

# **AGENDA**

## **COVID-19 Meeting Notice**

**To address concerns relating to COVID-19, this meeting will be accessible by remote video conferencing, as authorized by Governor Newsom's Executive Order N-29-20.**

**Members of the public who wish to observe the meeting and/or offer public comment by video conferencing should contact the District at least 24 hours before the meeting at (805) 967-4519 or RMangus@GoletaSanitary.org to obtain the meeting ID and passcode.**

**Members of the public with disabilities who wish to request a reasonable modification or accommodation to observe the meeting and/or offer public comment should contact the District at least 24 hours before the meeting at the foregoing telephone number or email address for instructions on how to access the meeting.**

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

One William Moffett Place  
Goleta, California 93117

October 7, 2021

**CALL TO ORDER:** 2:00 p.m.

**ROLL CALL OF MEMBERS**

**BOARD MEMBERS:** Jerry D. Smith  
Steven T. Majoewsky  
George W. Emerson  
Sharon Rose  
Edward Fuller

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

The Board will consider approval of the Minutes of the Regular Meeting of September 20, 2021.

**PUBLIC COMMENTS** - Members of the public may address the Board on items within the jurisdiction of the Board.

**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 24 hours in advance of the meeting.

**BUSINESS:**

1. CONSIDERATION OF PENSION LIABILITY MANAGEMENT STRATEGIES  
(Board may take action on this item.)
2. STATUS REPORT ON PREPARATION OF CLIMATE ADAPTATION PLAN
3. CONSIDERATION AND ADOPTION OF RESOLUTION REGARDING  
TRANSITION TO MODIFIED BROWN ACT REQUIREMENTS  
(Board may take action on this item.)
4. GENERAL MANAGER’S REPORT
5. LEGAL COUNSEL'S REPORT
6. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF  
DIRECTOR’S ACTIVITIES

7. PRESIDENT'S REPORT
8. ITEMS FOR FUTURE MEETINGS
9. CORRESPONDENCE  
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
10. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT  
(The Board will be asked to ratify claims.)

## **ADJOURNMENT**

*Any public records which are distributed less than 24 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.*

*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 & H.R. Manager at least 2 hours prior to the meeting by telephone at (805) 967-4519 or by email at [info@goletasanitary.org](mailto:info@goletasanitary.org).*

# MINUTES

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

September 20, 2021

**CALL TO ORDER:**

President Smith called the meeting to order at 6:30 p.m. All attendance at the meeting was via Zoom.

**BOARD MEMBERS PRESENT:**

Jerry D. Smith, Steven T. Majoewsky, George W. Emerson, Sharon Rose, Edward Fuller (arrived 6:32 p.m.)

**BOARD MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT:**

Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance and Human Resources Manager/Board Secretary, John Crisman, Plant Operations Manager and Richard Battles, Legal Counsel from Howell Moore & Gough LLP.

**OTHERS PRESENT:**

Larry Meyer, Director, Goleta West Sanitary District

**APPROVAL OF MINUTES:**

Director Majoewsky made a motion, seconded by Director Emerson, to approve the minutes of the Special Board meeting of 09/08/21. The motion carried by the following vote:

(21/09/2237)

AYES:	4	Smith, Majoewsky, Emerson, Rose
NOES:		None
ABSENT:	1	Fuller
ABSTAIN:		None

**POSTING OF AGENDA:**

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

**PUBLIC COMMENTS:**

None

**BUSINESS:**

1. **CONSIDERATION OF PURCHASE OF A COMPACT TRACK LOADER**  
Mr. Wagner gave the staff report.

Director Rose made a motion, seconded by Director Majoewsky to authorize the General Manager to execute a purchase order contract with Quinn Company for a new 249D3

Compact Track Loader with attachments, as quoted in an amount not to exceed \$71,072.

The motion carried by the following vote:

(21/09/2238)

AYES:	5	Smith, Majoewsky, Emerson, Rose, Fuller
NOES:		None
ABSENT:		None
ABSTAIN:		None

2. CalPERS HEALTH INSURANCE PLAN CHANGES FOR CALENDAR YEAR 2022  
Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Majoewsky to approve the use of the PERS Platinum Health Plan rates as the bench mark, replacing PERS Choice, for coverage cost basis and payroll deductions for other plans, if applicable for calendar 2022.

The motion carried by the following vote:

(21/09/2239)

AYES:	5	Smith, Majoewsky, Emerson, Rose, Fuller
NOES:		None
ABSENT:		None
ABSTAIN:		None

3. CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT FOR THE EVALUATION OF THE WATER RECLAMATION FACILITY DISINFECTION SYSTEM  
Mr. Wagner gave the staff report.

Director Rose made a motion, seconded by Director Emerson to authorize the General Manager to execute a professional services agreement with Hazen and Sawyer in the form of an addendum to proposal for the evaluation of the reclamation facility disinfection system in the amount not to exceed \$53,200.

The motion carried by the following vote:

(21/09/2240)

AYES:	5	Smith, Majoewsky, Emerson, Rose, Fuller
NOES:		None
ABSENT:		None
ABSTAIN:		None

4. STATUS REPORT ON DESIGN OF BIOSOLIDS AND ENERGY STRATEGIC PLAN PHASE 1 IMPROVEMENTS  
Mr. Wagner gave the staff report on this presentation and discussion item. There was no board action.
  
5. GENERAL MANAGER'S REPORT  
Mr. Wagner gave the report.
  
6. LEGAL COUNSEL'S REPORT  
Mr. Battles reported on AB361 which was signed by Governor Newsom on September 16, 2021 that extends some of the Brown Act modifications made by executive order. A provision of the bill requires a resolution by the District to state the emergency and need to use modifications and the resolution needs to be renewed every 30 days.
  
7. COMMITTEE/DIRECTORS' REPORTS AND APPROVAL/RATIFICATION OF DIRECTORS' ACTIVITIES  
Director Rose – Discussed the upcoming Local Chapter CSDA meetings.  
  
Director Majoewsky – No report.  
  
Director Fuller – Reported on the Goleta Water District meeting he attended.  
  
Director Emerson – Reported on an article he will share.
  
8. PRESIDENT'S REPORT  
President Smith – No report.
  
9. ITEMS FOR FUTURE MEETINGS  
No Board action was taken to return with an item.
  
10. CORRESPONDENCE  
The Board reviewed and discussed the list of correspondence to and from the District in the agenda.
  
11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT

Director Rose made a motion, seconded by Director Emerson, to ratify and approve the claims, for the period 09/09/21 to 09/20/21 as follows:

Running Expense Fund #4640	\$ 256,362.76
Depreciation Replacement Reserve Fund #4655	\$ 14,039.86



The motion carried by the following vote:

(21/09/2241)

AYES:	5	Smith, Majoewsky, Emerson, Rose, Fuller
NOES:		None
ABSENT:		None
ABSTAIN:		None

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:30 p.m.

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Jerry D. Smith  
Governing Board President

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Robert O. Mangus, Jr.  
Governing Board Secretary

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Steven T. Majoewsky

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George W. Emerson

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Sharon Rose

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Edward Fuller

# **AGENDA ITEM #1**

**AGENDA ITEM: 1**

**MEETING DATE: October 7, 2021**

**I. NATURE OF ITEM**

Consideration of Pension Liability Management Strategies

**II. BACKGROUND INFORMATION**

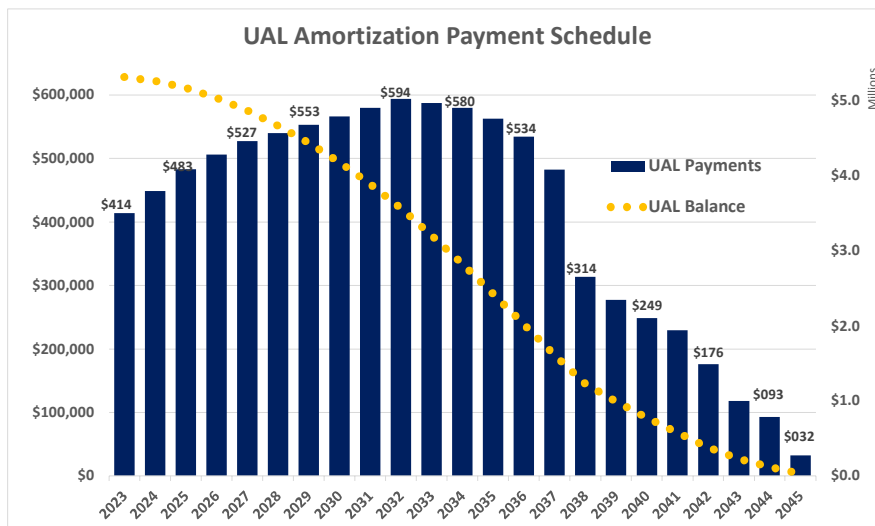
The District provides a defined pension benefit to its employees and through participation in the California Public Employees' Retirement System (CalPERS). Employees are vested in the program after five years of service. The District provides two different pension benefit formulas to its employees: Classic – 2.0% at 55 for all employees hired before January 1, 2013 (or hired from another agency before January 1, 2013); and PEPR – 2.0% at 62 for all new CalPERS members hired on or after January 1, 2013.

Annual pension costs are comprised of two components:

1. **Normal Costs** – Annual payments based on a percentage of payroll; these payments are for pension benefits earned by current employees in the current year.
2. **Unfunded Accrued Liability (UAL)** - Fixed dollar payments made toward the shortfall in funding of previously earned pensions by employees and retirees.

**Unfunded Accrued Liability (UAL)**

According to the most recent CalPERS actuarial report, June 30, 2020, the District has a UAL equal to \$5.2 million. The District will be required to pay \$414,000 toward its UAL (plus an estimated \$484,000 in Normal Costs) to CalPERS in the next fiscal year (FY 2022-23). Over the next 10 years, the District's annual UAL payment will increase as shown in the following table.



These annual UAL payments are fixed dollar payments, which will steadily increase each year, until it peaks in FY 2031-32 at \$594,000.

### **CalPERS Actuarial Reports**

Each year, CalPERS provides an actuarial valuation report, which specifies the required annual contributions for both the current annual service cost, “Normal Cost”, and fixed dollar payment toward funding the shortfall, “Unfunded Accrued Liability” (UAL). The report presents the actuarial valuation of the retirement plan and sets the required employer contributions for the following years.

*The figures in the CalPERS actuarial report differ slightly from the figures published in the District’s Audited Financial reports due to accounting reporting standards.*

The actuarial calculations are based on a number of demographic and economic assumptions, which include life expectancy, ages at retirement, rate of retirements, disabilities, terminations and payroll inflation. Economic assumptions are based on salary growth rates, inflation rates, and the assumed rate of return known as the discount rate.

### **Dynamic Liability**

The District’s UAL is not a static number. Each year CalPERS adjusts the UAL to account for investment performance, changes in assumptions, methodology, life expectancy, and change in benefit levels. Therefore, the District should be aware of the UAL’s dynamic nature and continually monitor its pension funding levels.

### **Pension Advisory Services**

The District has sought out the services of a financial advisory firm that specializes in pension funding solutions.

Julio Morales is a registered municipal advisor with Urban Futures Inc. (UFI). He is dedicated full-time to addressing pension and Other Post-Employment Benefits (OPEB) liabilities for California public agencies. Mr. Morales has worked with numerous agencies throughout California in addressing their pension and OPEB liabilities, including the South Orange County Wastewater Authority (SOCWA) and the Los Angeles County Sanitation District.

UFI is the #1 ranked financial advisor in California for the past 4 years and the leader in pension advisory services. UFI is an endorsed affiliate of the California Special District Association (CSDA) which is recommended for their pension advisory services – they have been vetted by CSDA; and have also pre-negotiated discounted fees for its members.

### **Pension Funding Strategies**

Mr. Morales will make a presentation to the Board regarding the CalPERS pension liability and discuss potential funding solutions, including:

- Use of Reserves
- Tax-Exempt Exchange Loans
- 115 Trust

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

The active management of District's pension liability can result in the avoidance of significant future costs and improve the District's net financial position over time. The Board's Finance Committee received a similar presentation by Mr. Morales on October 1, 2021. While this presentation is for informational purposes only, staff recommends the Board consider developing a pension liability management policy to reduce and/or eliminate its ongoing pension liability in the future.

### **IV. REFERENCE MATERIALS**

Urban Futures, Inc. Statement of Qualifications

CSDA Article on The Municipal Advisor's Role in Helping Manage Pension Liabilities

# Statement of Qualifications



**GOLETA SANITARY**  
Water Resource Recovery District



Urban Futures | Financial Solutions

**September 30, 2021**

## Statement of Qualifications

Since 1972, our clients have put their trust in UFI over its 48-year history. UFI has provided municipal advisory services to California cities, counties, special districts, schools, and non-profits. UFI is the top municipal advisory firms in the State of California, having led more transactions than any other firm over the past four consecutive years.

### Top Municipal Advisors for California Municipal Bonds (January 1, 2016 to December 31, 2020)

Rank	Firm	No. of Issues	Par (\$MM)
1	Urban Futures Inc	775	\$ 15,182
2	Fieldman Rolapp & Associates	479	18,886
3	KNN Public Finance	426	42,399
4	PFM Financial Advisors LLC	407	38,022
5	Public Resources Advisory Group	216	69,812

Source: SDC Platinum (Thomson Reuters)

*All our Municipal Advisors have passed the Series 50 exam. UFI is registered as an Independent Registered Municipal Advisor (IRMA) with the Municipal Securities Rulemaking Board (MSRB) and the Securities and Exchange Commission (SEC).*

UFI has the resources and experience to be able to handle all of the District's financial advisory needs. We can produce an accurate picture of an agency's current financial status, a long-term projection of its financial performance, and a fiscal sustainability plan that includes revenue measures and expense reductions (including management of pension liabilities).

UFI provides services through its three divisions:

- **Public Finance Division** supports the issuance of debt including general fund leases/COPs, transportation financings, water & sewer revenue bonds, GOs, POBs, TABs, CFDs / ADs, and privately placement loans.
- **Public Management Division** offers fiscal sustainability planning, financial forecasting, special studies, and performance improvement services, including pension & OPEB modeling.
- **Analytics and Compliance Group** provides services related to continuing disclosure, arbitrage rebate, and CDIAC reporting compliance.

### What Sets Up Apart



**Full-Service Solutions:** What differentiates us from our peers is the comprehensive municipal services that we provide to our clients, making us a "one-stop shop" for financial solutions. We help you evaluate and implement various financing options for capital projects (including bonds, revolving lines of credit, and State and Federal loan programs) and refinancing opportunities, and we provide post-issuance compliance services.



**California Focus:** UFI is the largest California-based Municipal Advisory firm. We are staffed with 21 professionals in two California office locations: Tustin (12) and Walnut Creek (9).



**Capital Market Resources:** UFI employs the same resources as large national municipal advisory and municipal underwriting firms, such as Bloomberg, TM3, and DBC, but what sets us apart from our competition is the experience and perspective of our staff.



**Executive Government Experience** - We are staffed with finance professionals with executive government experience, and corporate/investment banking experience. This experience affords us the ability to provide both detailed, quantitative analysis and practical, viable recommendations.

## 2. Pension Experience

UFI is the leader in pension advisory services in California. UFI has provided pension advisory services and modeling to more than **40 California agencies**, including **26 POBs** totaling over **\$2.4 billion** in par value since **2005**.

Municipal Advisor Rankings for CA POBS 2017 - 2021			
Municipal Advisor	Par (\$MM)	#	%
1 UFI	2,284	21	25%
2 NHA Advisors	1,750	16	19%
3 Wulff Hansen	145	12	14%
4 Harrell & Co	630	6	7%
5 Columbia Capital	740	3	4%
6 Other	1,622	25	30%
<b>Total</b>	<b>\$ 7,171</b>	<b>83</b>	

Source: Bloomberg

Financing Objective	Clients
ADP	City of Desert Hot Springs, Santa Fe Irrigation District
Financial Modeling	Beaumont Cherry Valley Water District, Mid-Peninsula Water District
Leveraged Refunding	Rowland Water District, Walnut Valley Water District
Multi-Agency Payoff Strategy	SOCWA
Reserve Exchange	LA County Sanitation District
Tax-Exempt Exchange	Placer County Water Agency
Termination	San Gabriel Valley COG
UAL Payoff	Camrosa Water District

### Our Process

*UFI starts with the objective of developing a long-term comprehensive plan to address your pension liabilities.*

UFI uses a systematic approach toward addressing your pension liabilities. We follow a 5-step process:

1. Analyze Pension / OPEB Liabilities
2. Evaluate Funding Strategies
3. Develop Long-Term Pension Management Plan
4. Conduct Council / Board/ Stakeholder Workshops
5. Draft Pension Funding Policies & Recommendations

We have developed multiple funding strategies to address your UAL, in addition to POBs – allocation among funds, use of reserves, Soft Fresh Start, Tax-Exempt Exchange, Leveraged Refunding and recycling savings.

### What Sets Up Apart





**Comprehensive Approach:** UFI evaluates the District's entire balance sheet and all available resources. We examine your CAFR, budget, and CIP. We develop a customized Pension Funding Plan to address your current and future UAL. We develop customized solutions tailored to the unique elements that meet your policy objectives.



**Industry Leader:** UFI has In-depth understanding of Pension Liabilities, POBs, and CalPERS' Administrative Process. As a result, UFI is hired to evaluate a variety of pension-related issues – not just POBs including: Additional Discretionary Payments (ADP) strategies, Unfunded Accrued Liability (UAL) projections, impact of salary increases on UAL, education workshops, exiting CalPERS, pay-offs, and fund exchange strategies.



**Unmatched Technical Expertise:** UFI creates a custom Pension Model for each client. The model develops an underlying amortization schedule for each amortization base, which matches CalPERS' UAL payment schedule. This pension model serves as the foundation of our technical analysis, which allows us to develop complex scenarios, projections, and specific base-by-base recommendations.



**Evaluate & Understand Risk:** POBs provide a very compelling economic option. However, they are not without risk. UFI is able to analyze and quantify risks by performing Risk/Scenario Analysis & Monte Carlo Simulation, as well as provide risk mitigation strategies.

### 3. Staff Qualifications and Experience

We believe that the core professionals that UFI has assembled possess the proven capabilities necessary to provide the District with comprehensive financial advisory services for any of its financing assignments. Three senior-level staff members and a Senior Associate will be assigned to the District to fulfill the Scope of Work. The team will also include additional continuing disclosure and consulting staff, as requested.

**Julio Morales** will serve as the Lead and primary day-to-day contact. In this role, he will be responsible for performing quantitative analyses, prepare presentation materials, assist in drafting staff reports and attend all meetings. Should the District pursue a private placement loan or bond finance, he will lead the financing process by leading all conference calls, coordinating with team members to keep the deal on schedule, and finally ensure the seamless executive and closing of the transaction.

**Tim Frydendall** will provide analytical, research, and transaction execution support. He will also be providing market and pricing analysis if the District decides to go to market.

All of the above resources are available to serve the District and meet with District staff as often as requested. Below are the biographies and relevant experience of the Primary Contact and other qualified and available staff that will be dedicated to providing the District with services. All of the advisors hold a Series 50 municipal advisor license.

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## Appendix A: Resumes

### **Julio Morales, Director (Lead & Primary Contact)**

Prior to joining UFI, Mr. Morales worked for the Department of the Treasury's Office of Technical Assistance (OTA), providing financial advice to the Treasurer of Paraguay. Mr. Morales has nearly 25 years of broad-based corporate and public finance experience, serving as a financial advisor at PFM and Fieldman Rolapp, an investment banker with Bank of America, derivative/ investment provider for Transamerica, and also served as the debt manager for the City of Oakland and Economic Development Coordinator for the Housing Authority of the City of Los Angeles (HACLA).



Mr. Morales previously served as the City Manager for the City of Huntington Park, having also served as its Finance Director and Treasurer. He also served as the Finance Director and Treasurer for the City of El Monte. Mr. Morales helped both cities to implement a number of changes and improvements to eliminate significant structural deficits. He currently focuses on pension/OPEB issues in California. His current pension modeling, pension obligation bond, and pension/OPEB advisory clients include over 30 Cities and special district throughout California. UFI is an endorsed affiliate of the California Special District Association (CSDA) for pension advisory services.

### **Tim Frydendall, Associate (Transaction and Execution Support)**

Mr. Frydendall joined UFI in 2018. He is proficient with UFI's pension model and has served as an integral member in UFI's recent pension obligation bond issuances. Mr. Frydendall has provided analytical support on the issuance of Pension Obligation Bonds for the following clients: Glendora, Arcadia, Coachella, and El Cajon. He provided a pricing analysis for the City of Coachella which allowed Mr. Morales and Mr. Busch to successfully negotiate lower yields and significant savings for the City.



Outside of his pension experience, Mr. Frydendall's prior engagements at UFI include financial analysis and administrative support for the Calipatria Successor Agency, Camrosa Water District, cities of Culver City, Pomona, Simi Valley, Cupertino, and Azusa, and charter schools located in California, Arizona, Nevada, Louisiana, and New York.

Mr. Frydendall previously worked in public accounting as an auditor at Vasquez & Co. LLP for municipal, non-profit, and for-profit clients. He graduated from California State University, Long Beach, receiving a bachelor's in accounting.

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## Regulatory Disclosure

**Disclosure of Conflicts of Interest and Legal or Disciplinary Events.** Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Urban Futures, Inc. (“UFI”) and its associated persons.

**Conflicts of Interest. Compensation.** UFI represents that in connection with the issuance of municipal securities, UFI may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, UFI hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding UFI’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e., hourly or fixed fee based) may also present a potential conflict of interest regarding UFI’s ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair UFI’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

**Other Municipal Advisor Relationships.** UFI serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another UFI client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, UFI could potentially face a conflict of interest arising from these competing client interests. UFI fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If UFI becomes aware of any additional potential or actual conflict of interest after this disclosure, UFI will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

**Legal or Disciplinary Events.** UFI does not have any legal events or disciplinary history on UFI’s Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access UFI’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html). There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against UFI, UFI will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate UFI, its management and personnel



**California Special  
Districts Association**

*Districts Stronger Together*

# The Municipal Advisors Role in Helping Manage Pension Liabilities

By [Vanessa Gonzales](#)

Most public agencies in California are weathering the storm caused by the impacts of COVID-19, but even as we all adjust to our “new normal,” concerns over rising pension and retiree medical costs continue to remain at the forefront.

For many special districts, addressing unfunded pension liabilities is one of the most significant financial challenges to be faced. Rising pension costs are daunting, and the issues are complex and nuanced. Often, special districts are without the staff resources or financial expertise needed to develop a comprehensive pension management plan.

Lacking in-house expertise, one option special districts have is to hire a municipal advisor. A number of firms with pension expertise are ready and willing to assist. However, special district managers who have only limited experience with pensions or bond issuance, or who have not hired a financial advisor before, will want to consider some important guidelines when deciding who to turn to for help.

## **The Role of the Municipal Advisor**

Municipal advisors are financial professionals who assist public agencies with the issuance of bonds, as well as financial analysis, modeling, planning, and forecasting associated with funding capital improvements. Municipal advisors are regulated by the Securities and Exchange Commission under the Dodd-Frank Wall Street and Consumer Protection Act.



Municipal advisors are required to pass the Series 50 exam, a qualifying exam developed by the Municipal Securities Rulemaking Board (MSRB). They must register their firm and the advisors who work for the firm with the MSRB. In addition, municipal advisors are required to follow certain standards of conduct, as defined under MSRB Rule G-42, including regulatory compliance, licensing, and continuing education requirements.

Most importantly, municipal advisors are obligated to serve in a fiduciary capacity to their clients and act in their best interest.

### **Duty of Care, Duty of Loyalty**

Special districts and other public agencies are protected by a set of rules established by the MSRB. The MSRB Rule G-42 outlines very specific requirements and standards of conduct that the municipal advisor must follow.

For example, the municipal advisor must act with what the MSRB terms as a “Duty of Care” when performing advisory activities. This means the municipal advisor must possess the degree of knowledge and expertise needed to provide informed advice; make a reasonable inquiry as to the facts that form the basis for any advice; and have a reasonable basis for any advice provided.

The MSRB also requires the municipal advisor, as fiduciary of their client, act with a “Duty of Loyalty.” According to the MSRB, “The duty of loyalty requires a municipal advisor to deal honestly and with the utmost good faith and act in the client’s best interests without regard to the financial or other interests of the municipal advisor.”

### **Conflict of Interest**

In keeping with the duty of loyalty, the municipal advisor is required to disclose material conflicts of interest in writing. This includes any fee-splitting or third-party arrangements, or relationships with any affiliate that provides a service or advice directly related to the municipal advisor’s activities on behalf of their client.

Conflicts of interest are a major focus of the Dodd-Frank Act. A bond offering is a coordinated effort among various finance professionals, each serving a distinct role. Municipal advisors are prohibited from serving as underwriters (on the same transaction), and bond counsel firms are generally discouraged from providing financial advice.

Special districts should be cautious when a single firm offers to play more than one of the major roles in a financial transaction (i.e., bond and disclosure counsel, municipal advisor, and/or underwriter).

## **Comprehensive Approach to Pension Liabilities**

Pension liabilities are a complex topic, with many moving parts and inter-related factors. Special districts should look to CSDA and other organizations for education and resources to help them gain a better understanding of the options available.

A municipal advisor will also act as a resource, helping evaluate alternative options, modeling various scenarios, adopting pension funding policies, and developing a long-term comprehensive funding plan.

While pension obligation bonds (POBs) can provide a viable solution, they are not the only answer. Special districts can also address their pension liabilities by using alternative funding strategies, such as tax-exempt exchange, leverage refunding, and making additional discretionary payments (ADPs).

A municipal advisor should be able to clearly explain the benefits and risks associated with issuing POBs and provide strategies to mitigate them, as well as offering alternative strategies to POBs.

## **New Endorsed Affiliate for Pension Advisory Services**

CSDA has partnered with [Urban Futures, Inc](#) (UFI) to assist members in addressing their pension liabilities. UFI takes a comprehensive approach with each client, developing a customized pension model and evaluating funding strategies to assist you in developing a long-term pension management plan. UFI then conducts workshops/study sessions to educate your board and communicate with bargaining units/stakeholders.

CSDA has negotiated special rates for UFI's pension advisory services. For more information on this member benefit, visit [csda.net](https://www.csdanet.org) or contact [Member Services](#).

# **AGENDA ITEM #2**

**AGENDA ITEM: 2**

**MEETING DATE: October 7, 2021**

**I. NATURE OF ITEM**

Status Report on Preparation of Climate Adaptation Plan

**II. BACKGROUND INFORMATION**

The District's Governing Board met on March 24, 2021 to review and approve the 2021 Action Plan. One of the goals of the Plan under the Environmental Stewardship and Resiliency Planning category was to develop a Climate Adaptation Plan (CAP).

On May 17, 2021, the District approved a professional services agreement with Environmental Science Associates, Inc. (ESA) to develop a Climate Adaptation Plan identifying potential sea-level rise impacts to the District's facilities including the Firestone Lift Station, outfall, and the treatment plant, and to recommend mitigation measures to protect this critical infrastructure with respect to timing, strategies, and costs, using much of the work done by other agencies in the recent past.

Phases of the Plan include development of: 1) Sea-level Rise Scenarios, 2) Hazards Analysis, 3) Asset Inventory, 4) Vulnerability Assessment, and 5) an Adaptation Plan Recommendation.

The consultants issued a technical memorandum on July 6, 2021 on Sea-level Rise Scenarios for the District's consideration. The document is included for reference. Additionally, hazard data organization and mapping, and asset data organization and mapping have been conducted.

Staff met with representatives from ESA on Monday, September 20, 2021 for a tour of the District facilities in preparation for the vulnerability assessment report. This report is expected to be completed by October 15, 2021. Staff will bring this item back for review after receipt of that report.

**III. COMMENTS AND RECOMMENDATIONS**

This report is for informational purposes only. As such, no Board action is required at this time. Staff will bring this item back to the Board for further consideration once the final report is completed.

**IV. REFERENCE MATERIALS**

ESA Memorandum on Sea Level Rise Scenarios for Goleta Sanitary District Climate Adaptation Plan dated July 6, 2021



# memorandum

date July 6, 2021

to Laura Romano DeFazio

cc Steve Wagner

from James Jackson PE, Nick Garrity PE

subject Sea level rise scenarios for Goleta Sanitary District Climate Adaptation Plan (ESA Project)

This memo documents the planning horizons and sea level rise scenarios proposed by ESA for the Goleta Sanitary District Climate Adaptation Plan. This memo is the deliverable for Task 1 of the project. ESA recommends three sea level rise scenarios for the project: 0 feet (existing conditions), 2.5 feet and 6.6 feet sea level rise. We document the reasons for the recommended scenarios in this memo. Section 1 summarizes California State guidance on sea level rise, Section 2 presents the planning horizons (timeframes for analysis) and sea level rise scenarios for the project.

## 1. California State Sea level Rise Policy Guidance

In 2018, the California Ocean Protection Council (OPC) updated the *State of California Sea Level Rise Guidance* (CA OPC 2018), which includes projections for sea level rise at various locations along the coast of California through 2150. The guidance is based on the science update prepared by the OPC and the California Natural Resources Agency, in collaboration with the Governor's Office of Planning and Research, the California Energy Commission, and the California Ocean Science Trust (Griggs et al. 2017). The CA OPC Guidance presents different sea level rise values based on two global greenhouse gas emissions scenarios:

**High Emissions Scenario** – This scenario assumes a future where there are no significant local or global efforts to limit or reduce emissions. This scenario assumes high population and relatively slow income growth with modest rates of technological change and energy intensity improvements, leading in the long-term to high energy demand and GHG emissions.

**Low Emissions Scenario** – This scenario assumes more aggressive emissions reduction actions corresponding to the aspirational goals of the 2015 Paris Agreement, which calls for limiting mean global warming to less than 2 degrees Celsius and achieving net-zero greenhouse gas emissions in the second half of the century. This scenario is considered challenging to achieve and would include updated climate policies, concerted action by all countries, and a shift to a lower emissions service and information economy. The low emissions scenario is not possible through 2050 based on the current global emissions trajectory.

The 2018 CA OPC Guidance provides a range of probabilistic projections of sea level rise, which was an update specifically designed to help inform decision-makers. However, these projections may underestimate the likelihood of extreme sea level rise, particularly under high-emissions scenarios, so an extreme scenario, called the H++ scenario, was also included in the guidance. The H++ scenario assumes rapid ice sheet loss on Antarctica, which could drive rates of sea level rise 30-40 times faster than the sea level rise experienced over the last century. The updated guidance also identified different risk aversion projections that correspond to different levels of risk tolerance. These levels are represented as low, medium-high, and extreme risk aversion:

- The low risk aversion projection is appropriate for adaptive, lower consequence projects (e.g., unpaved coastal trails).
- The medium-high risk aversion projection is appropriate as a precautionary projection that can be used for less adaptive, more vulnerable projects or populations that will experience medium to high consequences as a result of underestimating sea level rise (e.g., coastal housing development).
- The extreme risk aversion projection is appropriate for high consequence projects with little to no adaptive capacity and which could have considerable public health, public safety, or environmental impacts (e.g., coastal power plant, wastewater treatment plant, etc.).

While the CA OPC Guidance provides projections through 2150, it is important to note that sea level rise is expected to continue for centuries, because the earth's climate, cryosphere<sup>1</sup>, and ocean systems will require time to respond to the emissions that have already been released to the atmosphere. Although sea level rise is typically presented as a range in the amount of sea level rise that will occur by a certain date (e.g., 1-2 feet of sea level rise by 2050), it can also be presented as a range of time during which a certain amount of sea level rise is projected to occur (e.g., 1.5 feet of sea level rise between 2040 and 2070). Even if emissions are reduced to levels consistent with the low-emissions-based projections, sea level will continue to rise to higher levels, just at a later date.

Table 1 presents State-recommended projections for the Santa Barbara area in terms of low, medium-high and extreme risk aversion (outlined by dark blue boxes in Table 1). CA OPC suggests that decision makers take a precautionary, risk-averse approach of using the medium-high sea level rise projections across the range of emissions scenarios for longer lasting projects with low adaptive capacity<sup>2</sup> and high consequences<sup>3</sup>. CA OPC further recommends incorporating the H++ scenario in planning and adaptation strategies for projects that could result in threats to public health and safety, natural resources and critical infrastructure such as large power plants, wastewater treatment, and toxic storage sites. Table 1 includes the RCPs with probabilities and the non-probabilistic H++ scenario (depicted in blue on the right-hand side). High emissions scenario represents RCP 8.5; low emissions scenario represents RCP 2.6. Table 1 presents high-emission (RCP 8.5) projections of sea level rise up to 2050 because the sea level rise projections for the different emissions scenarios are similar before 2050. The probabilities included in Table 1 do not represent the actual probabilities of occurrence of sea level rise, but provide probabilities that the ensemble of climate models used to estimate the contributions of sea level rise will predict a certain amount of sea level rise (OPC 2018).

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<sup>1</sup> The cryosphere is the portions of the Earth's surface where water is in solid form, like glaciers and ice caps.

<sup>2</sup> Adaptive capacity is the ability of a system or community to evolve in response to, or cope with the impacts of sea level rise.

<sup>3</sup> Consequences are a measure of the impact resulting from sea level rise, typically quantitative.

**TABLE 1**  
**OPC (2018) STATE GUIDANCE: PROJECTED SEA LEVEL RISE FOR SANTA BARBARA AREA IN FEET**

		<i>Probabilistic Projections (in feet) (based on Kopp et al. 2014)</i>				<i>H++ scenario (Sweet et al. 2017)</i> <i>*Single scenario</i>
		<b>MEDIAN</b>	<b>LIKELY RANGE</b>	<b>1-IN-20 CHANCE</b>	<b>1-IN-200 CHANCE</b>	
		<i>50% probability sea-level rise meets or exceeds...</i>	<i>66% probability sea-level rise is between...</i>	<i>5% probability sea-level rise meets or exceeds...</i>	<i>0.5% probability sea-level rise meets or exceeds...</i>	
				<b>Low Risk Aversion</b>	<b>Medium - High Risk Aversion</b>	<b>Extreme Risk Aversion</b>
High emissions	2030	0.3	0.2 - 0.4	0.5	0.7	1.0
	2040	0.5	0.3 - 0.7	0.8	1.1	1.6
	2050	0.7	0.4 - 1.0	1.2	1.8	2.5
Low emissions	2060	0.7	0.4 - 1.0	1.4	2.2	
High emissions	2060	0.9	0.6 - 1.3	1.6	2.5	3.6
Low emissions	2070	0.9	0.5 - 1.3	1.7	2.8	
High emissions	2070	1.1	0.7 - 1.7	2.1	3.3	4.9
Low emissions	2080	1.0	0.5 - 1.5	2.0	3.6	
High emissions	2080	1.4	0.9 - 2.1	2.7	4.3	6.3
Low emissions	2090	1.1	0.6 - 1.8	2.4	4.4	
High emissions	2090	1.7	1.1 - 2.6	3.3	5.3	7.9
Low emissions	2100	1.2	0.6 - 2.0	2.9	5.3	
High emissions	2100	2.1	1.2 - 3.1	4.1	6.6	9.8
Low emissions	2110*	1.3	0.7 - 2.1	3.0	5.9	
High emissions	2110*	2.2	1.4 - 3.2	4.2	6.9	11.5
Low emissions	2120	1.4	0.7 - 2.4	3.5	7.0	
High emissions	2120	2.5	1.7 - 3.7	4.9	8.2	13.7
Low emissions	2130	1.5	0.8 - 2.6	3.9	8.0	
High emissions	2130	2.9	1.8 - 4.2	5.6	9.5	16.0
Low emissions	2140	1.6	0.8 - 2.9	4.4	9.1	
High emissions	2140	3.1	2.0 - 4.8	6.4	11.0	18.6
Low emissions	2150	1.8	0.7 - 3.2	5.0	10.5	
High emissions	2150	3.5	2.2 - 5.3	7.2	12.6	21.4

*\*Most of the available climate model experiments do not extend beyond 2100. The resulting reduction in model availability causes a small dip in projections between 2100 and 2110, as well as a shift in uncertainty estimates (see Kopp et al. 2014). Use of 2110 projections should be done with caution and with acknowledgement of increased uncertainty around these projections.*

Source: OPC (2018)

## 2. Sea level Rise Scenarios for Goleta Sanitary District Climate Adaptation Plan

Considering the updated guidance discussed above, public webinars on the guidance update process<sup>4</sup>, the latest science on sea level rise and the need to use existing sea level rise hazard data for portions of this study, the following planning horizons and sea level rise scenarios are proposed for the Goleta Sanitary District Climate Adaptation Plan.

### 2.1 Planning Horizons

ESA proposes the planning horizons of 2050 and 2080 for the purposes of the project. ESA's recommendation is based on the need to plan for near- and long-term impacts related to sea level rise, as well as the existence of available coastal hazard maps that were developed for these planning horizons. Most climate models show strong agreement on the amount of sea level rise that is likely to occur by 2050, and start to diverge after 2050 based on the range of potential emissions scenarios (OPC 2013). Therefore, it is important to consider a range of sea level rise scenarios for future planning and projects with timeframes that look beyond 2050.

The proposed planning horizons are consistent with sea level rise policy guidance documents and consistent with existing hazard mapping performed for the area with USGS CoSMoS (O'Neill et al 2018) and by ESA (ESA 2015). Years 2050 and 2080 will be used to evaluate the vulnerability of the wastewater system to flooding impacts associated with sea level rise. The updated guidance introduces planning horizons beyond 2100 but these projections are presented with caution by the authors. As described in OPC (2018), most climate model experiments do not extend beyond 2100, which results in a large increase in uncertainty. Therefore, ESA has not proposed sea level rise amounts projected beyond 2100.

The 2050 and 2080 planning horizons are recommended so that decisions about operations and site improvements can be matched to the timeframe for project lifespans and to facilitate the identification of triggers for potential adaptation measures. By using the planning horizons of 2050 and 2080, we can assess a range of sea level rise that could occur in Goleta Slough in the mid and long-term whether or not the amounts of sea level rise are realized at, before or after these years. These planning horizons (years) will determine the amounts of sea level rise that are used to assess vulnerability to coastal flooding hazards and the timeframes over which consequent impacts and potential adaptation strategies are evaluated.

### 2.2 Sea level Rise Scenarios

The sea level rise scenarios proposed for this study were selected to be consistent with the latest guidance and to utilize available coastal hazard maps for the Goleta area. The available existing information for future hazards include USGS Coastal Storm Modeling Software (CoSMoS) 3.0 (O'Neill et al 2018) and coastal hazard mapping by ESA for Santa Barbara County (ESA 2015).

Now that the State guidance update is in effect, ESA proposes that this study consider the probabilistic projections of sea level rise for the medium-high risk aversion scenarios as well as consideration of the H++ scenario. To account for uncertainties in sea level rise over time, and a range of assets at risk, ESA proposes to utilize the probabilistic projections for Medium-High and Extreme Risk Aversion levels from Table 1. A total of

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<sup>4</sup> More information can be found here: <http://www.opc.ca.gov/climate-change/updating-californias-sea-level-rise-guidance/>

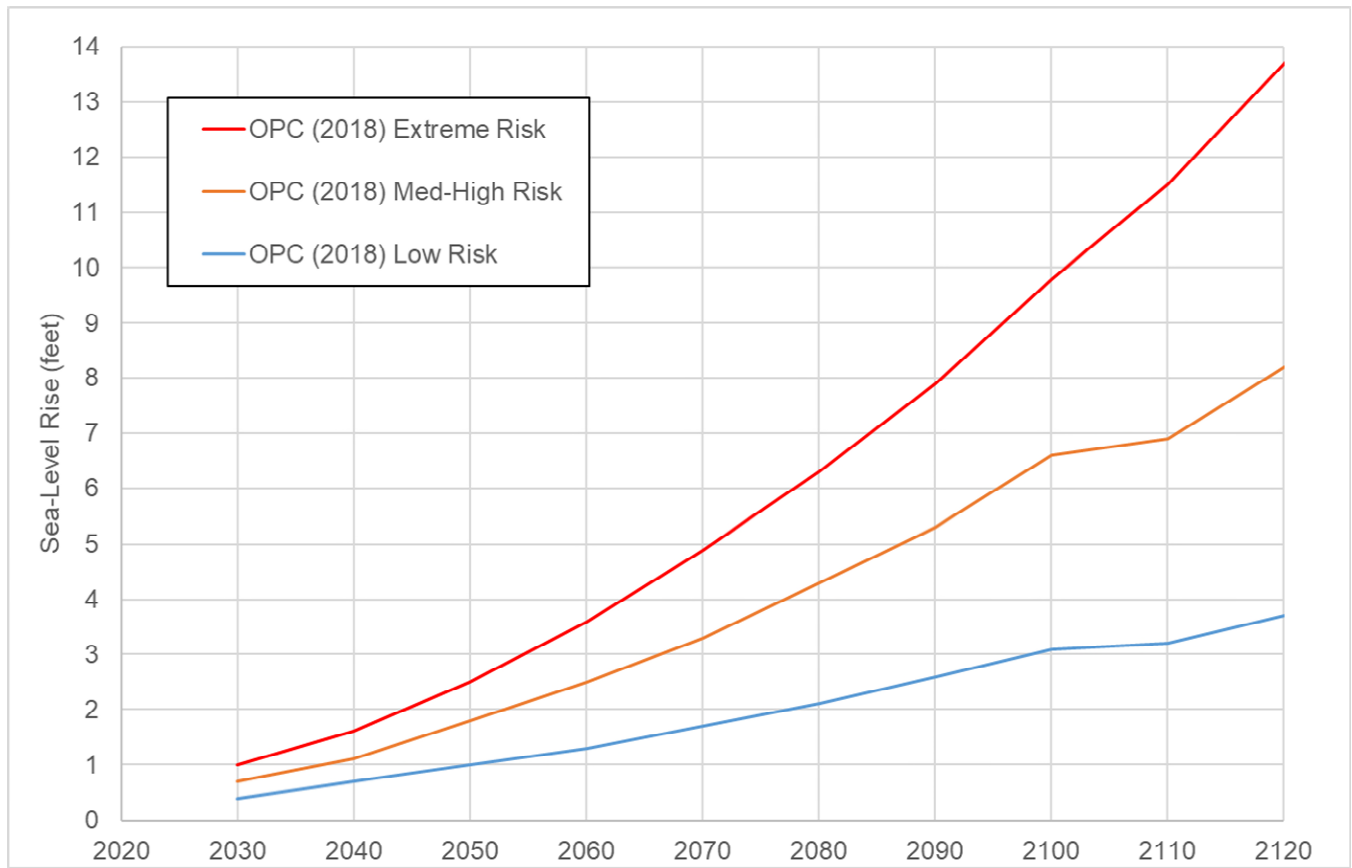
three sea level rise scenarios are proposed to perform the vulnerability assessment and adaptation plan, including existing conditions (no sea level rise) as well as future sea level rise of 2.5 feet and 6.6 feet. Table 2 below presents the proposed future sea level rise scenarios based on the State-recommended projections for each risk aversion level.

**TABLE 2  
PROPOSED SEA LEVEL RISE SCENARIOS FOR PROJECT**

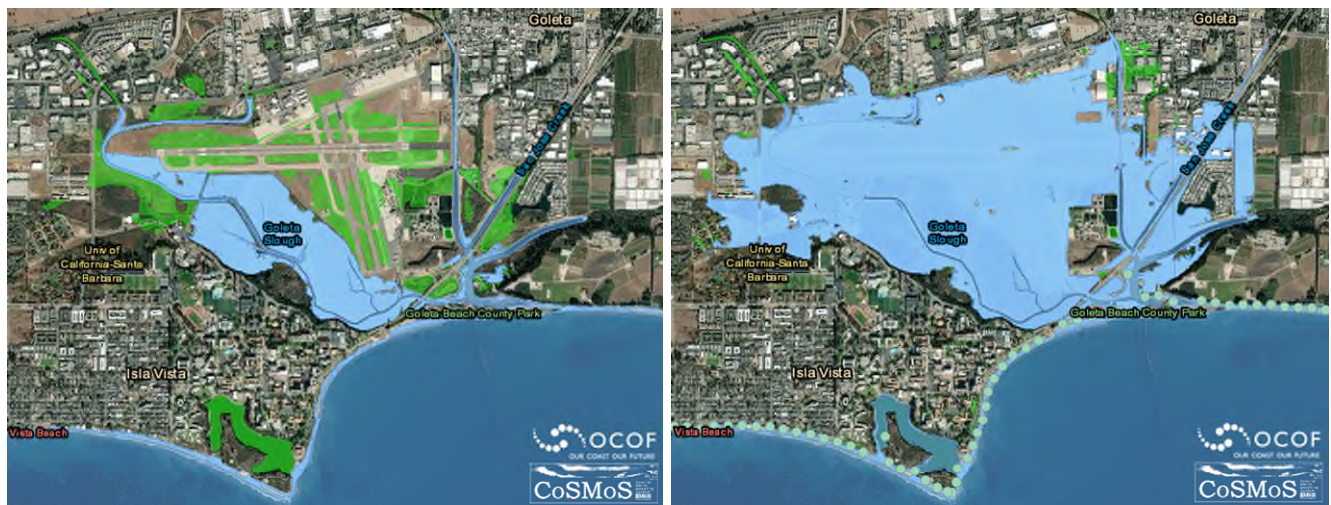
SLR Scenario	Approximate timing based on OPC (2018) SLR projections	
	Extreme Risk Aversion	Medium-High Risk Aversion
<b>0 feet (Existing Conditions)</b>	n/a	n/a
<b>2.5 feet</b>	2050	2060
<b>6.6 feet</b>	2080	2100

In order to conduct the vulnerability assessment, ESA will conduct updated modeling of the Goleta Slough lagoon, and will rely on the available coastal hazard maps from USGS CoSMoS and ESA. Updated modeling and existing hazard maps will be selected that best match the sea level rise scenarios presented in Table 2 above. While the existing coastal hazards maps do not exactly match the proposed sea level rise scenarios in Table 2, the differences are acceptable given the uncertainties associated with sea level rise.

Figure 1 presents a chart of the sea level rise projections based on the CA OPC (2018) guidance. Figure 2 below shows two examples of CoSMoS tidal inundation hazard maps that will be used for assessing vulnerability of Goleta Sanitary District facilities. Although the maps were not evaluated at the exact sea level rise amounts of OPC (2018) tabulated in Table 1, they are representative of the new guidance within a reasonable amount of uncertainty. All coastal hazard maps to be used in this study will be documented in a subsequent memoranda.



**Figure 1**  
OPC (2018) Sea level Rise Guidance Curves for Santa Barbara area



**Figure 2**  
CoSMoS coastal flood hazard maps around Goleta Slough depicting tidal inundation (light blue) and low lying areas (green) with 2.5 feet (left) and 6.6 feet (right) sea level rise

## References

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- ESA, 2015. Santa Barbara County Coastal Hazard Modeling and Vulnerability Assessment Technical Methods Report. Prepared for the County of Santa Barbara, November 18, 2015.
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# **AGENDA ITEM #3**



**AGENDA ITEM: 3**

**MEETING DATE: October 7, 2021**

**I. NATURE OF ITEM**

Consideration and Adoption of Resolution Regarding Transition to Modified Brown Act Requirements

**II. BACKGROUND INFORMATION**

In 1953 the Ralph M. Brown Act (California Government Code Sections 54950-54963, commonly referred to as the Brown Act), was passed to guarantee the public's right to attend and participate in the meetings of local legislative bodies.

On March 19, 2020 California Governor Gavin Newsom issued a number of executive orders, including a stay-at-home order for the protection of the health and well-being of all Californians. To lessen the anticipated economic impact to workers who get sick, executive order N-25-20 was issued by Governor Newsom on March 12, 2020 mandating a number of measures, including temporarily loosening the requirements of the Brown Act that apply when local government entities (including the District) hold virtual remote meetings. Executive order N-08-21 rescinded those modifications to the Brown Act as of September 30, 2021.

The District learned on September 20, 2021 that executive order N-25-20 would not be extended. The California Special Districts Association (CSDA) has provided an implementation guide recommending that special districts who wish to allow for the possibility of either remote meetings (teleconferences), or hybrid in-person and remote meetings, will need to abide by new laws passed in Assembly Bill 361, which contains a number of modifications to the government body meeting requirements, and adopt a resolution to that effect.

Assembly Bill 361 (AB 361) was sponsored by CSDA and provides flexibility for special districts which may wish to meet remotely during a Governor-proclaimed, active emergency. Additional requirements include that the local agency reconsider the state of emergency and determine that either the state of emergency continues to directly impact the ability of members to meet safely in person, or State and local officials (in this case the Santa Barbara County Public Health Department) continue to impose or recommend measures to promote social distancing. A summary of the provisions enacted by AB 361 is contained in the CSDA AB 361 Implementation Guide, attached.

A few important differences made to the Brown Act requirements by AB 361 include:

- Agendas for remote meetings do not need to be posted at all teleconference locations,
- Agendas need not identify each teleconference location in the meeting notice/agenda,

- The locations of teleconference participants need not be accessible to the public,
- All members of the public must have the ability to attend the meeting via a call-in or internet-based service option,
- Agencies whose meetings are interrupted by technological or similar technical disruptions must first resolve those issues before taking any other action(s) on items on the meeting agenda,
- Local agencies cannot require that written comments be submitted in advance of a meeting and may only close registration for public comment (which may be anonymous) at the same time the public comment period is closed, and must accept public comment until that point and,
- An individual wanting to provide public comment through the use of an internet website or other online platforms (such as Zoom), not under control of the local legislative body that requires registration to log in to a teleconference, may be required to register as required by the third-party internet website or online platform to participate.

A local agency may hold meetings by teleconferencing under AB 361 by passing a resolution by majority vote finding that meeting in person during the state of emergency would present imminent risks to the health and safety of attendees (including other agency liaisons), or that State and local officials have imposed or recommended measures to promote social distancing. The adoption of the resolution will permit meetings under the provisions of AB 361 for a maximum period of 30 days. After the 30 days, an agency would need to renew the resolution, if it chooses to continue remote or teleconference meetings under the modified Brown Act requirements, or it can let the resolution lapse. AB 361 will sunset on January 1, 2024 if no changes have been made, or if it has not been extended or made permanent.

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

The Board should consider if it wishes to have the ability to continue to meet remotely by teleconference under AB 361. If not, then no action is required at this time, in which case the holding of meetings by teleconferencing will be subject to the more restrictive Brown Act requirements that predate AB 361. If the Board desires to continue to meet remotely due to the ongoing COVID-19 emergency, staff recommends the Board adopt the attached resolution pursuant to AB 361 as described herein.

### **IV. REFERENCE MATERIALS**

Resolution # 21-669

CSDA AB 361 Implementation Guide

**RESOLUTION NO. 21-669**

**A RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE DISTRICT'S LEGISLATIVE BODIES PURSUANT TO GOVERNMENT CODE SECTION 54953(e)**

**WHEREAS**, all meetings the Goleta Sanitary District's Governing Board, standing committees, and other legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

**WHEREAS**, Government Code section 54953(e) makes provisions for meetings to be conducted by remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, a required condition for conducting meetings using teleconferencing under Government Code section 54953(e) is that a state of emergency has been declared by the Governor pursuant to Government Code section 8625; and

**WHEREAS**, it is further required as a condition for conducting meetings using teleconferencing under Government Code section 54953(e) that (i) state or local officials have imposed or recommended measures to promote social distancing, or (ii) meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, such conditions now exist in the District in that (i) on March 4, 2020, a state of emergency was declared by Governor Newsom due to COVID-19, which state of emergency remains in effect as of the date of this Resolution, and (ii) on September 28, 2021, the Santa Barbara County Health Department issued a document entitled "Health Officials AB 361 Social Distance Recommendation" which states, in part, as follows:

Using teleconferencing options for public meetings in an effective and recommended social distancing measure to facilitate public participation in public affairs and encourage participants to protect themselves and others from the COVID-19 disease. This recommendation is further intended to satisfy the requirement of the Brown Act (specifically Gov't Code Section 54953(e)(1)(A)), which allows legislative bodies in the County of Santa Barbara to use certain available teleconferencing options set forth in the Brown Act; and

**WHEREAS**, the Governing Board desires to set forth herein its findings that the legislative bodies of the District may conduct their meetings without compliance with Government Code Section 54953(b)(3), as authorized by Government Code Section 54953(e).

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

1. **Findings.** The Governing Board hereby finds that the required conditions for conducting meetings using teleconferencing under Government Code Section 54953(e) have been satisfied, in that (i) a state of emergency has been declared by the Governor, and (ii) local officials have recommended measures to promote social distancing, as more particularly set forth in the recitals hereof.

2. **Remote Teleconference Meetings.** The General Manager and staff of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

3. **Public Access.** The legislative bodies of the District shall comply with the requirements to provide the public with access to meetings as prescribed in Government Code Section 54953(e)(2).

4. **Effective Date of Resolution.** This Resolution shall take effect on October 7, 2021, and shall expire on November 6, 2021 unless, on or before that date and every thirty (30) days thereafter, the Governing Board adopts a subsequent resolution setting forth the findings required by Government Code Section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without compliance with Government Code Section 54953(b)(3).

**PASSED AND ADOPTED** this 7th day of October 2021, by the following vote of the Governing Board of the Goleta Sanitary District:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Jerry D. Smith  
President of the Governing Board

Countersigned:

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



**California Special  
Districts Association**  
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# AB 361 Implementation Guide

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### **AB 361 – Brown Act: Remote Meetings During a State of Emergency**

#### *Background – the Governor’s Executive Orders:*

Starting in March 2020, amid rising concern surrounding the spread of COVID-19 throughout communities in the state, California Governor Gavin Newsom issued a series of Executive Orders aimed at containing the novel coronavirus. These Executive Orders ([N-25-20](#), [N-29-20](#), [N-35-20](#)) collectively modified certain requirements created by the Ralph M. Brown Act (“the Brown Act”), the state’s local agency public meetings law.

The orders waived several requirements, including requirements in the Brown Act expressly or impliedly requiring the physical presence of members of the legislative body, the clerk or other personnel of the body, or of the public as a condition of participation in or for the purpose of establishing a quorum for a public meeting.<sup>12</sup> Furthermore, the orders:

- waived the requirement that local agencies provide notice of each teleconference location from which a member of the legislative body will be participating in a public meeting,
- waived the requirement that each teleconference location be accessible to the public,
- waived the requirement that members of the public be able to address the legislative body at each teleconference conference location,
- waived the requirement that local agencies post agendas at all teleconference locations, and,
- waived the requirement that at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction.

Under the orders, local agencies were still required to provide advance notice of each public meeting according to the timeframe otherwise prescribed by the Brown Act, and using the means otherwise prescribed by the Brown Act. Agencies were – for a time – required to allow members of the public to observe and address the meeting telephonically or otherwise electronically. Local agencies were eventually explicitly freed from the obligation of providing a physical location from which members of the public could observe the meeting and offer public comment.<sup>3</sup>

In each instance in which notice of the time of the meeting was given or the agenda for the meeting was posted, the local agency was required to give notice of the manner members of the public could observe the meeting and offer public comment. In any instance in which there was a change in the manner of public observation and comment, or any instance prior to the issuance of the executive orders in which the time of the meeting had been noticed or the agenda for the meeting had been posted without also including notice of the manner of public observation and comment, a local agency would be able to satisfy this requirement by

<sup>1</sup> **Executive Order N-25-20**, <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.12.20-EO-N-25-20-COVID-19.pdf>

<sup>2</sup> **Executive Order N-29-20**, <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.17.20-N-29-20-EO.pdf>

<sup>3</sup> *Ibid*



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advertising the means of public observation and comment using "the most rapid means of communication available at the time" within the meaning of California Government Code, section 54954(e); this includes, but is not limited to, posting the manner in which the public could participate on the agency's website.

The orders also provided flexibility for a legislative body to receive a "serial" or simultaneous communication outside of an open meeting, allowing all members of the legislative body to receive updates (including, but not limited to, simultaneous updates) relevant to the emergency (including, but not limited to, updates concerning the impacts of COVID-19, the government response to COVID-19, and other aspects relevant to the declared emergency) from federal, state, and local officials, and would be allowed to ask questions of those federal, state, and local officials, in order for members of the legislative body to stay apprised of emergency operations and the impact of the emergency on their constituents. Members of a local legislative body were explicitly not permitted to take action on, or to discuss amongst themselves, any item of business that was within the subject matter jurisdiction of the legislative body without complying with requirements of the Brown Act.<sup>4</sup>

### *The Brown Act Executive Orders Sunset – September 30, 2021*

On June 11, 2021, the Governor issued Executive Order N-08-21 which rescinds the aforementioned modifications made to the Brown Act, effective September 30, 2021.<sup>5</sup> After that date, local agencies are required to observe all the usual Brown Act requirements *status quo ante* (as they existed prior to the issuance of the orders). Local agencies must once again ensure that the public is provided with access to a physical location from which they may observe a public meeting and offer public comment. Local agencies must also resume publication of the location of teleconferencing board members, post meeting notices and agendas in those locations, and make those locations available to the public in order to observe a meeting and provide public comment.

Following the Governor's September 16 signing of AB 361, the Governor's office contemplated immediately rescinding the remote public meeting authority provided under prior Executive Orders. Such action would have instantly impacted thousands of local agencies – potentially requiring them to cancel meetings or conduct in-person meetings or meetings pursuant to standard Brown Act teleconferencing requirements, notwithstanding the ongoing health directives related to the pandemic. After fruitful discussions between CSDA, the Governor's office, and other stakeholders on how to best assist local agencies to conduct meetings in an open and public manner, the Governor's office modified its approach and issued a revised Order on September 20, suspending the provisions of AB 361 and providing for a clear transition.<sup>6</sup>

Until September 30, local agencies should look to the revised Executive Order, [N-15-21](#), to determine how to conduct a particular meeting. The revised Order makes clear that, **until September 30**, local agencies may conduct open and public remote meetings relying on the

<sup>4</sup> **Executive Order N-35-20**, <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.21.20-EO-N-35-20.pdf>

<sup>5</sup> **Executive Order N-08-21**, <https://www.gov.ca.gov/wp-content/uploads/2021/06/6.11.21-EO-N-08-21-signed.pdf>

<sup>6</sup> **Executive Order N-15-21**, [gov.ca.gov/wp-content/uploads/2021/09/9.20.21-executive-order.pdf](https://www.gov.ca.gov/wp-content/uploads/2021/09/9.20.21-executive-order.pdf)



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authority provided under prior Executive Orders (rather than AB 361). The revised Order also explicitly permits a local agency to meet pursuant to the procedures provided in AB 361 **before** October 1, so long as the meeting is conducted in accordance with the requirements of AB 361. All local agencies should be aware that they **may not** conduct remote teleconference meetings pursuant to the authority in the Governor's prior Executive Orders **beyond September 30**; after that date, all meetings subject to the Brown Act must comply with standard teleconference requirements (as they existed "pre-pandemic") **OR** must comply with the newly enacted provisions of AB 361.

Any local agency that seeks to continue conducting remote teleconference meetings after September 30, **but has not taken action to transition to the provisions of AB 361**, may hold remote teleconference meetings under the standard requirements found within the Brown Act (i.e., subdivision (b) of Government Code section 54953, with remote meeting locations identified in the meeting agenda, meeting notices and agendas posted at all teleconference locations, teleconference locations accessible to the public, et cetera). Local agencies are strongly encouraged to swiftly begin preparations to ensure all Brown Act meetings and board actions taken via remote meetings after September 30 are done in a proper manner.

### AB 361 – Flexibility for Remote Open Meetings During a Proclaimed State Emergency

Assembly Bill 361, introduced in February 2021 by Assembly Member Robert Rivas (D-30, Hollister) and sponsored by the California Special Districts Association, provides local agencies with the ability to meet remotely **during proclaimed state emergencies** under modified Brown Act requirements, similar in many ways to the rules and procedures established by the Governor's Executive Orders.

**Important Note:** *AB 361's provisions can only be used in the event that a gubernatorial state of emergency 1) has been issued AND 2) remains active. It is not sufficient that county and/or city officials have issued a local emergency declaration – the emergency declaration must be one that is made pursuant to the California Emergency Services Act (CA GOVT § 8625).*

Specifically, AB 361 suspends the requirements located in California Government Code, section 54953, subdivision (b), paragraph (3). What does this mean for local agencies? This means that, during a state of emergency, under specified circumstances, local agencies can meet pursuant to modified Brown Act requirements. Each of these modifications is broken out below.

**The provisions enacted by AB 361 providing flexibility to meet remotely during a proclaimed emergency will sunset on January 1, 2024. This is subject to change if a future Legislature and Governor elect to extend the sunset or make the provisions permanent.**





**AB 361 IMPACTS ON LOCAL AGENCY COMPLIANCE WITH THE BROWN ACT**

Brown Act Requirement	Requirement under AB 361
If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.	<ul style="list-style-type: none"> <li>Agendas not required to be posted <b>at all teleconference locations</b></li> <li>Meeting must still be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency</li> </ul>

In the context of an emergency, members of the legislative body of a local agency may be teleconferencing from less-than-ideal locations – e.g., the private domicile of a friend or relative, a hotel room, an evacuation shelter, from a car, etc. The nature of the emergency may further compound this issue, as was the case during the COVID-19 outbreak and the necessity to implement social distancing measures. To address this issue, AB 361 provides relief from the obligation to post meeting agendas at all conference locations.

Although local agencies are relieved from this obligation, local agencies should endeavor to post meeting agendas at all usual locations where it remains feasible to do so.

**Important Note:** *Local agencies must still provide advance notice of public meetings and must still post meeting agendas consistent with the provisions of the Brown Act. AB 361 does nothing to change the fact that meetings must still be noticed and agendized in advance.*

Brown Act Requirement	Requirement under AB 361
If the legislative body of a local agency elects to use teleconferencing, each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public.	<ul style="list-style-type: none"> <li>Agendas are not required to identify each teleconference location in the meeting notice/agenda</li> <li>Local agencies are not required to make each teleconference location accessible to the public</li> </ul>

Emergencies can – and often do – happen quickly. As was the case with the 2018 Camp Fire, individuals fleeing a disaster area may end up in disparate locations throughout the state. These impromptu, ad hoc locations are not ideal for conducting meetings consistent with the usual Brown Act requirements, which may impede local agencies seeking to meet promptly in response to calamity. To that end, AB 361 removes the requirement to document each teleconference location in meeting notices and agendas. Similarly, local agencies are not required to make these teleconference locations accessible to the public.

Brown Act Requirement	Requirement under AB 361
If the legislative body of a local agency elects to use teleconferencing, during the teleconferenced meeting, at least a quorum of the members of the legislative body shall	<ul style="list-style-type: none"> <li>No requirement to have a quorum of board members participate from within the territorial bounds of the local agency's jurisdiction</li> </ul>



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participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.	
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The purpose of AB 361 is to assist local agencies with continuing their critical operations despite facing emergencies that pose a risk to human health and safety – emergencies which oftentimes correspond with advisory or mandatory evacuation orders (e.g., wildfires, earthquakes, gas leaks, etc.). An emergency which drives individuals from an area could make meeting within the bounds of a local agency impossible to do feasibly or safely. Accordingly, AB 361 allows for local agencies to disregard quorum requirements related to members of a legislative body teleconferencing from locations beyond the local agency’s territory.

<b>Brown Act Requirement</b>	<b>Requirement under AB 361</b>
If the legislative body of a local agency elects to use teleconferencing, the agenda shall provide an opportunity for members of the public to address the legislative body directly at each teleconference location.	<ul style="list-style-type: none"> <li>• In each instance in which notice of the time of the teleconferenced meeting is given or the agenda for the meeting is posted, the legislative body shall also give notice of the manner by which members of the public may access the meeting and offer public comment</li> <li>• The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option</li> <li>• The legislative body shall allow members of the public to access the meeting, and the agenda shall include an opportunity for members of the public to address the legislative body directly</li> <li>• In the event of a disruption which prevents the local agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency’s control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored</li> </ul>



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	<ul style="list-style-type: none"><li>• Written/remote public comment must be accepted until the point at which the public comment period is formally closed; registration/sign-up to provide/be recognized to provide public comment can only be closed when the public comment period is formally closed</li></ul>
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The right of individuals to attend the public meetings of local agencies and be face-to-face with their elected or appointed public officials is viewed as sacrosanct, only able to be abrogated in the most extraordinary of circumstances. Under normal conditions, local agencies are required to allow members of the public to participate in a public meeting from the very same teleconference locations that other board members are using to attend that meeting.

AB 361 solves the specific problem of what to do in circumstances when local agencies are holding their meetings remotely during an emergency and it would be unsafe to permit access to members of the public to the remote teleconference locations. AB 361 permits local agencies to meet without making teleconference locations available to members of the public, **provided that** members of the public are afforded the opportunity to provide public comment remotely as well.

Importantly, local agencies must ensure that the opportunity for the public to participate in a meeting remains as accessible as possible. This means that local agencies cannot discriminate against members of the public participating either remotely or in-person. In practice, this means:

- Local agencies must clearly advertise the means by which members of the public can observe a public meeting or offer comment during a meeting remotely, via either a call-in or internet-based option

Importantly, local agencies are required to provide the relevant remote access information to members of the public looking to attend a meeting of a local agency legislative body. This information includes, but is not limited to: phone numbers, passwords, URLs, email addresses, etc. Using this information, members of the public must be able to attend the meeting remotely. Any of the information related to participation must be included in the relevant meeting notice(s) and meeting agenda(s). If an agency fails to provide one or more of these key pieces of information in a meeting notice or agenda, the agency should not proceed with the meeting as-is, as it could result in any subsequent action being rendered null or void.

- Agencies whose meetings are interrupted by technological or similar technical disruptions must first resolve those issues before taking any other action(s) on items on the meeting agenda

In a notable departure from the terms of the Governor's orders, AB 361 explicitly requires that local agencies must first resolve any remote meeting disruption before proceeding to take further action on items appearing on a meeting agenda. In the event that a public comment line unexpectedly disconnects, a meeting agenda was sent out with the incorrect web link or dial-in



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information, the local agency's internet connection is interrupted, or other similar circumstances, a local agency is required to stop the ongoing meeting and work to resolve the issue before continuing with the meeting agenda.

Local agencies should ensure that the public remains able to connect to a meeting and offer public comment by the means previously advertised in the meeting notice or agenda. This may require directing staff to monitor the means by which the public can observe the meeting and offer comment to ensure that everything is operating as intended.

In the event that a meeting disruption within the control of the agency cannot be resolved, a local agency should not take any further action on agenda items; the local agency should end the meeting and address the disruption in the interim, or it may risk having its actions set aside in a legal action.

***Important Note:*** *Test, test, test! Local agencies should be testing their remote meeting setup in advance of (and during) every meeting to ensure that there are no apparent issues. Local agency staff should attempt to attend the meeting in the same way(s) made available to members of the public and demonstrate that everything is working as intended. The fact that staff tested the system before and during a meeting and failed to detect any problems may become a key factor in any potential legal action against the agency.*

- Local agencies cannot require that written comments be submitted in advance of a meeting

It is not permissible to require that members of the public looking to provide public comment do so by submitting their comment(s) in advance of a meeting – in fact, not only is this a violation of AB 361's terms, it is also a violation of the Brown Act generally. Both AB 361 and the Brown Act explicitly require that members of the public be given the opportunity to provide public comment **directly** – that is, live and at any point prior to public comment being officially closed during a public meeting. Until such time during a meeting that the chairperson (or other authorized person) calls for a close to the public comment period, members of the public are allowed to submit their public comments directly or indirectly, orally, written, or otherwise.

- Local agencies may only close registration for public comment at the same time the public comment period is closed, and must accept public comment until that point

Local agencies cannot require that individuals looking to provide public comment register in advance of a meeting (though agencies may extend the **possibility** of advance registration or commenting as a **non-mandatory** option). Nor may local agencies require that individuals looking to provide public comment register in advance of the agenda item being deliberated by a local agency. Local agencies may only close registration for public comment at the same time that they close the public comment period for all. Until the public comment period is completely closed for all, members of the public must be permitted to register for, and provide, public comment.



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Local agencies that agendize a comment period for each agenda item cannot close the public comment period for the agenda item, or the opportunity to register to provide public comment, until that agendized public comment period has elapsed.

Local agencies that do not provide an agendized public comment period but instead take public comment separately on an informal, ad hoc basis on each agenda item must allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register or otherwise be recognized for the purpose of providing public comment.

Local agencies with an agendized general public comment period that does not correspond to a specific agenda item (i.e., one occurring at the start of a meeting, covering all agenda items at once) cannot close the public comment period or the opportunity to register until the general public comment period has elapsed.

<b>Brown Act Requirement</b>	<b>Requirement under AB 361</b>
<p>A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.</p> <p>If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to the persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.</p>	<ul style="list-style-type: none"> <li>An individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body that requires registration to log in to a teleconference, may be required to register as required by the third-party internet website or online platform to participate</li> </ul>

“Zoom meetings” became ubiquitous during the COVID-19 pandemic – for good reason. The Zoom video teleconferencing software was free (with some “premium” features even made temporarily free to all users), easily deployed, and user-friendly. All one needed was a Zoom account and then they’d be able to make use of the platform’s meeting services, hosting and attending various meetings as they pleased.

Unfortunately, the Brown Act has long prohibited the use of mandatory registration or “sign-ups” to attend public meetings or to provide public comment. Privacy and good governance concerns prohibit such information gathering from members of the public seeking to remain anonymous while also engaging with their government. Accordingly, it would normally be a concern to use any teleconference platform which may require participants to register for an account even when it is not the local agency establishing that requirement.



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AB 361 resolves this issue by explicitly allowing local agencies to use platforms which, incidental to their use and deployment, may require users to register for an account with that platform so long as the platform is not under the control of the local agency.

***Important Note:*** *Just because you “can” doesn’t mean you “should.” There are products on the market that do not require individuals to sign up for/sign in to an account to participate in a remote meeting. Local agencies are heavily discouraged from contacting their remote meeting platform vendor in an attempt to uncover information about meeting attendees.*

### RESOLUTIONS: ENACTING ASSEMBLY BILL 361

A local agency wishing to rely on the provisions of AB 361 must meet one of the following criteria:

- (A) The local agency is holding a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing; or
- (B) The local agency is holding a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
- (C) The local agency is holding a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

These criteria permit a local agency to schedule a remote meeting to determine whether meeting in-person during the state of emergency would pose imminent risk to the health or safety of attendees. At that remote meeting, a local agency may determine by majority vote that sufficient risks exist to the health or safety of attendees as a result of the emergency and pass a resolution to that effect. These criteria also permit a local agency to meet remotely in the event that there is a state of emergency declaration while state or local officials have recommended or required measures to promote social distancing.

If a local agency passes a resolution by majority vote that meeting in-person during the state of emergency would present imminent risks to the health or safety of attendees, the resolution would permit meeting under the provisions of AB 361 for a maximum period of 30 days. After 30 days, the local agency would need to renew its resolution, consistent with the requirements of AB 361, if the agency desires to continue meeting under the modified Brown Act requirements, or allow the resolution to lapse.

***Important Note:*** *Consider referencing [the initial sample resolution linked on this page \(click here\)](#) in crafting your agency’s initial resolution effecting the transition to these modified Brown Act requirements. While this sample resolution is provided for the benefit of local agencies, consult your legal counsel to review your agency’s resolution before its consideration at a public meeting.*



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After 30 days, a local agency is required to renew its resolution effecting the transition to the modified Brown Act requirements if it desires to continue meeting under those modified requirements.

Importantly, the ability to renew the resolution is subject to certain requirements and conditions. In order to renew the resolution, a local agency must:

- Reconsider the circumstances of the state of emergency
- Having reconsidered the state of emergency, determine that either
  - The state of emergency continues to directly impact the ability of the members to meet safely in person, or
  - State or local officials continue to impose or recommend measures to promote social distancing

AB 361 requires that the renewal of the resolution effecting the transition to the modified Brown Act requirements must be based on findings that the state of emergency declaration remains active, the local agency has thoughtfully reconsidered the circumstances of the state of emergency, and the local agency has either identified A) ongoing, direct impacts to the ability to meet safely in-person or B) active social distancing measures as directed by relevant state or local officials.

**Important Note:** Consider referencing [the subsequent adoption sample resolution linked on this page \(click here\)](#) in crafting your agency's renewal resolution renewing the transition to these modified Brown Act requirements. While this sample resolution is provided for the benefit of local agencies, consult your legal counsel to review your agency's resolution before its consideration at a public meeting.

**Important Note:** If your agency does not meet again before the 30 day period during which the resolution remains active, the resolution will lapse for lack of action by the agency. After a resolution has lapsed, if the agency seeks to meet remotely again under the modified Brown Act requirements, it must pass a new initial resolution effecting the transition to the modified Brown Act requirements, subject to the same substantive and procedural requirements as before.



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### AB 361 PROCESS: AN EXECUTIVE SUMMARY

1. An emergency situation arises. The specific nature of the emergency produces an imminent risk to public health and safety.
2. A state of emergency is declared (pursuant to CA GOVT § 8625).
3. A local agency wishes to meet remotely via teleconferencing as a result of the emergency. A meeting notice/agenda are produced and posted, with an agenda item dedicated to consideration of a resolution to transition to teleconferenced meetings consistent with the terms of CA GOVT § 54953, subdivision (e).
4. A resolution is passed consistent with the terms of CA GOVT § 54953, subdivision (e), paragraph (1), subparagraph (B) (i.e., a resolution passed by majority vote determining that meeting in person would present imminent risks to the health or safety of attendees).<sup>1</sup> This resolution is valid for 30 days.
5. 30 days later: if the state of emergency remains active, a local agency may act to renew its resolution effecting the transition to teleconferenced meetings by passing another resolution, consistent with the terms of CA GOVT § 54953, subdivision (e), paragraph (3) (i.e., a resolution which includes findings that legislative body has both 1) reconsidered the circumstances of the state of emergency, and 2) the state of emergency continues to directly impact the ability of the members to meet safely in person.<sup>2</sup>

<sup>1</sup> Alternatively, in lieu of a resolution finding that meeting in person would present imminent risks to the health or safety of attendees, a local agency may use modified Brown Act procedures when state/local officials recommend/require measures to promote social distancing.

<sup>2</sup> Should state/local officials continue to impose or recommend measures to promote social distancing, this may instead be used as a basis for renewing a resolution (as opposed to the fact that the state of emergency continues to directly impact the ability of the members to meet safely in person).

**This communication is provided for general information only and is not offered or intended as legal advice. Readers should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised in these communications.**

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# **GENERAL MANAGER'S REPORT**

## **GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT**

The following summary report describes the District's activities from September 21, 2021 through October 7, 2021. 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 is conducting routine lines cleaning in the area of Cathedral Oaks and N. Turnpike Roads.

#### **CCTV INSPECTION**

Staff continues routine Closed-Circuit Television (CCTV) inspections in the area of Cathedral Oaks and El Sueno Roads.

#### **GREASE AND OIL INSPECTIONS**

Staff continues with the annual Grease and Oil inspections.

#### **REPAIR AND MAINTENANCE**

The CCTV camera head was repaired and returned to service. Staff replaced the coolant overflow tank on the Vactor. Staff is working with the City of Goleta paving project on Randolph Road north of Cathedral Oaks Road near N. Kellogg Avenue to verify if any District manholes will need to be raised to grade. Staff has taken a sample of the cement-like material removed from the sewer lines on Suellen Court to UCSB for testing to determine the nature of the material. It is hoped that the testing will determine if the material is specific to grout used for building foundation repair. Approximately 200 lbs. of material was removed from 3 sewer lines on Suellen Court near N. Fairview Avenue. District staff has identified a contractor who did building foundation repair on Suellen Court immediately upstream of where the material was found. Staff will follow up with the contractor.

#### **2021 CCTV PROJECT REVIEW**

Staff is reviewing the data of the Hazen and Sawyer update of the District's Asset Management Program (AMP). The Hazen analysis aligns with both staff recommendations and the 2020-21 CCTV Project Final Report recommendations by National Plant Services. The updated Probability of Failure Map shows the vast majority of District sewer lines with either Negligible or Low Probability of Failure. The areas with Medium Probability of Failure are concentrated in the older sections of the system, as expected, and will be included into the first years of the CIP program. There were no sewer lines identified as having a High Probability of Failure. This information will be used to update the Collection System 10-year CIP Master Plan.

### **2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT**

Plant flows have increased to an average of 4.6 million gallons per day (MGD) as UCSB is back in session with in-person instruction. The demand for reclaimed water has started

to decrease with lower temperatures and shorter days, the current average is 1.0 MGD. Flow concentrations and loadings during the weekends continue to cause intermittent challenges and various levels of plant interference.

Centrifuge and dredging operations are continuing in lagoon #2.

Lack of commercial drivers for both our sludge hauler and chemical providers are causing disruptions to deliveries and hauling. Staff is monitoring this issue and will update the Board as needed.

The County of Santa Barbara has initiated the commissioning of the new Resource Recovery Facility at the Tajiguas Landfill. Organic material diverted from the waste stream is placed in large dry anaerobic digesters to generate gas for conversion into electricity. Biosolids from District's treatment process are being hauled to the County facility to seed the dry digesters as part of the startup phase of the project.

Maintenance staff continue updating the firmware to all of the Programmable Logic Controllers (PLCs) throughout the plant. This type of update it required about every 7 years and ensures that the PLCs will continue to operate as intended.

The Lystek Thickened Waste Activated Sludge (TWAS) pre-treatment pilot project has been configured, initially tested and will begin in the coming week. This pilot project will pump the TWAS through the reactor prior to going to the digesters. If a similar benefit is found during this test as was seen with the biosolids refeed, it will significantly reduce the overhead costs of the process and increase the long-term cost savings of implementing this process in an on-going basis.

### **3. GENERAL AND ADMINISTRATIVE ITEMS**

#### **Financial Report**

The District account balances as of October 7, 2021 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 1,429,764
Investment Accounts:	\$ 28,156,326
Total District Funds:	\$ 29,586,089

The following transactions are reported herein for the period 09/21/21 – 10/07/21.

Regular, Overtime, Cash-outs and Net Payroll:	\$ 120,981
Claims:	\$ 290,336
Total Expenditures:	\$ 411,317
Total Deposits:	\$ 882,398

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$	- 0 -
CWB Operational to CWB Money Market:	\$	- 0 -
CWB Money Market to CWB Operational:	\$	650,000

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 – September, 2021.

LAIF Quarterly Report – Previously submitted.

PMIA/LAIF Performance – Previously submitted.

PMIA Effective Yield – Previously submitted.

**Community West Bank (CWB)**

CWB Money Market Account – September, 2021.

**Deferred Compensation Accounts**

CalPERS 457 Deferred Compensation Plan – Previously submitted.

Lincoln 457 Deferred Compensation Plan – September, 2021.

**COVID-19 Response Plan Update**

A verbal update will be provided at the meeting.

**Personnel Update**

A verbal update will be provided at the meeting.

**CSRMA Long Range Planning Session**

The General Manager and Director Emerson attended the CSRMA long range planning session recently held in Napa, CA. A verbal report on the planning meeting will be provided at the Board meeting.

California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

October 04, 2021

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

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GOLETA SANITARY DISTRICT

GENERAL MANAGER  
ONE WILLIAM MOFFETT PLACE  
GOLETA, CA 93117

[Tran Type Definitions](#)

**Account Number:** 70-42-002

September 2021 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	2,023,869.68
Total Withdrawal:	0.00	Ending Balance:	2,023,869.68



445 Pine Avenue  
Goleta, CA 93117

## Statement Ending 09/30/2021

GOLETA SANITARY DISTRICT

Customer Number: XXXXXXXX5554

RETURN SERVICE REQUESTED

GOLETA SANITARY DISTRICT  
MONEY MARKET  
1 WILLIAM MOFFETT PL  
GOLETA CA 93117-3901

**Notice of change:** Because of a regulatory change, you are no longer limited in the number of transactions you conduct on savings or money market accounts. Previously you were limited to 3 external payments per month.

### Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC AGENCY-MMDA	XXXXXXXX5554	\$26,132,455.86

### PUBLIC AGENCY-MMDA - XXXXXXXX5554

#### Account Summary

Date	Description	Amount		
09/01/2021	Beginning Balance	\$26,775,896.32	Average Ledger Balance	\$26,602,562.98
	1 Credit(s) This Period	\$6,559.54		
	1 Debit(s) This Period	\$650,000.00		
09/30/2021	Ending Balance	\$26,132,455.86		

#### Account Activity

Post Date	Description	Debits	Credits	Balance
09/01/2021	Beginning Balance			\$26,775,896.32
09/23/2021	Fund Claims & Payroll	\$650,000.00		\$26,125,896.32
09/30/2021	INTEREST AT .3000 %		\$6,559.54	\$26,132,455.86
09/30/2021	Ending Balance			\$26,132,455.86

#### Daily Balances

Date	Amount	Date	Amount
09/23/2021	\$26,125,896.32	09/30/2021	\$26,132,455.86



# Performance Update

Quoted performance data represents past performance. Past performance does not guarantee nor predict future performance. Current performance may be lower or higher than the performance data quoted. Please keep in mind that double-digit returns are highly unusual and cannot be sustained.

Variable products are sold by prospectus. Consider the investment objectives, risks, charges, and expenses of the variable product and its underlying investment options carefully before investing. The prospectus contains this and other information about the variable product and its underlying investment options. Please review the prospectus available online for additional information. Read it carefully before investing.

Investment return and principal value of an investment will fluctuate so that an investor's unit values, when redeemed, may be worth more or less than their original cost.

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day	YTD as of 10/01/2021	YTD as of 09/30/2021	Average Annual Total Return (%) as of 9/30/2021						Since Incep.		
					1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr			
<b>Risk Managed</b>													
Fidelity® VIP Freedom 2055 Portfolio <sup>SM</sup> - Service Class <sup>6,9</sup>	RM	04/11/2019	0.71	10.90	10.12	-4.39	-1.52	26.63	N/A	N/A	N/A	15.91	
Fidelity® VIP Freedom 2060 Portfolio <sup>SM</sup> - Service Class <sup>6,9</sup>	RM	04/11/2019	0.78	10.87	10.01	-4.38	-1.59	26.59	N/A	N/A	N/A	15.92	
<b>Maximum Capital Appreciation</b>													
AB VPS Global Thematic Growth Portfolio - Class B <sup>1,2</sup>	MCA	01/11/1996	0.39	12.49	12.05	-5.43	2.03	27.27	19.95	17.50	13.23	6.33	
DWS Alternative Asset Allocation VIP Portfolio - Class A <sup>1,2,3,6,7</sup>	MCA	02/02/2009	0.47	9.75	9.24	-1.29	0.56	19.71	6.97	3.97	3.25	4.72	
LVIP Baron Growth Opportunities Fund - Service Class <sup>4</sup>	MCA	10/01/1998	1.94	12.82	10.68	-3.22	1.98	33.30	17.22	18.93	16.11	11.80	
LVIP Delaware SMID Cap Core Fund - Standard Class <sup>4,5</sup>	MCA	07/12/1991	1.66	17.62	15.70	-2.29	-0.12	46.27	8.75	10.73	12.52	9.42	
LVIP SSGA Emerging Markets 100 Fund - Standard Class <sup>1,19</sup>	MCA	06/18/2008	0.03	8.58	8.55	-2.15	-3.55	34.74	2.79	4.48	2.51	2.69	
LVIP SSGA Small-Cap Index Fund - Standard Class <sup>4,18</sup>	MCA	04/18/1986	1.69	13.32	11.44	-3.05	-4.65	45.93	9.01	11.85	13.02	7.34	
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Standard Class <sup>4</sup>	MCA	02/03/1994	0.81	9.83	8.95	-4.82	0.04	30.23	18.14	18.22	16.59	7.64	
<b>Long Term Growth</b>													
American Funds Global Growth Fund - Class 2 <sup>1</sup>	LTG	04/30/1997	0.60	11.02	10.36	-5.56	-0.62	25.85	17.70	16.51	14.74	9.76	
American Funds Growth Fund - Class 2	LTG	02/08/1984	0.99	13.49	12.38	-3.88	0.05	33.55	23.38	22.81	18.60	12.49	

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day	YTD as of 10/01/2021	YTD as of 09/30/2021	Average Annual Total Return (%) as of 9/30/2021						Since Incep.
						1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	
American Funds International Fund - Class 2 <sup>1</sup>	LTG	05/01/1990	0.54	1.84	1.30	-2.68	-2.68	22.99	7.18	8.44	8.01	6.91
Delaware VIP Small Cap Value <sup>4, 5</sup>	LTG	12/27/1993	1.98	23.72	21.32	-1.84	-1.71	60.38	6.31	8.89	11.32	9.28
Fidelity® VIP Contrafund® Portfolio - Service Class	LTG	01/03/1995	0.89	15.86	14.84	-5.77	1.42	23.59	17.30	17.04	15.26	10.95
Fidelity® VIP Growth Portfolio - Service Class	LTG	10/09/1986	1.18	13.81	12.48	-6.22	-0.44	26.42	21.43	22.46	18.51	10.34
LVIP BlackRock Global Real Estate Fund - Standard Class <sup>1, 2, 9</sup>	LTG	04/30/2007	1.11	18.08	16.79	-5.15	-0.40	32.07	9.43	5.43	7.74	1.79
LVIP Delaware Mid Cap Value Fund - Standard Class <sup>4, 5</sup>	LTG	12/28/1981	1.66	20.68	18.71	-2.76	-0.40	46.59	7.45	10.24	12.55	10.40
LVIP Delaware Social Awareness Fund - Standard Class <sup>5</sup>	LTG	05/02/1988	1.47	16.41	14.73	-4.59	0.74	29.64	14.88	15.26	14.96	10.20
LVIP Dimensional U.S. Core Equity 1 Fund - Standard Class	LTG	12/28/1981	1.30	17.16	15.66	-4.21	-0.73	34.64	13.14	14.72	14.64	9.94
LVIP Mondrian International Value Fund - Standard Class <sup>1</sup>	LTG	05/01/1991	0.16	9.48	9.30	-1.92	-1.96	28.18	2.68	4.59	5.00	5.32
LVIP SSGA International Index Fund - Standard Class <sup>1, 18, 20</sup>	LTG	04/30/2008	0.28	7.18	6.88	-3.46	-1.26	23.48	6.21	7.35	6.76	1.90
LVIP SSGA S&P 500 Index Fund - Standard Class <sup>18, 21</sup>	LTG	05/01/2000	1.15	16.17	14.86	-4.75	0.26	28.43	14.54	15.45	15.19	5.90
LVIP Vanguard Domestic Equity ETF Fund - Service Class <sup>6, 22</sup>	LTG	04/29/2011	1.24	15.07	13.66	-4.69	-0.44	29.12	14.12	14.79	14.34	11.53
LVIP Vanguard International Equity ETF Fund - Service Class <sup>1, 6, 22</sup>	LTG	04/29/2011	0.20	5.70	5.48	-3.46	-3.13	22.50	6.94	7.56	6.71	3.68
MFS® VIT Utilities Series - Initial Class <sup>2</sup>	LTG	01/03/1995	0.52	2.60	2.07	-6.25	-0.44	15.92	8.74	7.99	8.60	9.93

### Growth and Income

American Funds Growth-Income Fund - Class 2	GI	02/08/1984	1.23	14.94	13.54	-4.21	-0.03	26.56	11.75	14.02	14.46	10.26
BlackRock Global Allocation V.I. Fund - Class I <sup>1, 3</sup>	GI	02/28/1992	0.55	3.99	3.42	-3.25	-2.52	15.40	10.18	8.35	7.08	6.49
Fidelity® VIP Freedom 2020 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/26/2005	0.52	5.49	4.94	-2.84	-0.97	14.53	9.34	8.66	8.29	6.10
Fidelity® VIP Freedom 2025 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/26/2005	0.57	6.33	5.73	-3.08	-1.04	16.49	10.05	9.43	9.33	6.65

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# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day	YTD as of 10/01/2021	YTD as of 09/30/2021	Average Annual Total Return (%) as of 9/30/2021						Since Incep.
						1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	
Fidelity® VIP Freedom 2030 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/26/2005	0.57	7.37	6.76	-3.39	-1.10	18.93	10.75	10.64	10.14	6.95
Fidelity® VIP Freedom 2035 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/08/2009	0.72	9.45	8.67	-3.97	-1.40	23.52	11.86	11.99	11.27	12.03
Fidelity® VIP Freedom 2040 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/08/2009	0.75	10.90	10.08	-4.39	-1.56	26.61	12.67	12.55	11.62	12.37
Fidelity® VIP Freedom 2045 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/08/2009	0.78	10.93	10.08	-4.39	-1.54	26.60	12.66	12.55	11.75	12.45
Fidelity® VIP Freedom 2050 Portfolio <sup>SM</sup> - Service Class <sup>6, 8</sup>	GI	04/08/2009	0.75	10.92	10.10	-4.38	-1.53	26.64	12.66	12.54	11.84	12.56
LVIP BlackRock Advantage Allocation Fund - Standard Class <sup>3, 5, 10</sup>	GI	07/28/1988	0.50	4.05	3.53	-2.90	-1.18	10.51	7.73	7.01	7.03	5.82
LVIP Delaware REIT Fund - Standard Class <sup>2, 5, 9</sup>	GI	05/04/1998	1.53	23.21	21.35	-5.69	0.70	32.80	7.41	3.91	8.77	7.68
LVIP Delaware Value Fund - Standard Class <sup>5</sup>	GI	07/28/1988	1.43	13.16	11.57	-2.37	-0.23	27.96	5.31	8.17	12.00	7.91
LVIP Delaware Wealth Builder Fund - Standard Class <sup>3, 5, 10</sup>	GI	08/03/1987	0.76	6.69	5.89	-2.26	-0.61	14.19	6.16	5.68	7.23	6.03
LVIP JPMorgan Retirement Income Fund - Standard Class <sup>3, 5, 10</sup>	GI	04/27/1983	0.39	2.97	2.58	-1.87	-0.61	9.29	5.98	5.10	5.51	6.58
<b>Income</b>												
LVIP BlackRock Inflation Protected Bond Fund - Standard Class <sup>12</sup>	I	04/30/2010	0.17	2.77	2.60	-0.17	1.30	3.78	3.80	2.23	1.03	1.80
LVIP Delaware Bond Fund - Standard Class <sup>5, 12</sup>	I	12/28/1981	0.29	-1.86	-2.15	-0.90	-0.24	-0.81	4.91	2.52	2.50	6.53
LVIP Delaware Diversified Floating Rate Fund <sup>5, 14</sup>	I	04/30/2010	0.01	-0.50	-0.51	-0.05	-0.19	0.03	0.48	0.67	0.44	0.27
LVIP Delaware Diversified Income Fund - Standard Class <sup>5, 12</sup>	I	05/16/2003	0.24	-1.45	-1.69	-0.82	-0.12	0.68	5.67	3.00	2.83	4.33
LVIP Delaware High Yield Fund - Standard Class <sup>5, 12, 15</sup>	I	07/28/1988	0.00	3.39	3.40	-0.02	0.58	9.13	6.14	5.23	5.75	5.68
LVIP Global Income Fund - Standard Class <sup>1, 10, 12, 13</sup>	I	05/04/2009	0.34	-4.69	-5.01	-1.92	-1.77	-3.56	2.47	1.70	1.05	2.31
LVIP SSGA Bond Index Fund - Standard Class <sup>12, 18</sup>	I	04/30/2008	0.29	-2.24	-2.52	-0.99	-0.30	-2.12	4.03	1.61	1.66	2.46
PIMCO VIT Total Return Portfolio - Administrative Class <sup>12</sup>	I	12/31/1997	0.29	-1.59	-1.87	-0.85	-0.19	-1.05	4.52	2.40	2.59	4.20

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# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day	YTD as of 10/01/2021	YTD as of 09/30/2021	Average Annual Total Return (%) as of 9/30/2021						Since Incep.	
					1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr		
<b>Risk Managed - Asset Allocation</b>												
LVIP Global Conservative Allocation Managed Risk Fund - Standard Class <sup>1,3,6,10,16</sup>	RMAA	05/03/2005	0.56	4.53	3.95	-2.34	-0.75	10.73	5.67	5.29	5.41	4.93
LVIP Global Growth Allocation Managed Risk Fund - Standard Class <sup>1,3,6,10,16</sup>	RMAA	05/03/2005	0.70	7.88	7.13	-3.27	-1.30	16.06	5.56	6.56	6.01	4.68
LVIP Global Moderate Allocation Managed Risk Fund - Standard Class <sup>1,3,6,10,16</sup>	RMAA	05/03/2005	0.65	6.53	5.85	-2.97	-1.14	13.49	5.41	6.09	5.71	4.84
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Standard Class <sup>1,3,6,10,11,13</sup>	RMAA	05/03/2005	0.71	8.48	7.72	-2.72	-1.27	19.98	5.99	6.34	5.47	3.93
<b>Preservation of Capital</b>												
LVIP Government Money Market Fund - Standard Class <sup>10,17</sup>	PC	01/07/1982	0.00	-0.74	-0.74	-0.08	-0.25	-0.98	-0.16	-0.23	-0.60	2.70
<b>Risk Managed - US Large Cap</b>												
LVIP BlackRock Dividend Value Managed Volatility Fund - Standard Class <sup>10,11</sup>	RMUSL	02/03/1994	1.07	17.03	15.80	-2.26	-1.27	35.70	6.62	8.86	8.53	6.70
LVIP Blended Large Cap Growth Managed Volatility Fund - Standard Class <sup>10,11,13</sup>	RMUSL	02/03/1994	1.13	17.95	16.62	-6.11	1.04	28.43	14.05	14.88	12.24	7.36
<b>Asset Allocation</b>												
LVIP T. Rowe Price 2010 Fund (Standard Class) <sup>6,8,10</sup>	AsA	05/01/2007	0.50	5.44	4.92	-2.31	-0.47	13.06	8.12	6.46	5.47	4.19
LVIP T. Rowe Price 2020 Fund (Standard Class) <sup>6,8,10</sup>	AsA	05/01/2007	0.57	6.62	6.02	-2.58	-0.58	15.97	8.94	7.71	6.14	4.30
LVIP T. Rowe Price 2030 Fund (Standard Class) <sup>6,8,10</sup>	AsA	05/01/2007	0.73	8.83	8.04	-3.30	-0.88	20.99	10.34	8.85	6.76	4.56
LVIP T. Rowe Price 2040 Fund (Standard Class) <sup>6,8,10</sup>	AsA	05/01/2007	0.85	11.02	10.08	-3.85	-1.09	25.49	11.51	9.96	7.27	4.51
LVIP T. Rowe Price 2050 Fund (Standard Class) <sup>6,8,10</sup>	AsA	04/29/2011	0.89	11.72	10.73	-4.01	-1.16	26.98	11.88	10.89	7.73	6.03
LVIP T. Rowe Price 2060 Fund - Standard Class <sup>6,8,10</sup>	AsA	04/30/2020	0.89	12.33	11.34	-4.10	-1.16	28.79	N/A	N/A	N/A	31.99
<b>Risk Managed - US Mid Cap</b>												

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day	YTD as of 10/01/2021	YTD as of 09/30/2021	Average Annual Total Return (%) as of 9/30/2021						Since Incep.	
					1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr		
LVIP Blended Mid Cap Managed Volatility Fund - Standard Class <sup>4, 10, 11, 13</sup>	RMUSM 05/01/2001	0.77	7.92	7.09	-4.84	0.86	25.27	13.73	15.81	9.71	5.11	
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Standard Class <sup>4, 10, 11, 13</sup>	RMUSM 05/01/2001	1.46	20.34	18.61	-3.66	-1.23	41.05	5.61	7.39	9.01	6.18	
<b>Risk Managed - Global/International</b>												
LVIP Franklin Templeton Global Equity Managed Volatility Fund - Standard Class <sup>1, 10, 11</sup>	RMGI 08/01/1985	0.97	11.39	10.32	-3.99	-1.10	26.39	6.49	8.75	7.32	7.15	
LVIP SSGA International Managed Volatility Fund - Standard Class <sup>1, 6, 10, 11</sup>	RMGI 12/31/2013	0.22	6.97	6.74	-3.38	-1.28	23.35	3.12	5.29	N/A	1.35	

\* These returns are measured from the inception date of the fund and predate its availability as an investment option in the variable annuity (separate account). This hypothetical representation depicts how the investment option would have performed had the fund been available in the variable annuity during the time period. It includes deductions for the M&E charge and the contract administrative fee. If selected above, the cost for the i4LIFE® Advantage feature or a death benefit will be reflected. The cost for other riders with quarterly charges is not reflected. No surrender charge and no annual contract charge is reflected.

# Performance Update

## **1 International**

Investing internationally involves risks not associated with investing solely in the United States, such as currency fluctuation, political or regulatory risk, currency exchange rate changes, differences in accounting and the limited availability of information.

## **2 Sector Funds**

Funds that target exposure to one region or industry may carry greater risk and higher volatility than more broadly diversified funds.

## **3 Asset Allocation Portfolios**

Asset allocation does not ensure a profit, nor protect against loss in a declining market.

## **4 Small & Mid Cap**

Funds that invest in small and/or midsize company stocks may be more volatile and involve greater risk, particularly in the short term, than those investing in larger, more established companies.

## **5 Macquarie Investment Management**

Investments in Delaware VIP Series, Delaware Funds, Ivy Variable Insurance Portfolios, Ivy Funds, LVIP Delaware Funds or Lincoln Life accounts managed by Macquarie Investment Management Advisers, a series of Macquarie Investments Management Business Trust, are not and will not be deposits with or liabilities of Macquarie Bank Limited ABN 46 008 583 542 and its holding companies, including their subsidiaries or related companies, and are subject to investment risk, including possible delays in repayment and loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the fund, the repayment of capital from the fund, or any particular rate of return.

## **6 Fund of funds**

Each fund is operated as a fund of funds that invests primarily in one or more other funds, rather than in individual securities. A fund of this nature may be more expensive than other investment options because it has additional levels of expenses. From time to time, the Fund's advisor may modify the asset allocation to the underlying funds and may add new funds. A Fund's actual allocation may vary from the target strategic allocation at any point in time. Additionally, the Fund's advisor may directly manage assets of the underlying funds for a variety of purposes.

## **7 Alternative Funds**

Certain funds (sometimes called "alternative funds") expect to invest in (or may invest in some) positions that emphasize alternative investment strategies and/or nontraditional asset classes and, as a result, are subject to the risk factors of those asset classes and/or investment strategies. Some of those risks may include general economic risk, geopolitical risk, commodity-price volatility, counterparty and settlement risk, currency risk, derivatives risk, emerging markets risk, foreign securities risk, high-yield bond exposure, index investing risk, exchange-traded notes risk, industry concentration risk, leveraging risk, real estate investment risk, master limited partnership risk, master limited partnership tax risk, energy infrastructure companies risk, sector risk, short sale risk, direct investment risk, hard assets sector risk, active trading and "overlay" risks, event-driven investing risk, global macro strategies risk, temporary defensive positions and large cash positions. If you are considering investing in alternative investment funds, you should ensure that you understand the complex investment strategies sometimes employed and be prepared to tolerate the risks of such asset classes. For a complete list of risks, as well as a discussion of risk and investment strategies, please refer to the fund's prospectus. The fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the fund's losses to be greater than if it invested only in conventional securities and can cause the fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The fund's use of derivatives may cause the fund's investment returns to be impacted by the performance of securities the fund does not own and may result in the fund's total investment exposure exceeding the value of its portfolio.

## **8 Target-date funds**

The target date is the approximate date when investors plan to retire or start withdrawing their money. Some target-date funds make no changes in asset allocation after the target date is reached; other target-date funds continue to make asset allocation changes following the target date. (See the prospectus for the funds allocation strategy.) The principal value is not guaranteed at any time, including at the target date. An asset allocation strategy does not guarantee performance or protect against investment losses. A "fund of funds" may be more expensive than other types of investment options because it has additional levels of expenses.

## **9 REIT**

A real estate investment trust (REIT) involves risks such as refinancing, economic conditions in the real estate industry, declines in property values, dependency on real estate management, changes in property taxes, changes in interest rates and other risks associated with a portfolio that concentrates its investments in one sector or geographic region.

## **10 Manager of managers funds**

Subject to approval of the fund's board, Lincoln Investment Advisors Corporation (LIAC) has the right to engage or terminate a subadvisor at any time, without a shareholder vote, based on an exemptive order from the Securities and Exchange Commission. LIAC is responsible for overseeing all subadvisors for funds relying on this exemptive order.

## **11 Managed Volatility Strategy**

The fund's managed volatility strategy is not a guarantee, and the fund's shareholders may experience losses. The fund employs hedging strategies designed to reduce overall portfolio volatility. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.

## **12 Bonds**

The return of principal in bond funds is not guaranteed. Bond funds have the same interest rate, inflation, credit, duration, prepayment and market risks that are associated with the underlying bonds owned by the fund or account.

## **13 Multimanager**

For those funds that employ a multimanager structure, the fund's advisor is responsible for overseeing the subadvisors. While the investment styles employed by the fund's subadvisors are intended to be complementary, they may not, in fact, be complementary. A multimanager approach may result in more exposure to certain types of securities risks and in higher portfolio turnover.

## **14 Floating rate funds**

Floating rate funds should not be considered alternatives to CDs or money market funds and should not be considered as cash alternatives.

## **15 High-yield or mortgage-backed funds**

High-yield funds may invest in high-yield or lower rated fixed income securities (junk bonds) or mortgage-backed securities with exposure to subprime mortgages, which may experience higher volatility and increased risk of nonpayment or default.

# Performance Update

## <sup>16</sup> Risk Management Strategy

The fund's risk management strategy is not a guarantee, and the funds shareholders may experience losses. The fund employs hedging strategies designed to provide downside protection during sharp downward movements in equity markets. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to other unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.

## <sup>17</sup> Money Market Funds

You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share (or, for the LVIP Government Money Market Fund, at \$10.00 per share), it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

## <sup>18</sup> Index

An index is unmanaged, and one cannot invest directly in an index. Indices do not reflect the deduction of any fees.

## <sup>19</sup> Emerging Markets

Investing in emerging markets can be riskier than investing in well-established foreign markets. International investing involves special risks not found in domestic investing, including increased political, social and economic instability, all of which are magnified in emerging markets.

## <sup>20</sup> MSCI

The fund described herein is indexed to an MSCI® index. It is not sponsored, endorsed, or promoted by MSCI®, and MSCI®; bears no liability with respect to any such fund or to an index on which a fund is based. The prospectus and statement of additional information contain a more detailed description of the limited relationship MSCI®; has with Lincoln Investment Advisors Corporation and any related funds.

## <sup>21</sup> S&P

The Index to which this fund is managed is a product of S&P Dow Jones Indices LLC (SPDJI) and has been licensed for use by one or more of the portfolio's service providers (licensee). Standard & Poor's®; and S&P® are registered trademarks of Standard & Poor's Financial Services LLC (S&P); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the licensee. S&P®, S&P GSCI® and the Index are trademarks of S&P and have been licensed for use by SPDJI and its affiliates and sublicensed for certain purposes by the licensee. The Index is not owned, endorsed, or approved by or associated with any additional third party. The licensee's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or their third party licensors, and none of these parties or their respective affiliates or third party licensors make any representation regarding the advisability of investing in such products, nor do they have liability for any errors, omissions, or interruptions of the Index®.

## <sup>22</sup> Exchange-traded funds

Exchange-traded funds (ETFs) in this lineup are available through collective trusts or mutual funds. Investors cannot invest directly in an ETF.

## Important Disclosures

Variable products are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, distributed by Lincoln Financial Distributors, Inc., and offered by broker/dealers with an effective selling agreement. The Lincoln National Life Insurance Company is not authorized nor does it solicit business in the state of New York.

**Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

Limitations and exclusions may apply.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

## Asset Categories

RM	= Risk Managed
MCA	= Maximum Capital Appreciation
LTG	= Long Term Growth
GI	= Growth and Income
I	= Income
RMAA	= Risk Managed - Asset Allocation
PC	= Preservation of Capital
RMUSL	= Risk Managed - US Large Cap
AsA	= Asset Allocation
RMUSM	= Risk Managed - US Mid Cap
RMGI	= Risk Managed - Global/International

**DISTRICT  
CORRESPONDENCE**  
Board Meeting of October 07, 2021



**Date:                    Correspondence Sent To:**

1. 09/14/2021 Reverdy Ross A/Ruth E Trustees  
**Subject:** Roots at Sewer Mainline Connection: 874 Walnut Rd.  
A.P.N. 057-072-046
  
2. 09/14/2021 Gordon E. Stoppel Living Trust  
**Subject:** Roots at Sewer Mainline Connection: 837 N. Hope Ave.  
A.P.N. 057-072-017
  
3. 09/14/2021 Jerilyn L. Robinson Revocable Trust  
**Subject:** Roots at Sewer Mainline Connection: 5784 Maley Dr.  
A.P.N. 069-453-007
  
4. 09/21/2021 Ryszard Tokarski  
Electromatic, Inc.  
**Subject:** 2022 Industrial User Discharge Permit A-414 Renewal  
Application & Invoice  
Letters also sent to:
  - Rayne of Santa Barbara
  - Microdyn-Nadir US Inc.
  - Intriplex Technologies, Inc.
  - Atomica Corp.
  - Electromatic, Inc.
  - U.C.S.B.
  - Neal Feay Company
  
5. 10/5/2021 Wendell Khunjar, PhD PE  
Hazen and Sawyer  
**Subject:** Letter of Collaboration, Granule Generation, Retention and  
Management for Nutrient Removal (RFP 5130)

**Date:                    Correspondence Received From:**

1. 09/20/2021 City of Santa Barbara  
Santa Barbara Airport  
**Subject:** Firestone Lift Station Flow Meter System Recalibration

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