fluctuate prior to that date, with the value being greater or less than $1.00 per Share.

Investment Not Insured or Guaranteed

An investment in Term Series II is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Liquidity Risk A Participant who redeems Shares of a Term Series II portfolio prior to the Planned Redemption Date will likely realize a loss on its investment, including being subject to a substantial early redemption penalty in an amount necessary to recoup the penalty charges, losses and other costs attributable to the early redemption, as described in the Payment Procedures below.

Market Risk

Market risk is the risk that the value of securities owned goes up or down, sometimes rapidly and/or unpredictably, due to factors affecting securities markets generally or within particular industries. This could result in a loss with respect to a security in a Term Series II portfolio if such a security were to be sold for a market price less than its amortized value.

Issuer Risk

Issuer risk is the risk that the value of a security declines for a reason directly related to the issuer such as management performance, financial leverage, and reduced demand for the issuer's goods or services. This could result in a loss with respect to a security in a Term Series II portfolio.

Concentration Risk

Subject to applicable state statute limitations, a significant portion of the assets within Term Series II portfolios may be invested in commercial paper, and/or bankers' acceptance securities. Any Fund that concentrates in a particular segment of the market or invests in a limited number of investments will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions may have a significant impact on a Term Series II portfolios' performance.

Counterparty Risk

Term Series II portfolios are exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure, or other reasons. This risk arises, for example, when entering into guaranteed investment contracts under which insurance company counterparties have obligations to periodically make payments. Given the limited number of holdings within a Term Series II portfolio, which may have only one, this risk is increased for Term Series II portfolios.

Board of Trustees

Pursuant to the JPA Agreement, the management of California CLASS is governed by a Board of Trustees (Board). The Board supervises California CLASS and its affairs and acts as the liaison between the Participants, the Custodian, the Administrator, the Investment Advisor and all service providers.

CSDA and Cal Cities are sponsors of the California CLASS. The governing bodies of CSDA and Cal Cities each appoint two (2) Trustees who are either elected, appointed, or staff from a California CLASS

Participant which is also a CSDA or Cal Cities member; or, staff from CSDA and Cal Cities. One seat on the Board shall be a Participant that is appointed by a majority vote of the Board.

Currently there are five (5) voting Trustees. The Board may expand the membership of the Board and set initial terms for each additional Trustee. The Board approved the Investment Policy for Term Series II funds and may approve amendments to such Investment Policy from time to time. Upon the Board's approval of any amendment to the Investment Policy for Term Series II funds, the amended Investment Policy will be posted to the website of California CLASS.

See www.californiaclass.com for a description of the current Trustees and officers of California CLASS.

Investment Advisor & Administrator

Pursuant to an agreement with California CLASS ("Administrative & IA Agreement"), Public Trust Advisors, LLC ("Public Trust") serves as the "Investment Advisor" and "Administrator" for California CLASS Investment Program. The Investment Advisor and Administrator may sub-contract or delegate its obligations under its agreement with California CLASS to an affiliated or non-affiliated party to the extent permitted by law.

As Investment Advisor, Public Trust provides investment services to California CLASS, including choosing the Permitted Investments to be purchased by California CLASS Funds. Public Trust is an investment advisory firm headquartered in Denver, Colorado with offices in Pleasanton, California. Public Trust is registered with the Securities and Exchange Commission ("SEC") as an investment adviser under the Investment Advisers Act of 1940.

As Administrator, Public Trust, or one of its affiliates, services all Participant accounts in the California CLASS Investment Program, determines and allocates income of the California CLASS Investment Program, provides certain written confirmation of the investment and withdrawal of funds by Participants, provides administrative personnel and facilities to California CLASS, determines the NAV of Shares in the Funds, and performs all related administrative services for California CLASS. At least quarterly, the Administrator provides the Board with a detailed evaluation of the performance of the California CLASS Investment Program. Certain of these services may be subcontracted. It also, through its affiliate, PMA Securities, LLC ("Marketer"), provides marketing services to promote participation of California governmental entities in California CLASS. PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and Municipal Securities Rulemaking Board, and is a member of FINRA and SIPC.

Custodian

Pursuant to an agreement with California CLASS, U.S. Bank, N.A. serves as Custodian for California CLASS Investment Program.

As Custodian, U.S. Bank, N.A. acts as directed custodian for the California CLASS Investment Program, including Term Series II funds, and serves, in accordance with California law, as the depository in connection with the direct investment and withdrawal mechanisms of California CLASS Investment Program. U.S. Bank, N.A. does not participate in the investment decision making process of the California CLASS Investment Program.

The Custodian shall hold the Investment Property (excluding cash, which is not held by the Custodian), in its capacity as Custodian on behalf of California CLASS. Such Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian.

Within fifteen (15) days after the end of each month, the Custodian shall send statements providing the closing balance in the Account at the end of such month and the transactions performed in the Account during such month to the Administrator and California CLASS.

Independent Auditors

An independent certified public accounting firm, Cohen & Co. has been engaged to audit the annual financial statements of California CLASS. The audit will contain statements of net assets, of operations, and of changes in net assets prepared in accordance with generally accepted accounting principles (GAAP). The opinion of the independent certified public accountant on such financial statements is based on an examination of the books and records of California CLASS made in accordance with generally accepted auditing standards (GAAS). The fiscal year of California CLASS ends each March 31.

How to Become a Participant

See "Eligible Shareholder" to determine if you are eligible to be a Participant in the California CLASS Investment Program. Any prospective Participants seeking to purchase Shares in a Term Series II portfolio should review the JPA Agreement, this Information Statement, and the Investment Policy for Term Series II.

Payment Procedures

Purchase of Shares; Investments

Participants who decide to purchase Shares in a Term Series II fund must also have opened an account with the California CLASS Prime Fund. To invest in Term Series II, contact us at (800) 343-7084.

Redemptions of Shares; Withdrawals; Transfers

Payments by California CLASS to Participants, and the reduction of Shares resulting therefrom, are referred to herein as "redemptions" for convenience. In the event of a Planned Redemption Date, the Participant's balance in that portfolio will then be transferred back to the Participant's California CLASS Prime Fund account.

With respect to Term Series II funds, representatives of the Administrator or Marketer will generally contact Participants by telephone regarding maturities of their investments prior to the Planned Redemption Date.

To redeem Shares of a Term Series II portfolio on a date other than a Planned Redemption Date, the Participant must provide seven days' advance notice and will likely be subject to substantial penalties and other losses as described in the next paragraph. A Participant's withdrawal prior to the Planned Redemption Date may be made for the full amount of the Participant's investment in Term Series II portfolio, or for any amount of at least $100,000 or in $1,000 increments in excess thereof. To redeem Shares of a Term Series II portfolio on a date other than a Planned Redemption Date, contact us at (800) 343-7084.

Although investors in Term Series II portfolios may be permitted to redeem Shares on dates other than the Planned Redemption Date, Term Series II portfolios are intended to be held until the Planned Redemption Date, and redemptions of Shares from Term Series II at any time other than on a Planned Redemption Date will likely result in a substantial early redemption penalty intended to allow the particular portfolio to recoup any associated penalties, charges, losses, or costs associated with the early redemption of the investments therein. Any such penalty will likely result in a partial or full loss of investment gains, or result in a loss of the principal amount of the investment.

At the portfolio-specific final maturity of any Term Series II portfolio, any excess net income of the Term Series II portfolio may be distributed in the form of a supplemental dividend only to Shares of that portfolio that are outstanding on the final maturity date of the portfolio, and the excess net income will be allocated on a pro rata basis to all Shares then outstanding.

Each Participant, by its investment in any Fund, including Term Series II funds, agrees that California CLASS may temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period: (i) during which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or over-the-counter market shall have been suspended or minimum prices or maximum daily charges shall have been established on such exchange or market; (ii) if a general banking moratorium shall have been declared by Federal, state, or the State of New York or State of California authorities or during a suspension of payments by banks in the State of California; (iii) during which there shall have occurred any state of war or national emergency; or (iv) during which any financial emergency or other crisis the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses that might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures. The Administrator shall determine, on behalf of California CLASS, when an event occurs that would entitle the Custodian to temporarily suspend or postpone a Participant's right of redemption. Participants should refer to the JPA Agreement for additional detail.

These Payment Procedures may be amended from time-to-time pursuant to the JPA Agreement.

Purchase and Sale of Investment Property

Subject to the general supervision of California CLASS, the Investment Advisor is responsible for placing the orders for the purchase and sale of Permitted Investments as Investment Property within Term Series II portfolios. The purchase and sale of Investment Property within the California CLASS Investment Program, including Term Series II, occur only with broker dealers acting as principals except for commercial paper transactions that may be placed directly with the issuers. Although California CLASS does not ordinarily seek but nonetheless may make profits through short-term trading, the Investment Advisor may, on behalf of the California CLASS, dispose of any Investment Property prior to its maturity if such disposition is advisable.

The Investment Advisor seeks to obtain the best net price and the most favorable execution in the purchase and sale of Investment Property for the California CLASS Investment Program. Purchases and sales of Investment Property for the California CLASS Investment Program will not occur between the Investment Advisor and Administrator, Marketer, the Custodian, any Trustee, or any affiliate, officer, director, employee, or agent of any of them.

Valuation Procedures

Valuation Procedures

California CLASS follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 *Fair Value Measurement* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosure about fair value measurement.

Local government investment pools (LGIP) may select different methods of determining the value of Investment Property held within a Fund for reporting purposes. The two most common methods used to report on the Investment Property of a Fund are mark-to-market—frequently referred to as "fair value" or "fair market value"—and amortized cost. California CLASS utilizes fair market value for Term Series II portfolios. This involves obtaining prices for securities in the portfolio every business day. The mark-to-market methodology provides Participants with a high degree of transparency with respect to the underlying market values of Term Series II's securities.

The mark-to-market methodology (FASB) can and should be contrasted with the amortized cost method that some LGIPs utilize. LGIPs that follow GASB 79 are following the amortized cost method, which entails adjusting the value of the portfolio's securities on a daily basis by a predetermined amount from the purchase date to the maturity date. While the amortized cost method produces very reliable and predictable asset valuations, that predetermined value may or may not accurately reflect the market value of the security.

Determination of Net Asset Value for Term Series II

The Administrator determines the NAV of each Term Series II portfolio as of the close of each business day. Investment Property of a Term Series II portfolio is valued as follows: (1) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities; (2) all other securities and assets are valued at fair market value determined in good faith. While each Term Series II portfolio seeks to return to Participants all invested principal on each Planned Redemption Date or upon final maturity, the value of each Term Series II portfolio may fluctuate prior to those dates.

Amendment

These Valuation Procedures may be amended from time-to-time pursuant to the JPA Agreement.

California CLASS Expenses

Pursuant to the JPA Agreement, Public Trust Advisors, as Administrator for the California CLASS Investment Program, including Term Series II portfolios, shall receive a fee as described in the Administrative & IA Agreement, and below in "California CLASS Term Series II Fees." The Administrator's fee shall be Investment Property Liability. From its fee, the Administrator shall pay the following costs and expenses: the Investment Advisor's fee set forth in the Administrative & IA Agreement, the Custodian's fee set forth in the Custody Agreement, the costs of third parties retained by the Administrator to render investment advice pursuant to the Administrator Agreement, the fees to the Sponsors, marketing expenses, all custodial and securities clearance transaction charges, the cost of valuing the Investment Property, the cost of obtaining a rating or ratings, if any, the cost of other expenses agreed to by the Administrator and California CLASS, all Investment Property record-keeping expenses, the cost of preparing monthly and annual reports, the expense of outside auditors required pursuant to the Administrator Agreement (but only if the Administrator selects such auditors), the fees of the counsel to the Administrator and/or the counsel to California CLASS, the cost of Meetings of the Board, insurance costs and the costs of Participant surveys and mailings. Periodically, the Administrator shall provide a detailed accounting of such expenses to California CLASS.

California CLASS Term Series II Fees

Each Term Series II portfolio pays an advisory and management fee to the Administrator.

The applicable Term Series II portfolio shall pay an advisory and management fee not to exceed twenty-five (25) basis points annualized on of the amount of the Investment Funds in such Term Series II portfolio. These fees shall be computed and accrued daily as an expense of the Term Series II portfolio. At the time that a Participant purchases Shares in a Term Series II portfolio, they will be quoted an indicative fixed rate, net of fees, based on the selected Planned Redemption Date. The actual fees charged to a Participant may vary in order to achieve the net indicative rate but shall not exceed twenty-five (25) basis points.

Accrued fees for Term Series II portfolios shall be paid at the time of each Planned Redemption Date, or such earlier date if there is a withdrawal prior to the Planned Redemption Date.

Reports to Participants

Annually

Audited financial statements of the California CLASS will be provided annually. See "Independent Auditors" above.

Monthly

Within 15 days after the end of each month, the Administrator shall prepare and submit, or make available, to each Participant a statement disclosing any activity and a closing balance, in each of its accounts for such month.

Upon Request

The Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's balance as of the date of such request subject only to account activity on such date.

Additional Programs and Services

The Investment Advisor and its affiliates may also offer other "Value Added" programs and services for eligible Participants for cash flow management, financial planning and, with respect to PMA Securities, LLC that includes services related to the investment of bond proceeds. Investors are advised that any additional services and programs that are made available directly by PTA or an affiliate or other applicable party, including the FRI program (as defined herein), are separate from California CLASS. The parties offering such programs are solely responsible for them, and questions regarding any such program should be directed to the party offering it.

Fixed Rate Investment Program

The Marketer and PMA Financial Network, LLC, affiliates of Public Trust, offer Participants a value-added program, which is not an investment through California CLASS in any of the California CLASS Funds, called the Fixed Rate Investment program ("FRI" or "FRI program"). Through FRI, Participants may elect, in their discretion, to purchase investments for their own portfolio. Participants may contact the Marketer directly to purchase investment instruments in accordance with state statutes, including California Government Code Section 53601. Participants will be charged an annualized fee of up to twenty-five (25) basis points on investments purchased through FRI. Where required by municipal advisor regulations, PMA Securities and not PMA Financial Network will receive the fee for products purchased through the FRI. Additional information about the investment instruments available through the FRI program, including fees and expenses, is available from the Marketer.

The availability of the FRI program does not constitute an offering or recommendation on the part of California CLASS of an investment in the FRI program. The parties offering such programs are solely responsible for them, and questions regarding any such program should be directed to the party offering it.

Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. 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. California CLASS is not a bank. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Term Series II portfolios seek to preserve the value of your investment at $1.00 per Share, it cannot guarantee it will do so.

The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. For a full description of rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk.

Registration with the SEC does not imply a certain level of skill or training. External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.

4/26 Managed by Public Trust Advisors, LLC

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California CLASS

Investment Policy for Term Series II

February 2026

INVESTMENT POLICY FOR THE CALIFORNIA CLASS TERM SERIES II

Introduction

The purpose of this Investment Policy for California CLASS Term Series II is to describe the investment objectives, policies and restrictions for Term Series II, which is one of the funds within the California CLASS Investment Program offered by the California Cooperative Liquid Assets Securities System, doing business as the California CLASS (California CLASS). Reference is made to the Information Statement for Term Series II (Information Statement) for additional information relating to Term Series II and the California CLASS. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Information Statement.

As set forth in Section 53601 of the California Government Code, the legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in the investments described in Section 53601. However, the California Government Code limits the amount of surplus money of a local agency that may be invested in such investments. Each Participant is responsible for monitoring the aggregate amount of its investments in any of these types of investments to ensure its own compliance with the California Government Code. Moreover, each Participant is responsible for ensuring compliance with its own internal policies and restrictions on investments. None of the California CLASS, the Administrator, the Investment Advisor, the Custodian, or any other agents of the California CLASS shall be responsible for such monitoring or compliance.

Term Series II Investment Objective

Term Series II will invest in eligible instruments. The investment objective for Term Series II is to provide for the following prioritized goals: (i) safety of principal; (ii) competitive returns, and (iii) limited liquidity. Term Series II pools are to be managed in a prudent manner commensurate with the standard of care used in the management of public funds.

Term Series II Eligible Investments

Specifically designed for California local governments, the California CLASS will invest available cash in Term Series II exclusively in the following investments (Eligible Investments) authorized under the California Government Code Section 53601 and subject to maturity, diversification, and credit quality requirements required to maintain the AAAf Fitch rating. The Board of Trustees (Board) of the California CLASS has established this Investment Policy for Term Series II to mirror California Government Code with respect to the maturity, diversification, and credit quality requirements for the eligible investments. The Board may amend or revise this Investment Policy, from time to time, in accordance with the JPA Agreement. Upon the Board's approval of any amendment to an Investment Policy, the amended

Investment Policy will be posted to the website of California CLASS. This Investment Policy may also be amended to reflect any changes to the California Government Code.

1) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

   Maximum Maturity: 5 Years from the date of trade settlement
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Not Applicable

2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

   Maximum Maturity: 5 Years from the date of trade settlement
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Not Applicable

3) Repurchase agreements in securities authorized in paragraphs (1) or (2), above, provided that the term of the agreement does not exceed one year. "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

   Maximum Maturity: 1-Year
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Not Applicable

4) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

   Maximum Maturity: 5 Years from the date of trade settlement
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Rating category of "A" or its equivalent or better by a NRSRO

5) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

   Maximum Maturity: 5 Years from the date of trade settlement
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Rating category of "A" or its equivalent or better by a NRSRO

6) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

   Maximum Maturity: 5 Years from the date of trade settlement
   Maximum Portfolio Allocation: No Limit
   Maximum Per Issuer Allocation: No Limit
   Minimum Credit Quality: Rating category of "A" or its equivalent or better by a NRSRO

7) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Pursuant to Section 53601(g) of the California Government Code, purchases of bankers' acceptances shall not exceed 180 days maturity or 40% of the agency's moneys that may be invested pursuant to this section and no more than 30% of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

   Maximum Maturity: 180 days
   Maximum Portfolio Allocation: 40%

Maximum Per Issuer Allocation: 30%

Minimum Credit Quality: "A-1" or higher, or the equivalent, by a NRSRO

8) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either clause (A) or (B): (A)(1) is organized and operating in the United States as a general corporation, (2) has total assets in excess of five hundred million dollars ($500,000,000), (3) has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a NRSRO or (B)(1) is organized within the United States as a special purpose corporation, trust, or limited liability company, (2) has program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (3) has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO. In addition to the Maximum Per Issuer Allocation set forth below, no more than 10% of Term Series II shall be invested in the commercial paper and the medium-term notes of any single issuer. Pursuant to 53601(h) of the California Government Code, local agencies, other than counties or a city and county, that have less than $100,000,000 of investment assets under management, may invest no more than 25% of their moneys in eligible commercial paper; local agencies, other than counties or a city and county, that have $100,000,000 or more of investment assets under management may invest no more than 40% of their moneys in eligible commercial paper; a local agency, other than a county or a city and a county, may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer; and counties or a city and county may invest in commercial paper pursuant to the concentration limits in Section 53635 of the California Government Code.

Maximum Maturity: 397 days

Maximum Portfolio Allocation: 40%

Maximum Per Issuer Allocation: 10%

Minimum Credit Quality: "A-1" or higher, or the equivalent, by a NRSRO

9) Negotiable certificates of deposit issued by a nationally or state-chartered bank or by a savings association or a federal association (as defined in Section 5102 of the California Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank, provided that the deposits in any one institution shall not exceed the shareholders' equity of such institution. In addition to the Maximum Per Issuer Allocation set forth below, no more than 10% of Term Series II shall be invested in the negotiable certificates of deposit and medium-term notes of any single issuer. As required by California Government Code Section

53601(i), purchases of negotiable certificates of deposit shall not exceed 30% of the agency's moneys that may be invested pursuant to this section.

Maximum Maturity: 5 Years from the date of trade settlement
Maximum Portfolio Allocation: 30%
Maximum Per Issuer Allocation: 5%
Minimum Credit Quality: "A-1" or higher, or the equivalent, by a NRSRO.

10) Medium-term notes, defined as all corporate and depository institution debt securities issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Pursuant to 53601(k) of the California Government Code, purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30% of the agency's moneys that may be invested pursuant to this section and a local agency, other than a county or a city and a county, may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.

Maximum Maturity: 5 Years from the date of trade settlement
Maximum Portfolio Allocation: 30%
Maximum Per Issuer Allocation: 5%
Minimum Credit Quality: Rating category of "A" or its equivalent or better by a NRSRO

11) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Pursuant to Section 53601(o) of the California Government Code, purchase of securities authorized by this subdivision shall not exceed 20% of the agency's surplus moneys that may be invested pursuant to this section.

Maximum Maturity: 5 Years from the date of trade settlement
Maximum Portfolio Allocation: 20%
Maximum Per Issuer Allocation: 5%
Minimum Credit Quality: Rating category of "AA" or its equivalent or better by a NRSRO

12) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank which are eligible for purchase and sale within the United States. Pursuant to Section 53601(q) of the California

Government Code, investments under this subdivision shall not exceed 30% of the agency's moneys that may be invested pursuant to this section.

Maximum Maturity: 5 Years from the date of trade settlement
Maximum Portfolio Allocation: 30%
Maximum Per Issuer Allocation: 5%
Minimum Credit Quality: Rating category of "AA" or its equivalent or better by a NRSRO

13) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such eligible companies shall have (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs and (2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge. Pursuant to Section 53601(l) of the California Government Code, investments under this subdivision shall not exceed 20% of the agency's moneys that may be invested pursuant to this section.

Maximum Maturity: NA
Maximum Portfolio Allocation: 20%
Maximum Per Fund Allocation: NA
Minimum Credit Quality: Highest ranking provided by not less than two NRSROs

14) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in code section 53601 subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the United States Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive. (3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

Maximum Maturity: NA
Maximum Portfolio Allocation: 100%

Maximum Per Fund Allocation: NA

Minimum Credit Quality: Highest ranking provided by at least one NRSROs

Ongoing Compliance Considerations

The credit rating requirements and percentage limitation limits set forth in this Investment Policy shall apply at the time of purchase. In the event that such percentage limitation requirements are breached due to fluctuations in the portfolio balance within Term Series II, this Investment Policy shall not require the sale of securities to bring the portfolio back into compliance provided that such deviations are expected to be short lived, and that due consideration is given to such concentrations when evaluating future investments. In the event that the credit rating of a security is downgraded to below the requirements of this Investment Policy subsequent to its purchase, the Investment Advisor shall evaluate the circumstances surrounding the ratings downgrade and, at its sole discretion, make a determination to hold or sell the affected securities based upon a review of the issuers financial conditions, credit outlook, the securities remaining term to maturity, and other relevant facts and considerations.

Investment Restrictions

The following restrictions apply to Term Series II:

1) The California CLASS will invest funds in Term Series II only in securities defined in the "Eligible Investment" section of this Investment Policy unless there is a change in California law which updates or redefines the types of which are legal investments for California public agencies.

2) As required by California law, no funds in Term Series II will be invested in inverse floaters, range notes, mortgage-derived, interest-only strips or other securities which could result in zero-interest accrual if held to maturity. Notwithstanding the foregoing and as allowed by California law, the California CLASS may invest funds in Term Series II in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

3) The California CLASS shall not engage in any transaction that has the effect of creating leverage in Term Series II, including borrowing money, or pledging, mortgaging, or hypothecating any securities in Term Series II. Notwithstanding the foregoing, the California CLASS may engage in forward settling purchase and sale transactions in accordance with standard market conventions in Term Series II.

RESOLUTION NO. 26-739

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT AUTHORIZING THE INVESTMENT OF DISTRICT MONEY IN THE CALIFORNIA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM TERM SERIES II PORTFOLIOS

WHEREAS, as authorized by Government Code Section 6509.7, the California Cooperative Liquid Assets Securities System ("CA-CLASS") has been created by a joint exercise of powers agreement by and among California public agencies to offer public agencies a method for investing in a pooled investment with investment-grade securities selected to optimize interest earnings over a fixed term while maximizing safety and liquidity; and

WHEREAS, the California CLASS Prime Cash Fund (the "CLASS Prime Fund") is managed by CA-CLASS to comply with the requirements of California law, specifically California Government Code Section 53601. The investment objectives of the Term Series II portfolios are to generate additional investment income for participants while maintaining safety of principal; and

WHEREAS, the Governing Board (the "Board") of the Goleta Sanitary District (the "District") desires to authorize the investment of District funds in the CA-CLASS Term Series II portfolios.

NOW THEREFORE, BE IT RESOLVED, by the Governing Board of the Goleta Sanitary District as follows:

1. The Board hereby finds that the investment of District funds in the CA-CLASS Series II portfolios are in the best interests of the District.

2. The Board hereby authorizes the investment of District funds in the CA-CLASS Term Series II portfolios.

3. The persons holding the following District offices shall be authorized to order (i) the deposit of funds into the CA-CLASS Series II portfolios, and (ii) the transfer of funds between the CLASS Series II portfolios and other accounts maintained by the District with various financial institutions, including the account maintained by the District with the Local Agency Investment Fund (LAIF) and Community West Bank:

- President of the Governing Board
- General Manager/Treasurer

- Finance Manager/Board Secretary

PASSED AND ADOPTED this 3rd day of August, 2026, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES: **None**

ABSENT: **None**

ABSTAIN: **None**

____
Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED:

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

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: August 3, 2026

I. NATURE OF ITEM

Consideration and Adoption of Resolution Approving Revised Statement of Investment Policy

II. BACKGROUND INFORMATION

Resolution No. 22-696, which was adopted on November 21, 2022. Under a prior agenda item at tonight's meeting, the Governing Board is expected to approve the investment of District funds in the California Cooperative Liquid Asset Securities System ("CA- CLASS") Term Series II portfolio. Although the District's current investment policy addresses investments in the Local Agency Investment Fund (LAIF) and CA-CLASS Prime Fund and makes reference to pooled investment generally, it does not specifically address investments in CA-CLASS Term Series II portfolio. A resolution is included with this agenda report.

The investment policy requires that it be reviewed annually and that any changes are to be considered by the Governing Board in a public meeting.

III. COMMENTS AND RECOMMENDATIONS

It is recommended that the Board adopt the proposed resolution, subject to such revisions as the Board deems appropriate.

IV. REFERENCE MATERIAL

Resolution No. 22-696 Approving Revised Statement of Investment Policy
Resolution No. 26-740 Approving Revised Statement of Investment Policy

RESOLUTION 22-696

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT APPROVING REVISED STATEMENT OF INVESTMENT POLICY

WHEREAS, on September 19, 2016, the Governing Board (the "Board") of the Goleta Sanitary District (the "District") adopted Resolution No. 16-606 approving a revised statement of investment policy pursuant to California Government Code Section 53646; and

WHEREAS, the Board desires to revise and update its statement of investment policy to reflect the action taken by the Board to authorize the investment of District funds in the California Cooperative Liquid Assets Securities System Prime Cash Fund (the "CLASS Prime Fund").

NOW, THEREFORE, the Governing Board of the Goleta Sanitary District hereby approves the following statement of investment policy, which shall supersede and replace the statement of investment policy set forth in Resolution No. 16-606:

1. **Scope** This investment policy shall apply to all funds of the District which are not required for the immediate needs of the District, with the exception of (i) deferred compensation plan investments, which are held in trust and not carried on the District's books; (ii) California Public Employees' Retirement System ("CalPERS") contributions, which are invested pursuant to the CalPERS program; and (iii) retiree health benefits which are held in the California Employees Retirement Benefit Trust (CERBT).

2. **Delegation** All decisions regarding the investment of District funds pursuant to this policy shall be made by the District's Board. The Board has established a Finance Committee which is responsible for monitoring and reviewing the District's investments and making recommendations to the Board. Subject to the requirements for calling for committee meetings as set forth in Section 6 of Ordinance No. 78, as it may be amended from time to time, the Finance Committee shall meet as often as necessary to carry out its responsibilities, and shall make reports to the Board on at least a quarterly basis. Notwithstanding the foregoing, it is recognized that neither the Finance Committee nor the Board participate in or have responsibility for decisions regarding the specific investments made with respect to District funds deposited with the Local Agency Investment Fund ("LAIF"), the CLASS Prime Fund, or other pooled investment funds and that all such decisions are made by the fund managers.

The District's General Manager shall serve as the Treasurer for the District. The Treasurer shall carry out the Board's investment decisions and shall make periodic reports to the Board as provided herein. Pursuant to Health and Safety Code Section 6801 and District Resolution No. 93-266, the Treasurer shall be responsible for the deposit and withdrawal of District funds. A surety bond shall be obtained on the Treasurer in the amount of $100,000.

3. **Prudent Investor Standard** In making investment decisions pursuant to this policy, the District's Board is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the District's funds, the Board shall act with the care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. Within the limitations set forth in this section and considering individual investments as part of an overall strategy, the Board is authorized to acquire investments as authorized by law and by this policy.

4. **Objectives** As set forth in Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the District's funds, the primary objective shall be to safeguard the principal of the funds. The secondary objective shall be to meet the liquidity needs of the District. The third objective shall be to achieve a return on the funds.

5. **Diversification** The District shall maintain a portfolio of authorized investments with diversified maturities, issuers and security types to avoid the risks inherent in over-investing in any one sector. The District shall evaluate or cause to have evaluated each potential investment, seeking quality of issuer and underlying security or collateral. The District shall consider market volatility and shall diversify the portfolio to minimize risks with respect to the invested funds.

6. **Authorized Investments** All funds of the District shall be invested in compliance with Government Code Sections 53600 through 53686. The District shall make only those investments authorized under Government Code Sections 53601, 53601.8, 53610, 53635, 53635.8, 53684 and 16429.1, as said sections may be amended from time to time, subject to the limitations and requirements set forth therein. The District shall not make any of the prohibited investments specified under Government Code Section 53601.6, as said section may be amended from time to time.

7. **Quarterly Reports** It is the policy of the District that the Treasurer render quarterly reports to the District's Board within 30 days following the end of the quarter covered by the report. Except as provided below, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held by the District, and shall additionally include a description of any funds, investments, or programs that are under the management of contracted parties, including lending programs. With respect to all securities under management of any outside party that is not also a local agency, LAIF, or the CLASS Prime Fund, the report shall also include the current market value as of the date of the report, and shall include the sources of this same valuation.

The quarterly report shall state compliance of the portfolio with this statement of investment policy, or the manner in which the portfolio is not in compliance.

The quarterly report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

The quarterly report shall include whatever additional information or data may be required by the District's Board.

The Board may elect to have the report specified above be made on a monthly basis instead of quarterly.

For District investments which have been placed in (i) LAIF, (ii) the CLASS Prime Fund, (iii) Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, (iv) a county investment pool, or (v) any combination of the foregoing, the Treasurer may supply to the Board the most recent statement or statements received by the District from these institutions in lieu of the information required above.

8. **Annual Review** It is the policy of the District that the Treasurer annually render to the District's Board a statement of investment policy, which the Board shall consider at a public meeting. Any changes in the policy shall also be considered by the Board at a public meeting.

PASSED AND ADOPTED this 21st day of November, 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES: **Majoewsky, Emerson, Rose, Fuller, Smith**

NOES: **None**

ABSENT: **None**

ABSTAIN: **None**

COPY

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED

COPY

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

RESOLUTION 26-740

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT APPROVING REVISED STATEMENT OF INVESTMENT POLICY

WHEREAS, on November 21, 2022, the Governing Board (the "Board") of the Goleta Sanitary District (the "District") adopted Resolution No. 22-696 approving a revised statement of investment policy pursuant to California Government Code Section 53646; and

WHEREAS, the Board desires to revise and update its statement of investment policy to reflect the action taken by the Board to authorize the investment of District funds in the California Cooperative Liquid Assets Securities System ("CA-CLASS") Term Series II portfolios.

NOW, THEREFORE, the Governing Board of the Goleta Sanitary District hereby approves the following statement of investment policy, which shall supersede and replace the statement of investment policy set forth in Resolution No. 22-696:

1. **<u>Scope</u>** This investment policy shall apply to all funds of the District which are not required for the immediate needs of the District, with the exception of (i) deferred compensation plan investments, which are held in trust and not carried on the District's books; (ii) California Public Employees' Retirement System ("CalPERS") contributions, which are invested pursuant to the CalPERS program; and (iii) retiree health benefits which are held in the California Employees Retirement Benefit Trust (CERBT).

2. **<u>Delegation</u>** All decisions regarding the investment of District funds pursuant to this policy shall be made by the District's Board. The Board has established a Finance Committee which is responsible for monitoring and reviewing the District's investments and making recommendations to the Board. Subject to the requirements for calling for committee meetings as set forth in Section 6 of Ordinance No. 78, as it may be amended from time to time, the Finance Committee shall meet as often as necessary to carry out its responsibilities, and shall make reports to the Board on at least a quarterly basis. Notwithstanding the foregoing, it is recognized that neither the Finance Committee nor the Board participate in or have responsibility for decisions regarding the specific investments made with respect to District funds deposited with the Local Agency Investment Fund ("LAIF"), the CA-CLASS Prime Fund, the CA-CLASS Term Series II portfolios or other pooled investment funds and that all such decisions are made by the fund managers.

The District's General Manager shall serve as the Treasurer for the District. The Treasurer shall carry out the Board's investment decisions and shall make periodic reports to the Board as provided herein. Pursuant to Health and Safety Code Section 6801 and District Resolution No. 93-266, the Treasurer shall be responsible for the deposit and withdrawal of District funds. A surety bond shall be obtained on the Treasurer in the amount of $100,000.

3. **Prudent Investor Standard** In making investment decisions pursuant to this policy, the District's Board is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the District's funds, the Board shall act with the care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. Within the limitations set forth in this section and considering individual investments as part of an overall strategy, the Board is authorized to acquire investments as authorized by law and by this policy.

4. **Objectives** As set forth in Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the District's funds, the primary objective shall be to safeguard the principal of the funds. The secondary objective shall be to meet the liquidity needs of the District. The third objective shall be to achieve a return on the funds.

5. **Diversification** The District shall maintain a portfolio of authorized investments with diversified maturities, issuers and security types to avoid the risks inherent in over-investing in any one sector. The District shall evaluate or cause to have evaluated each potential investment, seeking quality of issuer and underlying security or collateral. The District shall consider market volatility and shall diversify the portfolio to minimize risks with respect to the invested funds.

6. **Authorized Investments** All funds of the District shall be invested in compliance with Government Code Sections 53600 through 53686. The District shall make only those investments authorized under Government Code Sections 53601, 53601.8, 53610, 53635, 53635.8, 53684 and 16429.1, as said sections may be amended from time to time, subject to the limitations and requirements set forth therein. The District shall not make any of the prohibited investments specified under Government Code Section 53601.6, as said section may be amended from time to time.

7. **Quarterly Reports** It is the policy of the District that the Treasurer render quarterly reports to the District's Board within 30 days following the end of the quarter covered by the report. Except as provided below, the report shall include the type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and moneys held by the District, and shall additionally include a description of any funds, investments, or programs that are under the management of contracted parties, including lending programs. With respect to all securities under management of any outside party that is not also a local agency, LAIF, CA-CLASS Prime Fund, or CA-CLASS Term Series II portfolios the report shall also include the current market value as of the date of the report, and shall include the sources of this same valuation.

The quarterly report shall state compliance of the portfolio with this statement of investment policy, or the manner in which the portfolio is not in compliance.

The quarterly report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

The quarterly report shall include whatever additional information or data may be required by the District's Board.

The Board may elect to have the report specified above be made on a monthly basis instead of quarterly.

For District investments which have been placed in (i) LAIF, (ii) the CA-CLASS Prime Fund, (iii) CA-CLASS Term Series II portfolios, (iv) Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, (v) a county investment pool, or (vi) any combination of the foregoing, the Treasurer may supply to the Board the most recent statement or statements received by the District from these institutions in lieu of the information required above.

8. **Annual Review** It is the policy of the District that the Treasurer annually render to the District's Board a statement of investment policy, which the Board shall consider at a public meeting. Any changes in the policy shall also be considered by the Board at a public meeting.

PASSED AND ADOPTED this 3rd day of August, 2026, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES: **None**

ABSENT: **None**

ABSTAIN: **None**

____
Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED

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

AGENDA ITEM #3

AGENDA ITEM: **3**

MEETING DATE: **August 3, 2026**

I. NATURE OF ITEM

Consideration of FY27 Action Plan Status Report

II. BACKGROUND INFORMATION

The District's Governing Board held its annual planning meeting on April 16, 2026, to review the 2025 Annual report, prior year's activities, and develop a new list of goals and objectives for Fiscal Year 2026-2027 (FY27). The summary list of goals and objectives identified at the meeting was presented to the Board on April 6, 2026. This list has been put together into the FY27 Action Plan that includes timelines for the various actions similar to prior reports.

A status report on the FY27 Action plan is presented herein for Board consideration. Status reports on the plan will be brought to the Board for consideration on a quarterly basis. This is the first report since creation of the FY27 plan.

III. COMMENTS AND RECOMMENDATIONS

The FY27 Action Plan includes 49 separate goals with a total of 91 associated actions to be completed over the next year. Some of these goals and actions were carried over from the prior year and are already in progress. While the goal is to complete all identified actions, the timing and/or completion of all of the actions is dependent on the availability of the staff time and other required resources. Some of the identified actions are dependent on other entities/agencies which are not under our control. The attached status report includes the estimated schedule for completion and the current status for each identified action. The estimated completion timing for each action has been updated as needed.

Out of the 91 actions included in the FY27 Action Plan, 57 (63%) have been completed or are in progress. The remaining 34 actions are either scheduled for completion by the end of June 2027 or will be included in the FY28 Action Plan as appropriate.

This report is for informational purposes only. As such, no Board action is required.

IV. REFERENCE MATERIALS

FY27 Action Plan Status Report dated 8/3/26

GOLETA SANITARY DISTRICT
FY27 ACTION PLAN
8/3/26

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #1 Complete commissioning and startup of BESP Phase 1 project (New digester and CHP unit)					
1	Review project schedule and approved change orders to determine final project cost pursuant to construction contract	Q3 2026	In Progress	Q3 2026	Final cost will be based on close out negotiations that are in progress.
2	Complete construction, start up, commissioning and closeout of the project as required	Q4 2026		Q4 2026	
Goal #2 Initiate construction of Energy Storage Project pursuant to Government Code 4217					
3	Select contractor based on best value proposal and adopt updated findings pursuant to GC 4217	Q2 2026	Complete	Q2 2026	Board approval of contractor and adoption of findings on 5/18/26
4	Enter into professional services agreements with TerraVerde and other consultants for CM services	Q3 2026	In Progress	Q4 2026	Contract with Terre Verde approved. Other CM contract to be issued closer to start of construction.
5	Negotiate and approve project installation agreement with selected contractor	Q3 2026	In Progress	Q3 2026	Final agreement edits being made. Approval anticipated by 8/14/26
6	Prepare project participation agreement for GWSD consideration	Q4 2026		Q4 2026	
7	Obtain permits and start construction	Q1 2027		Q1 2027	
Goal #3 Bid and award construction contract for Solids Handling Improvement Project					
8	Prepare draft project participation agreement for GWSD consideration	Q3 2026	Complete	Q3 2026	Draft agreement completed in July 2026
9	Obtain permits from County of Santa Barbara as required	Q3 2026	In Progress	Q3 2026	Hearing on County coastal development permit scheduled for 8/10/26
10	Bid and award construction contract	Q1 2027		Q1 2027	
11	Start construction	Q2 2027		Q2 2027	
Goal #4 Initiate phase 1 of the Reclamation Facility Rehabilitation Project					
12	Obtain bids and approve agreement for installation of new fiber optic cabling	Q3 2026		Q3 2026	
13	Install new fiber optic cabling to reclamation facility	Q4 2025		Q4 2026	

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #5 Complete gate valve replacement project at the Chlorine Contact Chamber A-Side					
14	Obtain bids and approve agreement for replacement of gate valves on A-side of chlorine contact chamber	Q3 2026	In Progress	Q3 2026	Bids being obtained
15	Award contract and complete replacement of gate valves on A-side of chlorine contact chamber	Q4 2026		Q4 2026	
Goal #6 Initiate phase 1 of the Manhole Inspections and Repairs Project					
16	Develop scope of work for phase 1 of manhole inspection project	Q2 2026	Complete	Q2 2026	Phase 1 includes inspection of 150 manholes
17	Obtain bids and execute contract to conduct manhole inspections	Q2 2026	Complete	Q2 2026	Bids obtained and contract approved in May
18	Complete phase 1 of manhole inspection project	Q3 2026	In Progress	Q3 2026	Inspections underway. Waiting on issuance of road encroachment permit to finish remaining inspections
Goal #7 Complete Rhoads Avenue Sewer Improvement Project					
19	Award Construction Contract	Q2 2026	Complete	Q2 2026	Contract awarded in May 2026
20	Obtain permits and complete construction	Q2 2026	Complete	Q2 2026	Construction completed in June 2026
Goal #8 Obtain easement rights for El Sueno Force Main Relocation Project					
21	Confirm property ownership and continued support for project	Q4 2026		Q4 2026	
22	Update easement exchange agreement and present to property owner for execution	Q1 2027		Q1 2027	
23	Board approval of easement exchange agreement	Q2 2027		Q2 2027	
Goal #9 Initiate design of Reclamation Plant Rehabilitation Project for multi-year phased construction to meet GWD funding limits					
24	Develop phased construction plan for Rec. Plant Rehab project to meet GWSD funding limits	Q2 2026		Q2 2026	
25	Obtain bids for Phase 1 of project	Q4 2026		Q4 2026	
26	Initiate construction of phase 1 improvements	Q1 2027		Q1 2027	
Goal #10 Complete final design and environmental review of Energy Storage Project					
27	Complete final design and environmental review of Energy Storage Project	Q3 2025		Q4 2026	

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #11 Identify and evaluate process modifications and consider biological treatment alternatives for nutrient management of final effluent					
28	Complete preliminary nutrient management analysis and review draft report of findings	Q4 2026	In Progress	Q4 2026	
29	Board consideration of report findings	Q1 2027		Q1 2027	
30	Incorporate low cost process modifications for enhanced nutrient management as appropriate	Q2 2027		Q2 2027	
Goal #12 Initiate updates to 10-year Capital Improvement Program (with staffing costs and non-binding disclaimers)					
31	Identify new capital projects for incorporation into 10-Year CIP program as appropriate	Q1 2027		Q1 2027	
32	Update and publish 10-year CIP	Q2 2027		Q2 2027	
Goal #13 Develop and implement plan to assess condition of outfall pipe					
33	Research outfall assessment projects conducted by other agencies	Q4 2026		Q4 2026	
34	Develop plan and scope of work for assessment	Q1 2027		Q1 2027	
35	Obtain bids for condition assessment of outfall pipe	Q2 2027		Q2 2027	
Goal #14 Support GWSD in the design and construction of their Force Main Replacement Project across District Property					
36	Support GWSD in the design and construction of their Force Main Replacement Project across District Property	Ongoing	In Progress	Ongoing	
Goal #15 Develop plan and initiate installation of additional modular office space on south side of Administration Building					
37	Develop plan for installation of additional office space on south side of Administration building	Q3 2026	In Progress	Q3 2026	Plan being developed by staff
38	Initiate site preparation and obtain proposals for purchase of refurbished office trailer	Q3 2026		Q3 2026	
39	Purchase and install refurbished office trailer	Q4 2026		Q4 2026	
Goal #16 Consider adoption of sewer service rate adjustments pursuant to Raftelis rate and fee study recommendations					
40	Complete sewer service rate study incorporating new data from CASA F&L study	Q1 2026	Complete	Q1 2026	Sewer service rate study completed in March
41	Board consideration of final Rate and Fee Study report	Q1 2026	Complete	Q1 2026	Board consideration of final report in March

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #17 Prepare sewer service rate adjustments for implementation on July 1, 2026, pursuant to rate and fee study, in compliance with Proposition 218					
42	Prepare sewer service rate adjustments for FY27, pursuant to study, in compliance with Prop 218	Q2 2026	Complete	Q2 2026	Updated sewer service rates prepared in May
43	Conduct 218 public hearing and adopt new rate schedule	Q2 2026	Complete	Q2 2026	Public hearing held in June
44	Update parcel tax data base and transmit to County	Q3 2026	Complete	Q3 2026	Updated sewer service rates prepared in May
Goal #18 Consider Adoption of new connection and annexation fees pursuant to rate and fee study recommendations					
45	Complete connection and annexation fee study report	Q2 2026	Complete	Q2 2026	Connection and annexation fee report completed in July
46	Board consideration and adoption of new connection and annexation fees	Q2 2026	Complete	Q2 2026	Board consideration and adoption of new connection and annexation fees in July
Goal #19 Continue to seek grant funding for capital projects nearing construction					
47	Submit application for Community Project Grant funding on Energy Storage project	Q2 2026	Complete	Q2 2026	CPG funding application submitted in April
48	Submit IRA tax credit application on BESP project upon commissioning/start up	Q1 2027		Q1 2027	
49	Submit SGIP application to Southern California Gas Co. on Energy Storage Project	Q2 2027		Q2 2027	
50	Submit IRA tax credit application on energy storage project upon commissioning/start up	Q3 2027		Q1 2028	
51	Continue to seek grant funding for all planned capital projects nearing construction	Ongoing	In Progress	Ongoing	
Goal #20 Work with GWSD Board to resolve concerns related to the funding of capital projects					
52	Continue implementation of project notification policy	Ongoing	In Progress	Ongoing	Quarterly and annual CIP meetings with GWSD continuing
53	Prepare and submit draft project participation agreement on SHIP project to GWSD for review and consideration	Q3 2026	Complete	Q3 2026	Draft participation agreement submited to GWSD on 7/29/26
54	Prepare draft project participation agreement on Energy Storage project for GWSD for review and consideration	Q3 2026	In Progress	Q3 2026	Draft participation agreement prepared and will be submitted upon completion of project design and environmental review
Goal #21 Review and update succession plans for near term retirements as changes warrant					
55	Review and update succession plans for near term retirements as needed	Ongoing	In Progress	Ongoing	
Goal #22 Maintain Platinum Level District of Distinction recognition by CSDA					
56	Ensure new executive staff and board members receive governance training as required	Ongoing	In Progress	Ongoing	Vyto has completed on governance training and director Glancy is scheduled to attend SDLF training in September

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #23 Ensure Board members and staff complete all required training programs on time					
57	Ensure Board members and staff complete all required training programs on time	Ongoing	In Progress	Ongoing	Board and staff completing online training as required
Goal #24 Actively monitor and track new and revised State and Federal wastewater regulations and/or regulations pertinent to the District					
58	Actively monitor and track new and revised State and Federal wastewater regulations	Ongoing	In Progress	Ongoing	Staff is monitoring and participating in federal and state legislative committee meetings with CASA and CSDA
Goal #25 Prepare draft 2027 Strategic Plan for Board review and action					
59	Preparation of draft 2027 Strategic Plan	Q3 2026		Q3 2026	
60	Board review of draft 2027 Strategic Plan	Q4 2026		Q4 2026	
Goal #26 Update greenhouse gas reduction report once BESP Phase 1 project is completed					
61	Update greenhouse gas reduction report once BESP Phase 1 project is completed	Q2 2027		Q2 2027	
Goal #27 Continue participation in CDPH epidemiological testing					
62	Continue participation in CDPH epidemiological testing	Ongoing	In Progress	Ongoing	Wastewater sample continue to be collected and sent to CDPH for anlysis.
Goal #28 Complete updates of all safety/resiliency plans and present summary report to Board					
63	Complete updates of all safety/regulatory plans	Q2 2026		Q2 2026	
Goal #29 Review emergency response plan and annual training activities and present to Board					
64	Board presentation on emergency response plan and annual training activities	Q2 2027		Q2 2027	

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #30 Complete updates to District website to meet accessibility requirements					
65	Obtain proposals to update website	Q2 2026	Complete	Q2 2026	Proposals obtained in May
66	Board approval of contract for website update	Q2 2026	Complete	Q2 2026	Board approval of contract in June
67	Update website and prepare for launch	Q3 2026	In Progress	Q3 2026	Launch of new website anticipated by end of September
Goal #31 Develop and implement annual outreach program					
68	Review annual outreach program with Board Outreach Committee	Q4 2026		Q4 2026	
69	Board consideration of annual outreach program	Q1 2027		Q1 2027	
70	Implement annual outreach programs in accordance with plan	Ongoing	In Progress	Ongoing	
Goal #32 Participate in job fairs to attract future entry level employees					
71	Participate in job fairs to attract future entry level employees	Ongoing	In Progress	Ongoing	
Goal #33 Include messaging on District's financial stewardship in relation to new sewer service rates in District newsletters and website					
72	Include messaging on new sewer service rates in District newsletters and website	Q2 2025	Complete	Q2 2026	Messaging included in newsletters, website, and direct mailer
Goal #34 Include messaging related to ongoing Water-Based Epidemiology testing for diseases in District newsletters and website					
73	Continue messaging related to WBE testing for diseases	Ongoing	In Progress	Ongoing	Messaging has been and continues to be included in newsletters
Goal #35 Include messaging on environmental stewardship in District newsletters and website					
74	Include messaging on environmental stewardship in District newsletters and website	Ongoing	In Progress	Ongoing	Messaging has been and continues to be included in newsletters and website
Goal #36 Include Spanish translation in all outreach efforts as appropriate					
75	Expand Spanish translation to all outreach efforts as appropriate	Ongoing	In Progress	Ongoing	Additional videos on website being translated to Spanish
Goal #37 Consider alternative outreach activities during construction of major CIP projects					
76	Consider alternative outreach activities during construction of major CIP projects	Ongoing	In Progress	Ongoing	

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #38 Continue outreach and communications on recruitment efforts					
77	Continue outreach and communications on recruitment efforts as needed to fill vacant positions	Ongoing	In Progress	Ongoing	
Goal #39 Complete knowledge transfer and training of Assistant General Manager by fall 2026					
78	Select, hire, and complete onboarding/training of new Assistant General Manager	Q4 2026	In Progress	Q4 2026	
Goal #40 Implement organizational changes pursuant to Succession Planning Status Report					
79	Implement organizational changes pursuant to Succession Planning Status Report	Ongoing	In Progress	Ongoing	
Goal #41 Complete comprehensive salary and benefit survey and present it to Board for consideration and action					
80	Complete comprehensive salary and benefit survey	Q2 2025	Complete	Q2 2025	Salary survey completed in June
81	Board consideration of survey results	Q2 2026	Complete	Q2 2026	Board consideration of survey results in June
82	Implement results if/as approved by Board	Q32026	Complete	Q32026	Board approval of new salary schedule based on survey results in July
Goal #42 Consider possible incentives to attract and retain top-notch employees					
83	Personnel committee meeting to review and discuss possible employee attraction and retention incentives	Q2 2026	Complete	Q2 2026	Personnel committee consideration of employee attraction and retention incentives in May
84	Board consideration of possible employee attraction and retention incentives	Q3 2026	Complete	Q3 2026	Board consideration of employee attraction and retention incentive in June and July
Goal #43 Consider use of recruiting firms to assist with filling vacant positions as/if needed					
85	Consider use of recruiting firms to assist with filling vacant positions as/if needed	Ongoing	In Progress	Ongoing	Recruiting firm hired to assist with Maintenance Tech 2/3 recruitment
Goal #44 Continue implementation of employee recognition program					
86	Continue implementation of employee recognition program	Ongoing	In Progress	Ongoing	
Goal #45 Consider annual employee training on the use of AI as appropriate					
87	Consider annual employee training on the use of AI as appropriate	Ongoing	In Progress	Ongoing	AI training included in annual goals of all staff

		Original Timeline	Current Status	Estimated Completion	Remarks
Goal #46 Monitor legislation and regulations regarding PFAS and other constituents of emerging concern for impacts to biosolids disposal methods					
88	Monitor legislation regarding PFAS and other Constituents of Emerging Concern for impacts	Ongoing	In Progress	Ongoing	Staff is monitoring and participating in water quality and biosolids committee meetings with CASA
Goal #47 Monitor ongoing SWRCB ocean modeling efforts related to future nutrient management regulations					
89	Monitor ongoing SWRCB ocean modeling efforts related to future nutrient management regulations	Ongoing	In Progress	Ongoing	Staff is monitoring and participating in water quality committee and other nutrient management meetings with CASA
Goal #48 Work closely with GWSD to keep them informed of all ongoing and planned District capital improvement projects that they may help fund					
90	Work closely with GWSD to keep them informed of all District capital improvement projects that they may help fund	Ongoing	In Progress	Ongoing	
Goal #49 Continue to monitor new/emerging cyber security risks and implement mitigation measures as appropriate					
91	Continue to monitor new/emerging cyber security risks and implement mitigation measures as appropriate	Ongoing	In Progress	Ongoing	Staff is monitoring and participating in cyber securtity meetings with CASA and other organizations

AGENDA ITEM #4

AGENDA ITEM: 4

MEETING DATE: August 3, 2026

I. NATURE OF ITEM

Consideration and Possible Action to Approve a Performance Incentive Payment to the General Manager Pursuant to the General Manager's Performance Incentive Program

II. BACKGROUND INFORMATION

Steve Wagner was hired by the District as its General Manager/District Engineer pursuant to an Employment Agreement, dated July 1, 2015. Section 6.1 of the Agreement provides that the Board shall review the compensation paid to the General Manager on an annual basis and in accordance with such review, the Board may increase such compensation as it shall deem appropriate based on certain considerations including, but not limited to: (a) the cumulative experience and his performance in carrying out his assigned duties; and (b) such other factors as the Board may determine relevant or appropriate.

The Agreement was amended by Amendment One, dated July 19, 2021, which increased the General Manager's vacation time from 3 weeks to 4 weeks per year.

Amendment Two, dated September 7, 2022, established a Performance Incentive Program similar to the one approved by the Board for all other full-time employees. A copy of Amendment Two to the Employment Agreement is attached to this report. Under the Program, an incentive payment may be granted if the General Manager meets certain criteria including, but not limited to the following:

1. Employee (General Manager) has attained a majority of his goals as stated on Employee's prior performance review;

2. Employee has received a minimum average performance review score of 25;

3. Employee did not receive a performance incentive payment for the fiscal year prior to the fiscal year just ended.

The Program provides that the General Manager shall be eligible for a performance incentive payment for the first time following the fiscal year ending June 30, 2023. The General Manager may receive a performance incentive payment every other year if the Employee meets the criteria. Such payments will be made at the close of the pay period following completion by the Board of the General Manager's performance review for fiscal year end.

III. COMMENTS AND RECOMMENDATIONS

A performance review of the General Manager was conducted on July 6 and July 20, 2026. Across the evaluations made by each Board member, the General Manager received total scores of 27, 28, 29, 30, and 30, for an average total score of 28.8 out of 30. The overall evaluation reflects performance at the Exceeds Expectations level. Based on that average score, the General Manager would be eligible for an incentive payment of 1.7% of his annual salary during the review period. Said calculation would result in a performance incentive payment of approximately $4,913.

As mentioned above, the General Manager became eligible for a performance incentive payment for the first time following the fiscal year ending June 30, 2023. The July 2026 review was the first review of the General Manager since 2022. Therefore, the General Manager would be eligible to receive an incentive payment for his performance during the 2025-2026 review period.

It is recommended that the Board of Directors consider approving a performance incentive payment to the General Manager in the amount of $4,913 pursuant to his employment agreement as amended.

IV. REFERENCE MATERIAL

Amendment Two to the General Manager Employment Agreement dated September 7, 2022

AMENDMENT TWO TO EMPLOYMENT AGREEMENT

THIS AMENDMENT TWO TO EMPLOYMENT AGREEMENT (this "Amendment"), dated for reference purposes as of September 7, 2022, is entered into by and between the **GOLETA SANITARY DISTRICT**, hereinafter referred to as "Employer," and **STEVE D. WAGNER**, hereinafter referred to as "Employee."

Recitals

A. Employer and Employee have entered into an Employment Agreement dated July 1, 2015 (the "Employment Agreement").

B. Effective as of July 1, 2021, Employer and Employee amended the Employment Agreement to increase Employee's vacation time from three (3) weeks to four (4) weeks per year.

C. Employer and Employee desire to further amend the Employment Agreement to include a performance incentive program to encourage outstanding performance and acknowledge superior work effort by Employee.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employer and Employee agree as follows:

1. <u>**Performance Incentive Program**</u>. Effective as of the fiscal year commencing July 1, 2022, the Employment Agreement is amended to include the performance incentive program attached hereto as Exhibit "A" and incorporated herein by reference.

2. <u>**Continued Effect**</u>. Except as specifically amended herein, all of the terms and provisions of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

"Employer"

GOLETA SANITARY DISTRICT

COPY

By: ______________________
Steven T. Majoewsky,
President of the Governing Board

Countersigned:

COPY

By: ______________________
Robert O. Mangus, Jr.,
Secretary of the Governing Board

"Employee"

COPY

____
Steve D. Wagner

EXHIBIT "A"

Performance Incentive Program

In addition to the annual salary payable to Employee pursuant to Section 6.1 of the Employment Agreement, Employee may receive a performance incentive payment for each fiscal year (July 1 through June 30) during which Employee has met the following criteria:

1. Employee has had at least 5 years of service at the District.
2. Employee has attained a majority of his goals as stated on Employee's prior performance review.
3. Employee has received a minimum average performance review score of 25 on his performance review for the fiscal year just ended.
4. Employee has not been subject to any disciplinary action by Employer for the two (2) prior fiscal years (i.e., the fiscal year just ended and the fiscal year prior thereto).
5. Employee did not receive a performance incentive payment for the fiscal year prior to the fiscal year just ended.

If Employee meets the above eligibility criteria, he may receive a performance incentive payment ranging from 1% to 2% of his annual salary for the fiscal year just ended based on his average performance review score, as shown in the following tables:

Average Performance Review Score	25	25.5	26	26.5	27	27.5	28	28.5	29	29.5	30
Performance Incentive Payment	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	2.0%

Employee shall be eligible for a performance incentive payment for the first time following the fiscal year ending June 30, 2023. No performance incentive payment will be payable if Employee's average performance review score is under 25. Performance incentive payments will be based on Employee's job performance for the fiscal year just ended. Performance incentive payments do not change Employee's base pay rate and are not considered special compensation per CalPERs regulations. Employee may receive a performance incentive payment every other year if Employee meets the above eligibility criteria. Performance incentive payments will be made at the close of the pay period following the completion by Employer's Governing Board of Employee's performance review for fiscal year just ended

GENERAL MANAGER’S REPORT

GOLETA SANITARY DISTRICT
GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from July 21, 2026, through August 03, 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 continues routine lines cleaning in the area of Camino del Retiro and Cathedral Oaks Road.

CCTV INSPECTION
Staff has been conducting routine CCTV inspections in the area of Cocopah Drive and Foothill Road. Staff has also been conducting priority CCTV inspections throughout the District.

REPAIR AND MAINTENANCE
The District's Vactor RamJet hydro jetting sewer cleaning truck was picked up by staff at Haaker Equipment Company in La Verne on Tuesday, July 21, 2026. As previously reported, no electrical power was going to the control panel that operates the hydro jetting hose reel and pump, due to a blown 200-Amp fuse. The fuse was replaced, but the cause of failure was not determined. Haaker staff said the computer system did not record a power surge. They said the primary cause for this fuse to blow is due to improper battery jumping procedures; however, staff have never had to jump start the RamJet. Another potential reason for the failure could be vibration during operation.

Granite Construction continues work on the County of Santa Barbara's Fiscal Year 25-26 South and Central County Pavement Rehabilitation Project. The current count of manholes and cleanouts to be adjusted is 38. Granite Construction has started on the adjustment of the District's frames and covers as part of this paving project. Staff is coordinating the work with the County of Santa Barbara and Granite Construction staff. Staff is providing replacement frames and covers as needed and is inspecting the work.

CUESTA VERDE ODOR ISSUE
Staff is currently unable to collect gas monitor readings on Cuesta Verde for the ongoing odor issue associated with the force main lateral from the Santa Barbara Wildlife Care Network's effluent pumpstation. The District's cleanout and manhole frames and covers on Cuesta Verde are currently paved over as part of the County of Santa Barbara's paving project.

COLLECTION SYSTEM MAINTENANCE TECH I RECRUITMENT (CSMT I)
Staff conducted the first round of interviews for the open CSMT I position, and are looking to hold second round interviews during the week of August 17, 2026.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT
The Plant flow for the month July has averaged 4.49 MGD (million gallons per day).

Operations staff completed a deep cleaning of the two dewatering screw presses.

Work on the BESP Phase 1 continues. Control programming and testing has begun, and Gateway Pacific Contractors has demobilized for the site. Purging the air from Digester 4 with nitrogen in preparation of seeding and commissioning activities has begun.

The Reclamation plant has produced an average of 1.69 MGD for the last 30 days.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of August 3, 2026, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	$	294,864
Investment Accounts (including interest earned):	$	45,079,898
Total District Funds:	$	45,374,762

The following transactions are reported herein for the period 07/21/2026 – 08/03/2026

Regular, Overtime, Cash-outs, and Net Payroll:	$	233,831
Claims:	$	681,182
Total Expenditures:	$	915,013
Total Deposits:	$	10,420

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	$	- 0 -
CWB Operational to CWB Money Market:	$	- 0 –
CWB Money Market to CWB Operational:	$	800,000
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 – Previously reported
LAIF Quarterly Report – Previously reported
PMIA/LAIF Performance – Previously reported
PMIA Effective Yield – Previously reported

Community West Bank (CWB)

CWB Money Market and ICS Accounts – Previously reported

CA-Class Investment Account

CA-Class Investment Account – Previously reported

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – Previously reported
Lincoln 457 Deferred Compensation Plan – Previously reported

Personnel
A verbal personnel update will be provided at the meeting.

Future Agenda Items
- Consideration of Effluent CCC Slide Gate Repair Project
- 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

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

DISTRICT CORRESPONDENCE
Board Meeting of August 03, 2026

Date:	**Correspondence Sent To:**
1. 07/20/2026	Kalie Bonomo, Mutual Settlement Officer – Compliance Division Air Pollution Control District, Santa Barbara County **Subject:** Mutual Settlement Offer – Notice Of Violation #14324

Date:	**Correspondence Received From:**
1. 07/24/2026	Sarah Marshall SEPPS Land Use Consulting **Subject:** Sewer Service Availability Proposed Sewer Service Connection For One Existing Light Manufacturing Building **APN:** 077-030-006 at 1351 Holiday Hill, Goleta, CA

Hard Copies of the Correspondence are available at the District's Office for review

AGENDA ITEM #12

(Closed Session)