AGENDA

REMOTE MEETING NOTICE

Due to health concerns related to the COVID-19 pandemic, members of the public are encouraged to attend this meeting remotely via zoom as set forth below.

INSTRUCTIONS FOR USING ZOOM

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

TO SPEAK ON AN ITEM USING ZOOM

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

FOR OPEN SESSION PARTICIPATION

Join Meeting Electronically at:

https://us02web.zoom.us/j/84904431211?pwd=U2xtaE1tQU8wVmNBem9CNmNKT2FzUT09

Meeting ID: 849 0443 1211

Passcode: 849530

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

One William Moffett Place
Goleta, California 93117

December 6, 2021

CALL TO ORDER: 6:30 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 Special Meeting of November 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 72 hours in advance of the meeting.

BUSINESS:

1. DISCUSSION AND PRESENTATION OF THE DISTRICT'S AUDIT REPORT AND FINANCIAL STATUS AS OF JUNE 30, 2021
(Board may take action on this item.)

2. DISCUSSION AND ADOPTION OF PROPOSED RESOLUTIONS #21-672 AND #21-673 UPDATING AND REVISING DISTRICT POLICIES AND ACTIONS RELATED TO RECENT CALPERS HEALTH INSURANCE PLAN CHANGES.
(Board may take action on this item.)

3. CONSIDERATION OF PENSION LIABILITY MANAGEMENT STRATEGIES
(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 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.

MINUTES

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

November 20, 2021

CALL TO ORDER: President Smith called the meeting to order at 11:00 a.m.

BOARD MEMBERS PRESENT: Jerry D. Smith, Steven T. Majoewsky, George W. Emerson, Sharon Rose, Edward Fuller (arrived at 11:02 a.m.)

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance and Human Resources Manager/Board Secretary.

OTHERS PRESENT: Tom Evans, Director, Goleta Water District

APPROVAL OF MINUTES: Director Rose made a motion, seconded by Director Emerson, to approve the minutes of the Regular Board meeting of 11/15/21. The motion carried by the following vote:

(21/11/2258)

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

POSTING OF AGENDA: The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 24 hours in advance of the meeting.

PUBLIC COMMENTS: None

BUSINESS:

1. SECOND PUBLIC HEARING PRESENTATION ON TRANSITION TO DISTRICT-BASED ELECTIONS PROCESS
Mr. Wagner began the staff report and introduced Shelley Lapkoff of Lapkoff and Gobalet Demographers who gave a presentation on the process of transitioning to district-based elections.

President Smith opened the Public Hearing at 11:41 a.m.

Member of the public addressed the Board.

President Smith closed the Public Hearing at 11:48 a.m.

There was no Board action taken on this item.

2. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 21-671 CONTINUING CONDUCTING MEETINGS UNDER MODIFIED BROWN ACT REQUIREMENTS

Mr. Wagner gave the staff report.

Director Majoewsky made a motion, seconded by Director Rose to approve and adopt Resolution No. 21-671 to continue to conduct meetings under modified Brown Act requirements.

The motion carried by the following vote:

(21/11/2259)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:59 a.m.

Jerry D. Smith
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

Steven T. Majoewsky

George W. Emerson

Sharon Rose

Edward Fuller

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: December 6, 2021

I. NATURE OF ITEM

Discussion and Presentation of the District's Audit Report and Financial Status as of June 30, 2021

II. BACKGROUND INFORMATION

The District's auditors, Moss, Levy & Hartzheim, LLP, have completed their review of the District's financial records, and have prepared the annual financial statements and audit report for FY 2020-21. The Report is enclosed in this agenda item for review and comments.

III. COMMENTS AND RECOMMENDATIONS

The Finance Committee reviewed the draft financial statements on Tuesday, November 30, 2021 and recommends acceptance of the FY 2020-21 audit. The District's auditor will present the enclosed audit report to the Board on Monday, December 6, 2021. Also enclosed are copies of the auditor's report on compliance and internal control over financial reporting.

With the auditor's assistance, the District will submit its State Controller's Report, before the due date January 31, 2022, as mandated by State requirements.

Overall, this is a good audit report with no findings. The District's total revenues for FY 2020-21 exceeded expenses, before capital contributions, by approximately $522,054. With capital contributions, the District's net financial position as of June 30, 2020 was $97,062,382 which is an increase of $921,733 over the prior year balance. Staff recommends the Board accept the report and direct staff to submit it to the State Controller as required.

IV. REFERENCE MATERIALS

Independent Auditor's Report and Annual Audit Report for FY 2020-21

Audit Term Sheet

GOLETA SANITARY DISTRICT

FINANCIAL STATEMENTS
June 30, 2021

Moss, Levy & Hartzheim LLP
Certified Public Accountants

To the Board of Directors
Goleta Sanitary District,

We have audited the basic financial statements of the Goleta Sanitary District as of and for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Goleta Sanitary District are described in Note 2 to the financial statements. We noted no transactions entered into by the governmental unit during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Goleta Sanitary District's financial statements were:

> Management's estimate of the useful lives of capital assets is based on experience with other capital assets and on their standard table of useful lives. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the net OPEB liability and deferred inflows and outflows related to OPEB is based on the actuary's expertise and experience. We evaluated the key factors and assumptions used to develop the OPEB calculations in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the net pension liability and deferred inflows and outflows related to pension are based on the CalPERS actuary's expertise experience. We evaluated the key factors and assumptions used to develop the net pension liability and deferred inflows and outflows related to pension in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of the Pension Plan in Note 8 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 2, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Matters</u>

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Goleta Sanitary District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Moss, Levy & Hartzheim LLP

November 2, 2021
Santa Maria, California

Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Goleta Sanitary District
Goleta, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Goleta Sanitary District (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 2, 2021

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com
BEVERLY HILLS · CULVER CITY · SANTA MARIA

GOLETA SANITARY DISTRICT
TABLE OF CONTENTS
June 30, 2021

FINANCIAL SECTION

Moss, Levy & Hartzheim LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goleta Sanitary District
Goleta, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Goleta Sanitary District (District) as of and for the fiscal year ended June 30, 2021, and the related notes to the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Goleta Sanitary District, as of June 30, 2021, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12, the Schedule of Proportionate Share of Net Pension Liability on page 37, the Schedule of Pension Contributions on page 38, the Schedule of Changes in Net OPEB Liability and Related Ratios on page 39, and the Schedule of OPEB Contributions on page 40, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Goleta Sanitary District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2020, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report November 2, 2021, on our consideration of the Goleta Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
November 2, 2021

Goleta Sanitary District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

As management of the Goleta Sanitary District, we offer readers of the Goleta Sanitary District's financial statements this narrative overview and analysis of the financial activities of the Goleta Sanitary District for the fiscal year ending June 30, 2021. We encourage readers to consider the information presented here in conjunction with the audit report.

Financial Highlights

- The assets and deferred outflows of resources of the Goleta Sanitary District exceeded its liabilities and deferred inflows of resources by $97,062,382 and $96,140,649 at the close of the June 30, 2021 and 2020 fiscal year, respectively.

- The District's total net position increased by $921,733 as of June 30, 2021 and increased by $1,923,485 as of June 30, 2020.

- The combination of operating and non-operating revenues, less operating expenses results in net income in the amount of $522,054 as of June 30, 2021 and net income in the amount of $904,986 as of June 30, 2020.

- Capital contributions were made to the District in the amount of $399,679 and $1,018,499 as of June 30, 2021 and 2020, respectively.

- The District is not carrying any debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Goleta Sanitary District's basic financial statements. The Goleta Sanitary District's basic financial statements comprise two components: 1) government-wide financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information on all of the Goleta Sanitary District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Goleta Sanitary District's is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave, or compensated absences).

The Goleta Sanitary District has only business type activities and that business-type activity is the provision of sanitation services to the community.

The financial statements can be found on pages 13-16 of this financial report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Goleta Sanitary District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-36 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Goleta Sanitary District's progress in funding its obligation to provide pension and other post-employment benefits to its employees on pages 37-40.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Goleta Sanitary District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $97,062,382 and $96,140,649 at the close of June 30, 2021 and 2020, respectively.

By far the largest portion of the Goleta Sanitary District's net position, $70,039,084 (72.2 percent) and $71,611,940 (74.5 percent) as of June 30, 2021 and 2020, respectively, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less depreciation and any related debt used to acquire those assets that is still outstanding. The Goleta Sanitary District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Goleta Sanitary District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are normally not used to liquidate these liabilities.

GOLETA SANITARY DISTRICT'S NET POSITION

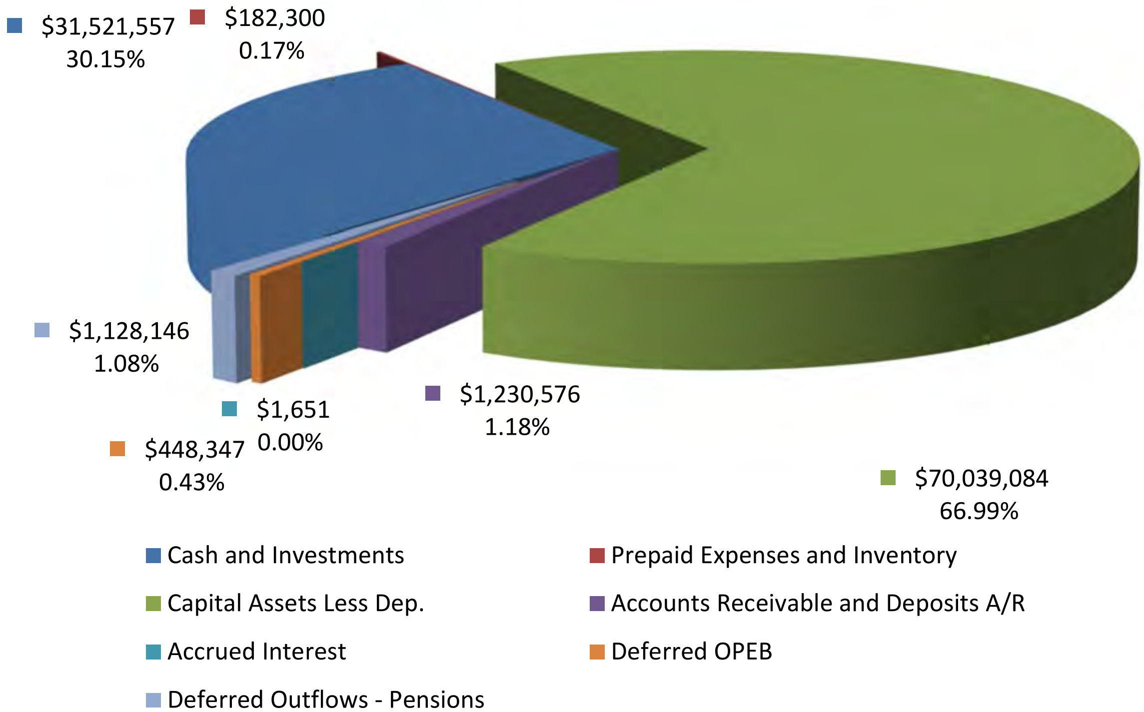
	June 30, 2021	June 30, 2020
Current Assets	$ 28,113,236	$ 25,692,866
Noncurrent Assets	74,861,932	76,596,475
Total Assets	$ 102,975,169	$ 102,289,341
Deferred Outflows of Resources	$ 1,576,493	$ 1,586,334
Current Liabilities	$ 797,626	$ 1,166,266
Noncurrent Liabilities	5,716,036	5,686,011
Total Liabilities	$ 6,513,663	$ 6,852,277
Deferred Inflows of Resources	$ 975,617	$ 882,749
Net Position:		
Net Investment in Capital Assets	$ 70,039,084	$ 71,611,940
Restricted	4,957,999	4,984,535
Unrestricted	22,065,299	19,544,174
Total Net Position	$ 97,062,382	$ 96,140,649

An additional portion of the Goleta Sanitary District's net position, $4,957,999 (5.1%) and $4,984,535 (5.2%) as of June 30, 2021 and 2020, respectively, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $22,065,299 and $19,544,174 as of June 30, 2021 and 2020, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

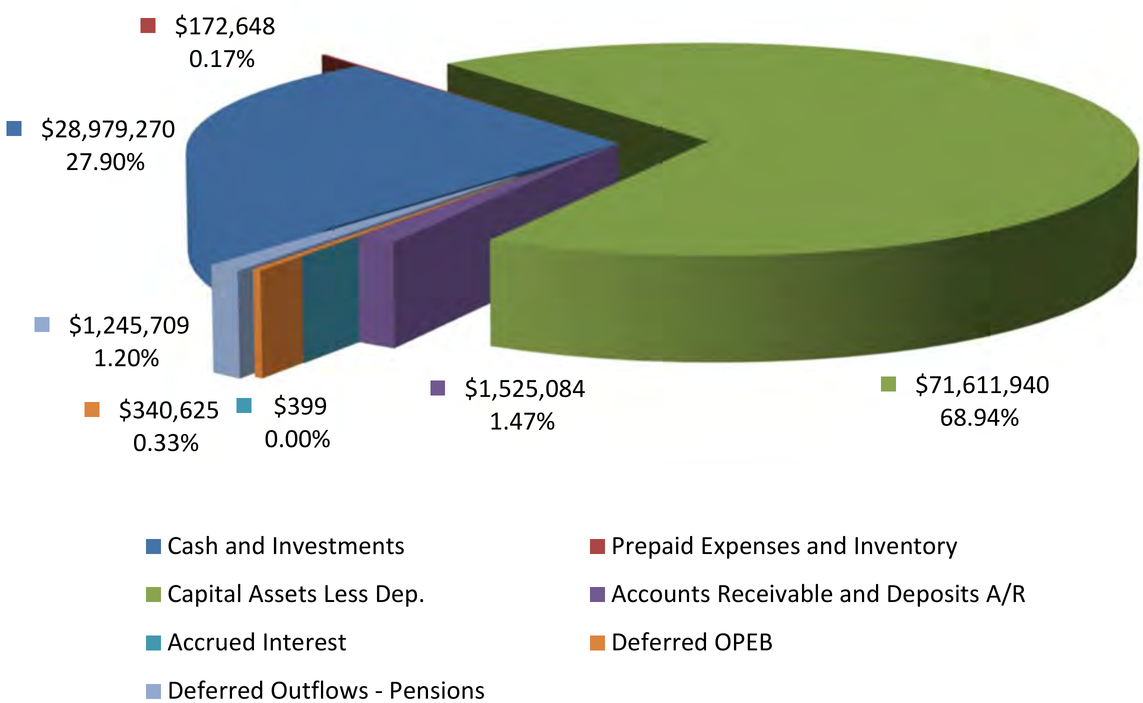
At the end of the current fiscal year, the Goleta Sanitary District is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

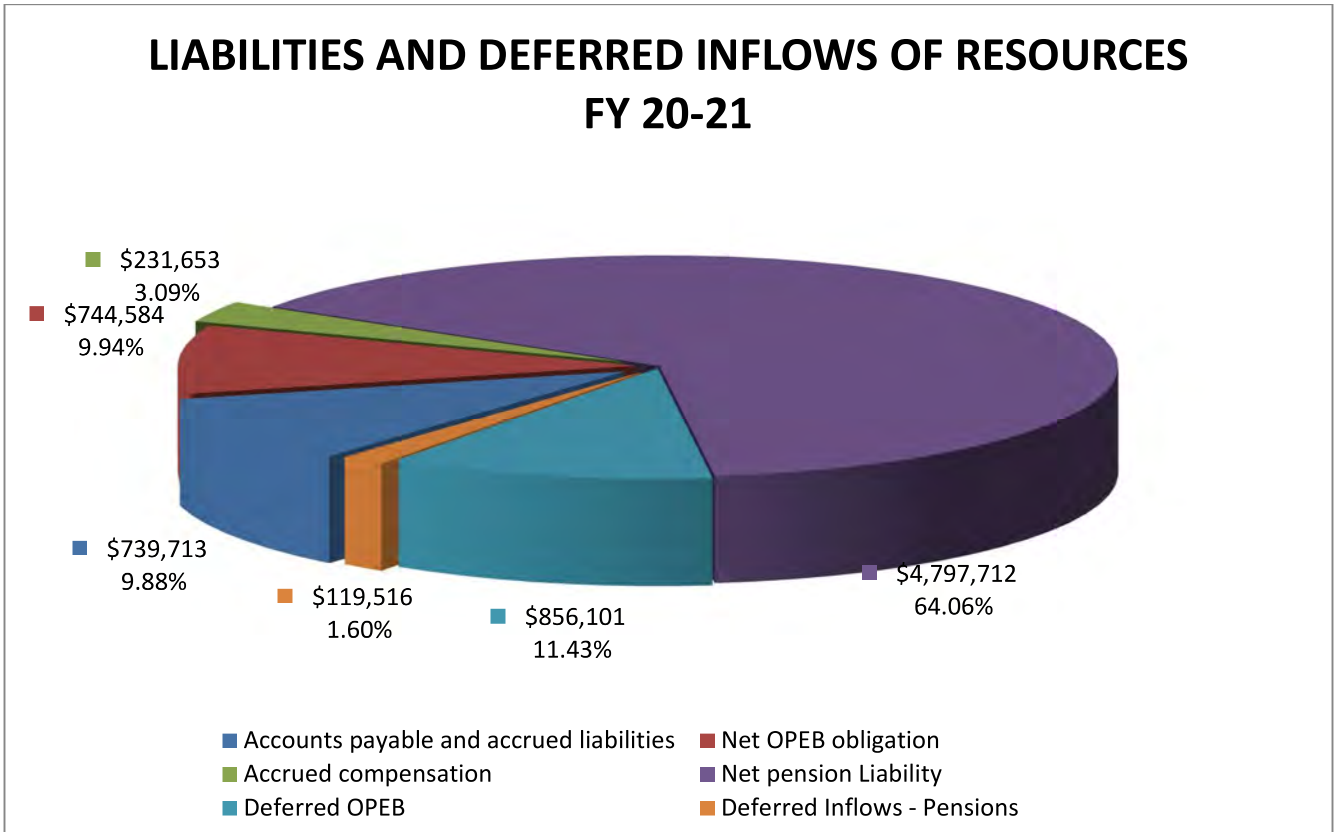
Charts comparing the Assets and Deferred Outflows of Resources and Liabilities and Deferred Inflows of Resources of the last two fiscal years are represented on the following two pages.

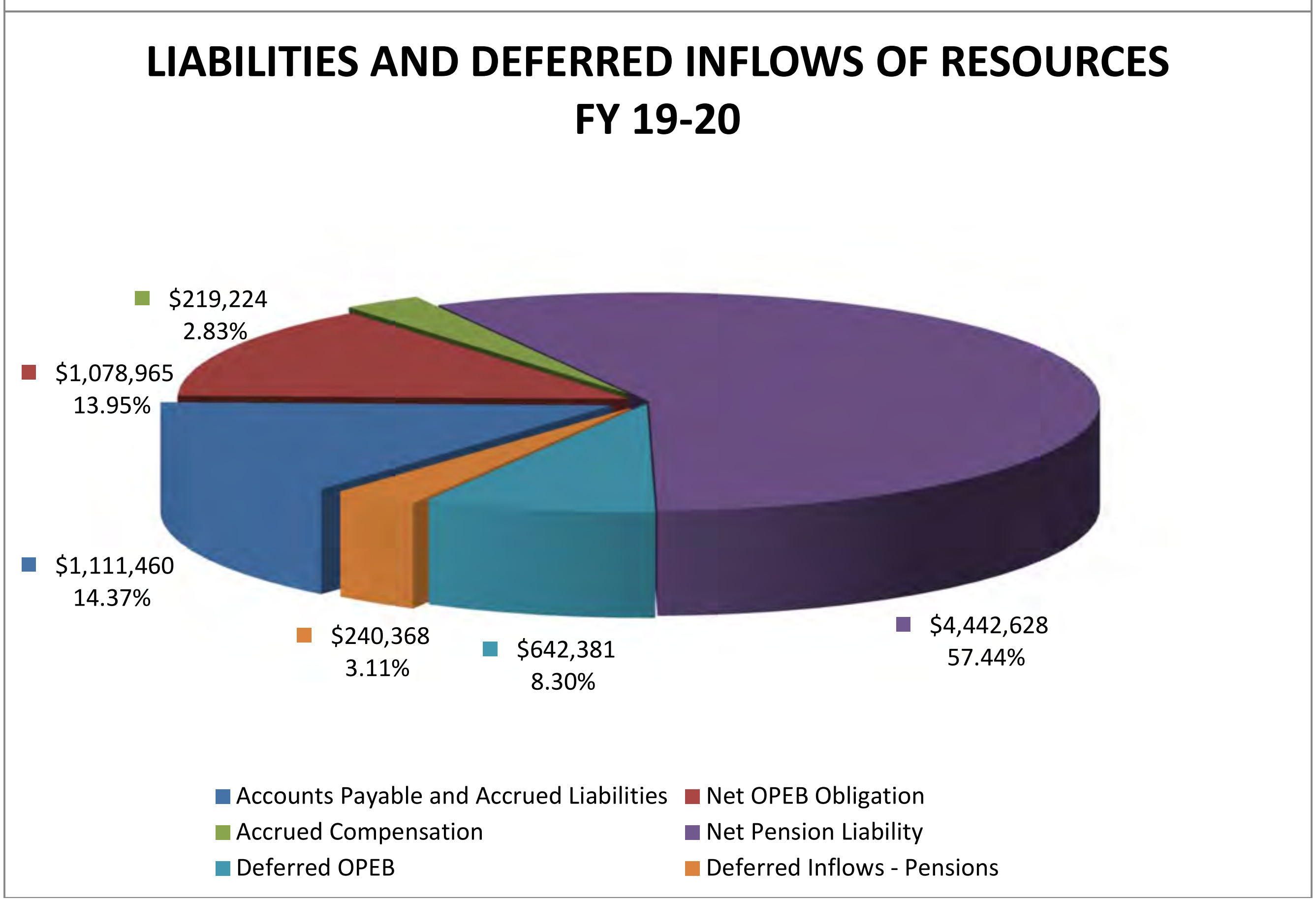
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 20-21



ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 19-20




LIABILITIES AND DEFERRED INFLOWS OF RESOURCES
FY 20-21
$231,653
3.09%
$744,584
9.94%
$739,713
9.88%
$119,516
1.60%
$856,101
11.43%
$4,797,712
64.06%
Accounts payable and accrued liabilities
Net OPEB obligation
Accrued compensation
Net pension Liability
Deferred OPEB
Deferred Inflows - Pensions

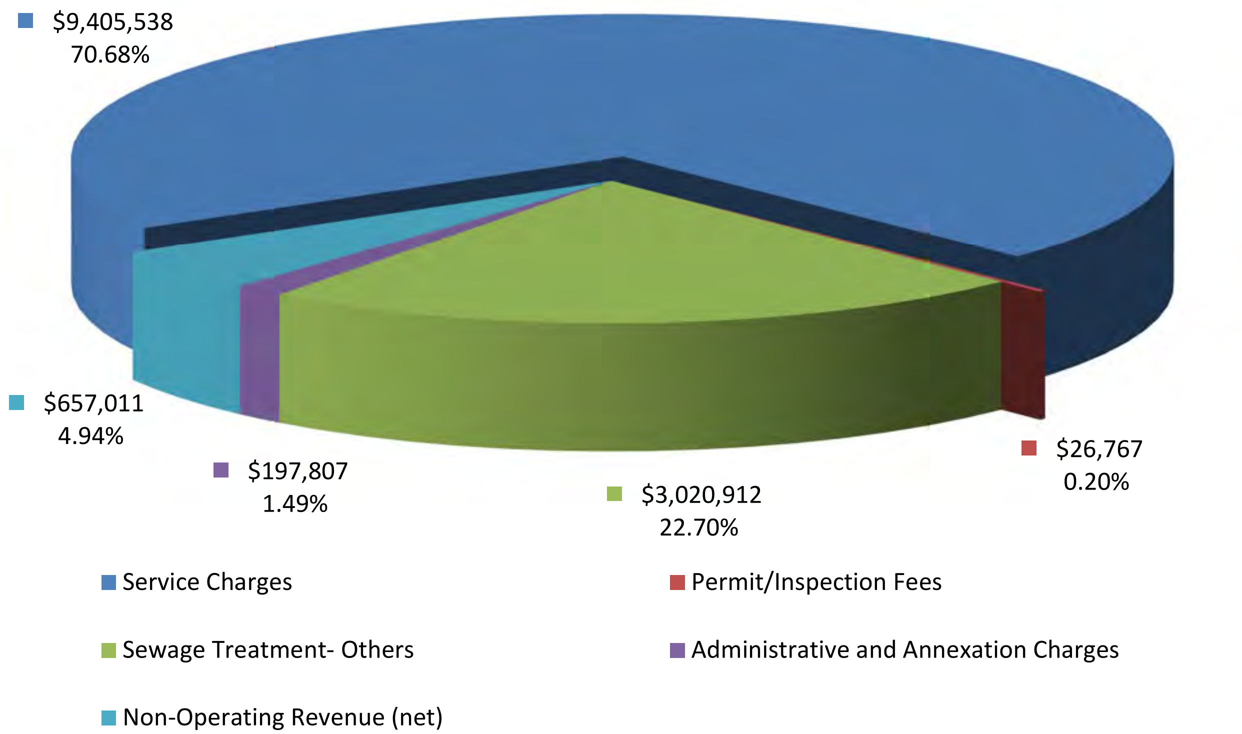

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES
FY 19-20
$219,224
2.83%
$1,078,965
13.95%
$1,111,460
14.37%
$240,368
3.11%
$642,381
8.30%
$4,442,628
57.44%
Accounts Payable and Accrued Liabilities
Net OPEB Obligation
Accrued Compensation
Net Pension Liability
Deferred OPEB
Deferred Inflows - Pensions

Business-type activities. The business-type activities increased the Goleta Sanitary District's net position by $921,733 and $1,923,485 as of June 30, 2021 and 2020, respectively. The key elements are as follows: operating and non-operating revenues exceeded operating and nonoperating expenses by $522,054 as of June 30, 2021 whereas operating and non-operating revenues exceeded operating and nonoperating expenses by $904,986 as of June 30, 2020. Capital contributions to the District's system totaled $399,679 and $1,018,499 as of June 30, 2021 and 2020, respectively. This is a net decrease of $618,820 in capital contributions as of June 30, 2021. The total revenues and capital contributions exceeded expenses during the 2020-2021 fiscal year. The District's construction in progress value of $2,968,658 has been recorded as capitalized amounts as detailed in Note 4 on page 25.

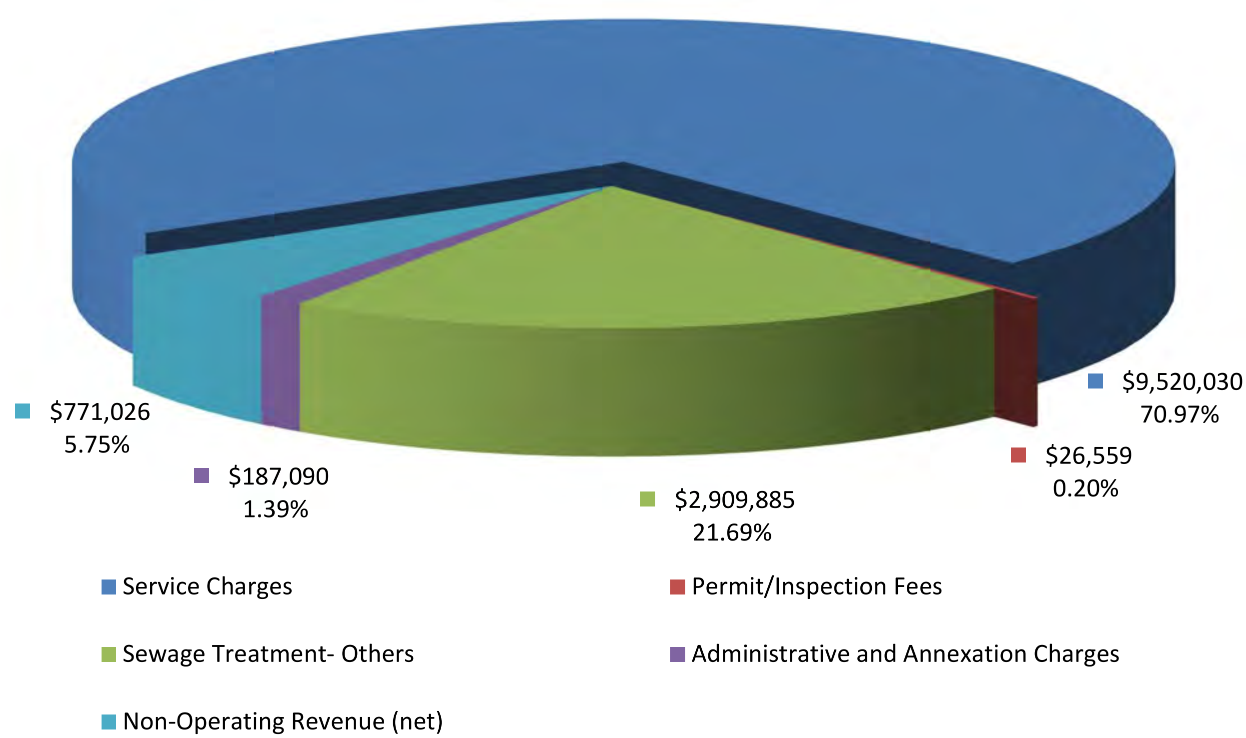
GOLETA SANITARY DISTRICT'S CHANGE IN NET POSITION

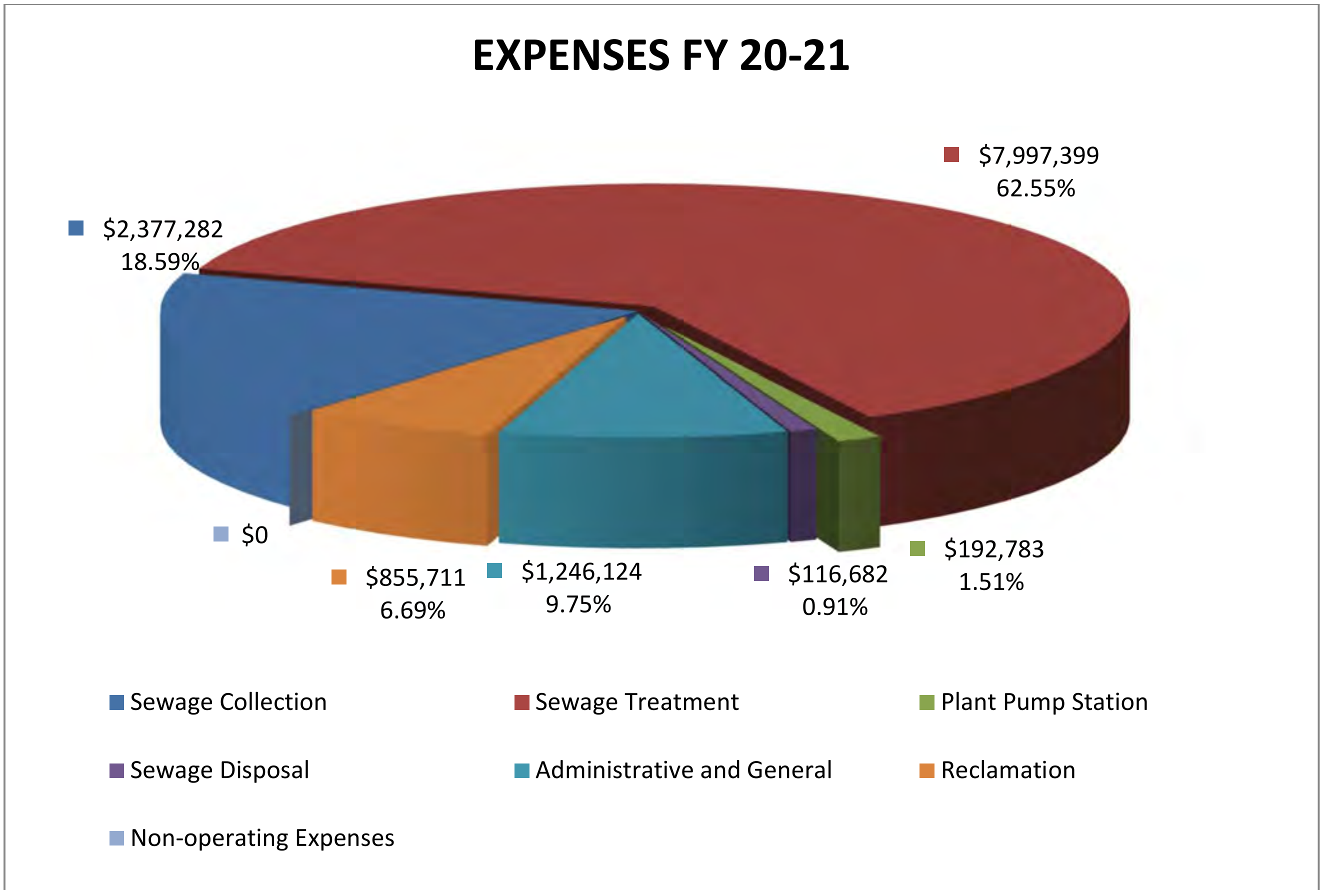
	June 30, 2021	June 30, 2020
Revenues:		
Service Charges	$ 9,405,538	$ 9,520,030
Other Operating	3,245,486	3,123,534
Non-operating	657,011	771,026
Sub-total:	$ 13,308,035	$ 13,414,590
Expenses:		
Sewer Collection	$ 2,377,282	$ 2,315,306
Sewage Treatment	7,997,399	7,828,514
Plant Pump Station	192,783	183,181
Sewage Disposal	116,682	113,593
Administrative	1,246,124	1,314,352
Wastewater Reclamation	855,711	754,658
Total Expenses:	$ 12,785,981	$ 12,509,604
Net income/(loss) before Capital Contributions:	$ 522,054	$ 904,986
Capital Contributions	399,679	1,018,499
Increase in Net Position	$ 921,733	$ 1,923,485
Net Position – Beginning of Fiscal Year	$ 96,140,649	$ 94,217,164
Net Position – End of Fiscal Year	$ 97,062,382	$ 96,140,649

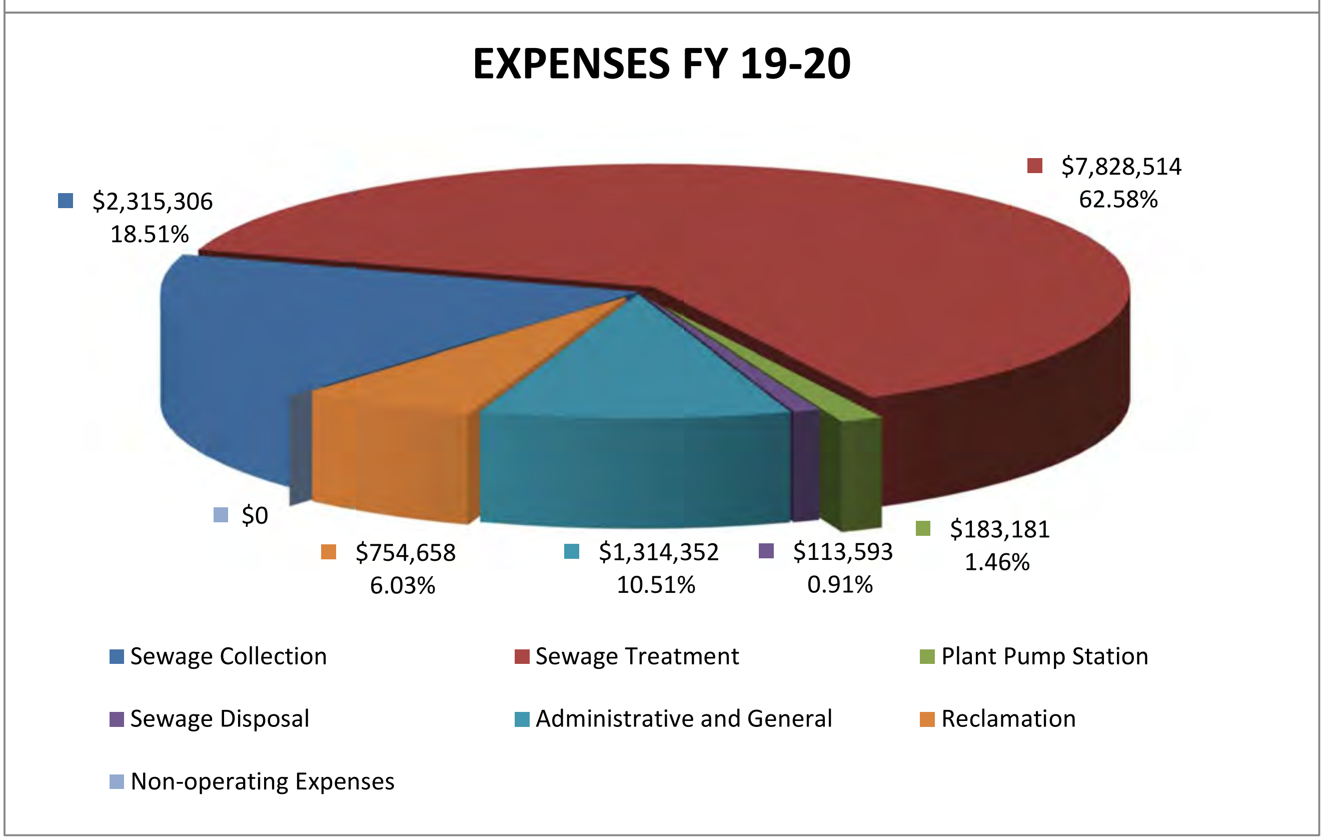
REVENUES FY 20-21



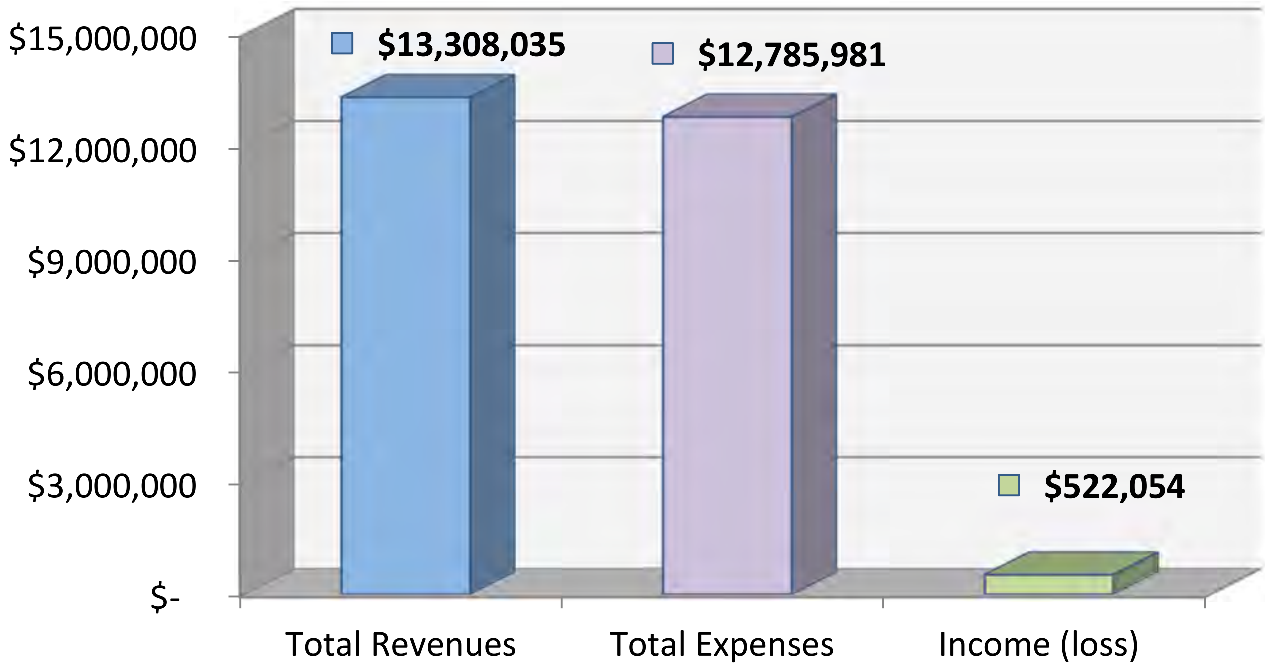
REVENUES FY 19-20



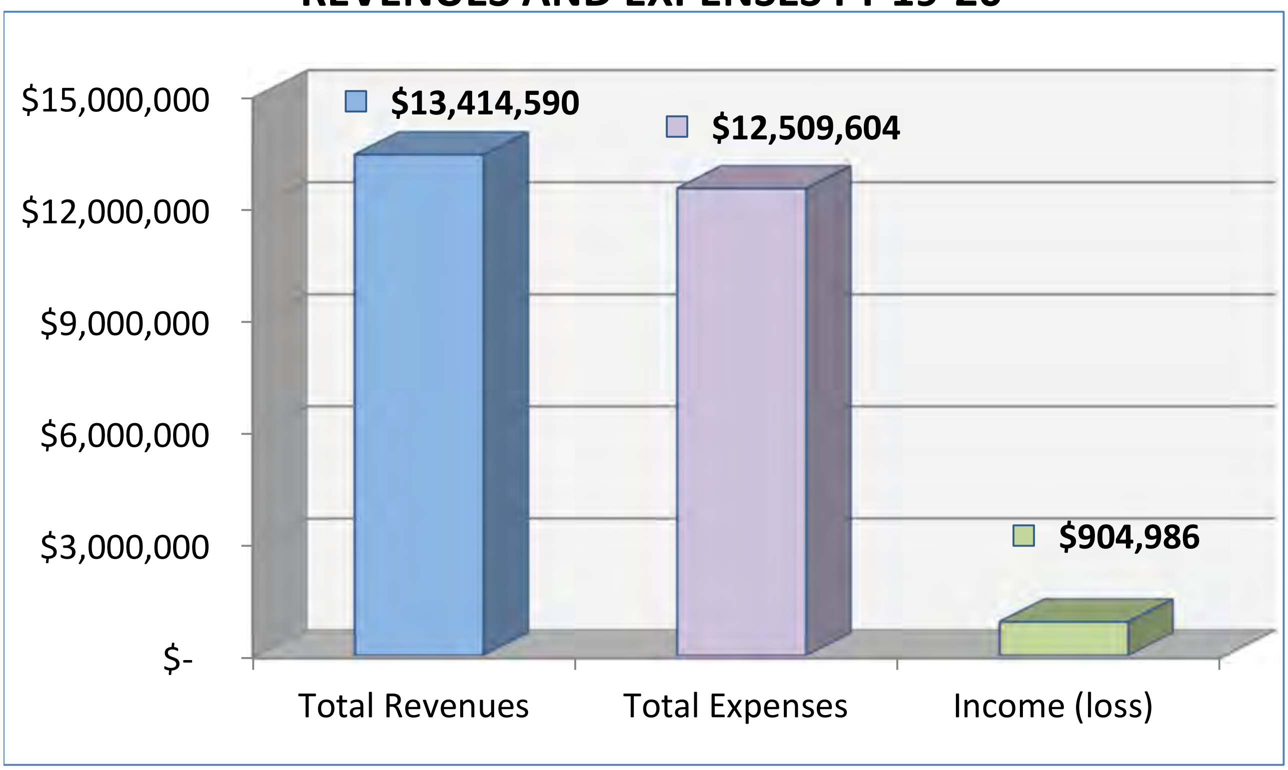

EXPENSES FY 20-21
$7,997,399
62.55%
$2,377,282
18.59%
$0
$855,711
6.69%
$1,246,124
9.75%
$116,682
0.91%
$192,783
1.51%
Sewage Collection
Sewage Treatment
Plant Pump Station
Sewage Disposal
Administrative and General
Reclamation
Non-operating Expenses


EXPENSES FY 19-20
$7,828,514
62.58%
$2,315,306
18.51%
$0
$754,658
6.03%
$1,314,352
10.51%
$113,593
0.91%
$183,181
1.46%
Sewage Collection
Sewage Treatment
Plant Pump Station
Sewage Disposal
Administrative and General
Reclamation
Non-operating Expenses

REVENUES AND EXPENSES FY 20-21



REVENUES AND EXPENSES FY 19-20



Capital Asset and Debt Administration

Capital Assets. The Goleta Sanitary District's investment in capital assets for its business type activities as of June 30, 2021 and June 30, 2020 amounts to $70,039,084 and $71,611,940 (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, improvements, machinery, and equipment.

Major capital asset events during the current fiscal year included the following:

Collections department 2020 Pipeline Rehabilitation project was completed as was the CCTV contracted services. The vehicle garage door modification was also completed during the fiscal year and Push camera was purchased.

Treatment plant projects included: SS valves on the Headworks; Digester feed valves; Cart storage and charge facility; Plant communications upgrade project; Solids Building TWAS pump; Two replacement carts. The lab replaced a sampler and TSS Oven.

The Reclamation Facility also had major capital asset events: Replacement of Motor Control Centers 8080 was completed and the auto-transfer jockey pump was purchased and installed. The sample motor pumps, PID Control, and Sodium Hypochlorite feed piping projects are ongoing as is the backwash pump check valves project.

Construction in progress projects includes the asset management and capital asset projects for both the Collections and Treatment Plant. The treatment Plant has ongoing projects related Biosolids handling and Biosolids to energy projects; The Lift Station rehab project is underway and the Administration building office space remodel was nearly completed.

GOLETA SANITARY DISTRICT'S CAPITAL ASSETS

	June 30, 2021	June 30, 2020	June 30, 2019
Land	$ 327,243	$ 327,243	$ 327,243
Construction in Progress	2,968,658	2,498,532	1,632,120
Collection Facilities	29,560,933	28,174,076	26,618,204
Treatment Facilities	69,866,434	70,041,905	69,345,240
Disposal Facilities	3,743,731	3,743,731	3,743,731
Admin Facilities and all Vehicles	3,285,357	3,285,357	3,222,687
Wastewater Reclamation	15,590,906	15,543,279	15,169,424
Total	$ 125,343,262	$ 123,614,123	$ 120,058,649
Less Accumulated Depreciation	$ (55,304,178)	$ (52,002,183)	$ (48,513,066)
Net Capital Assets	$ 70,039,084	$ 71,611,940	$ 71,545,583

Additional information on the Goleta Sanitary District's capital assets can be found in Note 4 on page 25 of this report.

Long-term liabilities. At the end of June 30, 2021 and 2020, the Goleta Sanitary District did not hold any current or long-term debt besides compensated absences, net OPEB, and PERS pension liability. Information on these three liabilities can be found in Notes 5, 8, and 9 on pages 26-35 of this report.

Economic Factors and Next Year's Budgets and Rates

The District sets its user rate schedule to cover the total O&M costs and accommodate an annual contribution to its depreciation reserve fund. The District reviewed and adjusted its sewer service rates for FY 2018-19 and FY 2019-20 using a CPI index to accommodate increased O&M costs due to inflation. No adjustments since then have been made.

Other Post-Employment Benefits

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2009, the District joined the CalPERS medical program. An actuarial was performed during the 2020-2021 fiscal year to complete a valuation of the District's postemployment medical program as June 30, 2020 compliant under GASB 75. The purpose of the valuation is to determine the value of the expected postretirement benefits for current and future retirees and the net OPEB Benefit Cost of the fiscal year ending June 30, 2020. GASB 75 has many accounts and features that are similar to GASB 68 related to pensions. The actuarial report prepared during Fiscal Year 2020-2021 noted that the Plan Net OPEB liability at $744,584. Actual cash contributions to CERBT for Plan year 20-21 came to $356,387 in the form of direct payments to CERBT, reimbursements to retirees and direct premium payments to CalPERS. Details can be found in Note 9 beginning on page 32 of this report.

Requests for Information

This financial report is designed to provide a general overview of the Goleta Sanitary District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the General Manager, Goleta Sanitary District, One William Moffett Place, Goleta, CA 93117.

GOLETA SANITARY DISTRICT
STATEMENT OF NET POSITION - ENTERPISE FUND
June 30, 2021
With Comparative Totals for June 30, 2020

	2021	2020
Assets		
Current:		
Cash and investments	$ 26,698,709	$ 23,994,735
Receivables:		
Accounts	1,230,576	1,525,084
Accrued interest	1,651	399
Inventories	96,542	94,046
Prepaid expenses	85,758	78,602
Total Current Assets	28,113,236	25,692,866
Noncurrent:		
Restricted:		
Cash and investments	4,822,848	4,984,535
Capital assets - net	70,039,084	71,611,940
Total Noncurrent Assets	74,861,932	76,596,475
Total Assets	102,975,168	102,289,341
Deferred Outflows of Resources		
Deferred OPEB	448,347	340,625
Deferred pensions	1,128,146	1,245,709
Total Deferred Outflows of Resources	1,576,493	1,586,334
Liabilities		
Current:		
Accounts payable and accrued liabilities	739,713	1,111,460
Current portion of accrued compensated leave	57,913	54,806
Total Current Liabilities	797,626	1,166,266
Noncurrent:		
Accrued compensated leave	173,740	164,418
Net OPEB liability	744,584	1,078,965
Net pension liability	4,797,712	4,442,628
Total Noncurrent Liabilities	5,716,036	5,686,011
Total Liabilities	6,513,662	6,852,277
Deferred Inflows of Resources		
Deferred OPEB	856,101	642,381
Deferred pensions	119,516	240,368
Total Deferred Inflows of Resources	975,617	882,749
Net Position		
Net investment in capital assets	70,039,084	71,611,940
Restricted for capital expansion	4,957,999	4,984,535
Unrestricted	22,065,299	19,544,174
Total Net Position	$ 97,062,382	$ 96,140,649

The notes to basic financial statements are an integral part of this statement.

GOLETA SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	2021	2020
Operating Revenues:		
Service charges	$ 9,405,538	$ 9,520,030
Permit and inspection fees	26,767	26,559
Sewage treatment-other agencies	3,020,912	2,909,885
Administrative charges	197,807	187,090
Total operating revenues	12,651,024	12,643,564
Operating Expenses:		
Sewage collection	2,377,282	2,315,306
Sewage treatment	7,997,399	7,828,514
Plant pump station	192,783	183,181
Sewage disposal	116,682	113,593
Administrative and general	1,246,124	1,314,352
Wastewater reclamation	855,711	754,658
Total operating expenses	12,785,981	12,509,604
Operating income (loss)	(134,957)	133,960
Nonoperating Revenues (Expenses):		
Property tax	188,638	178,080
Intergovernmental	774	772
Investment earnings	186,551	553,658
Reimbursements from participating agencies	5,124	2,820
Other	288,718	40,263
Loss on disposal of capital assets	(12,794)	(4,567)
Total nonoperating revenues (expenses)	657,011	771,026
Income (loss) before capital contributions	522,054	904,986
Capital contributions	399,679	1,018,499
Change in net position	921,733	1,923,485
Net position, beginning of fiscal year	96,140,649	94,217,164
Net position, end of fiscal year	$ 97,062,382	$ 96,140,649

The notes to basic financial statements are an integral part of this statement.

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 12,945,532	$ 12,777,024
Payments to suppliers	(3,955,295)	(3,123,522)
Payments to employees	(5,480,415)	(5,287,409)
Net cash provided by operating activities	3,509,822	4,366,093
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	188,638	178,080
Intergovernmental	774	772
Reimbursements from other governments	5,124	2,820
Other revenue	288,718	40,263
Net cash provided by noncapital financing activities	483,254	221,935
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	399,679	1,018,499
Acquisition and construction of capital assets	(2,035,767)	(3,570,884)
Net cash used by capital and related financing activities	(1,636,088)	(2,552,385)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	185,299	553,942
Net cash provided by investing activities	185,299	553,942
Net increase in cash and cash equivalents	2,542,287	2,589,585
Cash and cash equivalents, July 1,	28,979,270	26,389,685
Cash and cash equivalents, June 30	$ 31,521,557	$ 28,979,270
Reconciliation to Statement of Net Position:		
Cash and investments	$ 26,698,709	$ 23,994,735
Restricted cash and investments	4,822,848	4,984,535
	$ 31,521,557	$ 28,979,270

(Continued)

The notes to basic financial statements are an integral part of this statement.

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND (Continued)
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for the Fiscal Year Ended June 30, 2020

	2021	2020
Reconciliation to reconcile operating income to net cash provided by operating activities:		
Operating income (loss)	$ (134,957)	$ 133,960
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	3,595,829	3,499,960
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	294,508	133,460
Inventory	(2,496)	19,796
Prepaid expenses	(7,156)	(21,418)
Deferred outflows	9,841	60,053
Accounts payables	(371,747)	299,901
Net OPEB obligation	(334,381)	(95,362)
Compensated absences	12,429	49,550
Net pension liability	355,084	352,625
Deferred inflows	92,868	(66,432)
Net cash provided by operating activities	$ 3,509,822	$ 4,366,093

The notes to basic financial statements are an integral part of this statement.

NOTE 1 - REPORTING ENTITY

The Goleta Sanitary District (District) was formed in 1942 to provide sewage service for the unincorporated community of Goleta. In 2002, the City of Goleta was incorporated as a general law city of the State of California. The original plant site was owned by the District and the University of California at Santa Barbara. The District is now the sole owner of the plant and the site.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements of the Goleta Sanitary District have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted setting body for governmental accounting financial reporting purposes.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of assets, liabilities, fund equity, revenues, and expenses. This system permits separate accounting for each established fund for purposes of complying with applicable legal provisions, Board of Director's ordinances and resolutions, and other requirements. The accounts have also been maintained in accordance with the California State Controller's uniform system of accounts.

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

The District distinguishes operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by wastewater services while operating expenses pertain directly to the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying wastewater treatment services.

B. Plant Capacity Rights

In 1950, the District entered into an agreement with the University of California at Santa Barbara for the construction and mutual use of a treatment plant and sewer lines. Since that time, three other agencies have acquired capacity rights in the sewage treatment facilities.

For the fiscal year, agreements were in effect for the following capacity rights:

	Capacity Rights in Plant	Capacity Rights In Ocean Outfall Line
Goleta Sanitary District	47.87%	55.81%
Goleta West Sanitary District	40.78%	35.00%
University of California at Santa Barbara	7.09%	4.70%
City of Santa Barbara	2.84%	2.60%
County of Santa Barbara	1.42%	1.89%
	100.00%	100.00%

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Procedures

Budgetary information is not presented because the District is not legally required to adopt a budget. Although not legally required, an annual budget is prepared, which includes estimates for the District's principal income sources to be received during the fiscal year, as well as estimated expenses and cash reserves needed for operations.

D. Deposits and Investments

For purpose of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity period, at purchase, of three months or less to be cash equivalents.

As a governmental entity other than an external investment pool in accordance with GASB Statement No. 31, the District's investments are stated at fair value except for interest-earning investment contracts.

E. Prepaid Costs

Payments to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items. The District utilizes the consumption method of accounting for purchases, and accounts for prepaid costs in the period that the benefit was received and recognizes expenses as consumed.

F. Inventories

Inventories are priced using the lower of cost or market method, determined on a first-in, first-out basis. Inventories consist of expendable supplies, spare parts, and fittings.

G. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets, are reported in the District's enterprise fund. Capital assets are defined by the District as assets with an initial, individual cost of more than $2,500.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the District values these capital assets at the original estimate.

Construction in Progress – The District occasionally constructs capital assets for its own use in the plant operations and within its sewer collection system. The costs associated within these projects are accumulated in a construction in progress account while the project is being developed. Once the project is completed, the entire cost of the constructed assets are transferred to the capital assets account and depreciated over the estimated useful life of the capital assets.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, if material. For the current fiscal year, no interest was capitalized.

Capital assets are depreciated using the straight line method over estimated useful lives as follows:

Collection Lines	50 years
Buildings	40 years
Pumping and Treatment Equipment	10 – 25 years
Office Equipment	3 – 10 years

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. **Compensated Absences Liability**

Employees are entitled to accumulate vacation leave at a rate of two, three, four, or five weeks per year, depending on the number of years of service completed. Vacation leave is fully vested and any unused leave will be paid to employees upon termination of employment. Employees are also entitled to accumulate comp time when they work overtime, they are called back to work, or they are on standby. The rates of the accrual vary by employees and no employee can accumulate more than 40 hours.

In accordance with accounting principles generally accepted in the United States of America, the liability is reflected on the Statement of Net Position and the current fiscal year allocation has been expensed. The balance at June 30, 2021 and 2020 was $231,653 and $219,224 respectively. The full amount is shown as a noncurrent liability because it is not expected to be paid out within the next fiscal year.

I. **Restricted Assets**

Amounts shown as restricted assets have been restricted by either bond indenture, by law, or contractual obligations to be used for specified purposes, such as servicing bonded debt and construction of capital assets.

J. **Capital Contributions**

Capital contributions represent utility plant additions contributed to the District by property owners, other agencies, or developers. Depreciation of contributed utility plant assets are charged to operations.

K. **Uncollectible Accounts**

Uncollectible accounts are determined using the allowance method based upon prior experience and management's assessment of the collectability of specific existing accounts.

L. **Property Taxes**

Tax levies are limited to 1% of full market value (at time of purchase) which results in a tax rate of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Property taxes are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change of ownership.

Tax collections are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

The District does not receive a substantial amount of property taxes. For the fiscal year ended June 30, 2021 and 2020, the District received $188,638 and $178,080, respectively. The District does not receive property tax from every parcel in its service area, only those parcels for which the property taxes were negotiated at the time it was annexed.

M. **Use of Estimates**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Goleta Sanitary District's California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities,"* the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Notes 8 and 9 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Notes 8 and 9 for a detailed listing of the deferred inflows of resources the District has reported.

Q. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. **Future Accounting Pronouncements**

GASB Statements listed below will be implemented in future financial statements:

Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provision of this statement except for paragraphs 6-9 are effective for fiscal years beginning after December 15, 2019. Paragraph 6-9 is effective for fiscal years beginning after June 15, 2021.

S. **Comparative Data/Totals Only**

Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position, operations, and cash flows. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

	2021	2020
Cash on hand	$ 500	$ 500
Deposits with financial intitutions	29,498,671	28,868,783
Investments	2,022,386	109,987
	$ 31,521,557	$ 28,979,270

Cash and investments listed above, are presented on the accompanying statement of net position, as follows:

	2021	2020
Cash and investments	$ 26,698,709	$ 23,994,735
Restricted cash and investments	4,822,848	4,984,535
Total cash and investments	$ 31,521,557	$ 28,979,270

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the Local Agency Investment Fund which is measured under Level 2.

Investments Authorized by the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$75,000,000
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 years	None	None

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

2021

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	$ 2,022,386	$ 2,022,386	$ -	$ -	$ -
	$ 2,022,386	$ 2,022,386	$ -	$ -	$ -

2020

		Remaining Maturity (in Months)			
Investment Type	Carrying Amount	12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	$ 109,987	$ 109,987	$ -	$ -	$ -
	$ 109,987	$ 109,987	$ -	$ -	$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below, is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

2021

			Rating as of Fiscal Year End			
Investment Type	Carrying Amount	Minimum Legal Rating	AAA	A+	Baa	Not Rated
State investment pool (LAIF)	$ 2,022,386	N/A	$ -	$ -	$ -	$ 2,022,386
	$ 2,022,386		$ -	$ -	$ -	$ 2,022,386

2020

			Rating as of Fiscal Year End			
Investment Type	Carrying Amount	Minimum Legal Rating	AAA	A+	Baa	Not Rated
State investment pool (LAIF)	$ 109,987	N/A	$ -	$ -	$ -	$ 109,987
	$ 109,987		$ -	$ -	$ -	$ 109,987

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, $29,263,634 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Collateral for Deposits

The collateral for deposits is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintain detailed records of the security pool which are coordinated and updated weekly.

The Treasurer, at his or her discretion, may waive the 110% collateral requirement for deposits. Deposit accounts are insured up to $250,000.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investment. With respect to investments, custodial credit risk generally applies to direct investments in marketable securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each entity may invest up to $75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California.

LAIF's and the District's exposure to risk (credit, market or legal) is not currently available. Section 16429.3 states that "money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State Agency."

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2021 and June 30, 2020 was as follows:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 327,243	$ -	$ -	$ -	$ 327,243
Construction in progress	2,498,532	1,938,775		(1,468,649)	2,968,658
Total capital assets not being depreciated	$ 2,825,775	$ 1,938,775	$ -	$ (1,468,649)	$ 3,295,901
Capital assets being depreciated:					
Collection facilities	$ 28,174,076	$ 11,555	$ -	$ 1,375,302	$ 29,560,933
Treatment facilities	70,041,905	85,437	(306,628)	45,720	69,866,434
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,285,357				3,285,357
Wastewater reclamation facility	15,543,279			47,627	15,590,906
	120,788,348	96,992	(306,628)	1,468,649	122,047,361
Less accumulated depreciation	52,002,183	3,595,829	(293,834)		55,304,178
Total capital assets being depreciated, net	$ 68,786,165	$ (3,498,837)	$ (12,794)	$ 1,468,649	$ 66,743,183
Net capital assets	$ 71,611,940	$ (1,560,062)	$ (12,794)	$ -	$ 70,039,084

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Capital assets not being depreciated:					
Land	$ 327,243	$ -	$ -	$ -	$ 327,243
Construction in progress	1,632,120	2,637,251	(303)	(1,770,536)	2,498,532
Total capital assets not being depreciated	$ 1,959,363	$ 2,637,251	$ (303)	$ (1,770,536)	$ 2,825,775
Capital assets being depreciated:					
Collection facilities	$ 26,618,204	$ 78,895	$ -	$ 1,476,977	$ 28,174,076
Treatment facilities	69,345,240	413,303	(10,197)	293,559	70,041,905
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,222,687	62,670			3,285,357
Wastewater reclamation facility	15,169,424	378,765	(4,910)		15,543,279
	118,099,286	933,633	(15,107)	1,770,536	120,788,348
Less accumulated depreciation	48,513,066	3,499,960	(10,843)		52,002,183
Total capital assets being depreciated, net	$ 69,586,220	$ (2,566,327)	$ (4,264)	$ 1,770,536	$ 68,786,165
Net capital assets	$ 71,545,583	$ 70,924	$ (4,567)	$ -	$ 71,611,940

NOTE 5 – LONG-TERM LIABILITIES

The following table summarizes the changes in long-term liabilities for the fiscal year ended June 30, 2021 and June 30, 2020:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Compensated absences	$ 219,224	$ 199,724	$ 187,295	$ 231,653	$ 57,913
Net OPEB liability	1,078,965	112,349	446,730	744,584	
Net pension liability	4,442,628	1,261,715	906,631	4,797,712	
Total long-term liabilities	$ 5,740,817	$ 1,573,788	$ 1,540,656	$ 5,773,949	$ 57,913

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
Compensated absences	$ 169,674	$ 190,095	$ 140,545	$ 219,224	$ 54,806
Net OPEB liability	1,174,327	414,546	509,908	1,078,965	
Net pension liability	4,090,003	882,467	529,842	4,442,628	
Total long-term liabilities	$ 5,434,004	$ 1,487,108	$ 1,180,295	$ 5,740,817	$ 54,806

NOTE 6 – NET POSITION

There are three main components of net position: Net Investment in Capital Assets, restricted, and unrestricted. Net Investment in Capital Assets represents the District's capital assets net of depreciation that are unencumbered by debt. Restricted net position consists of amounts that have legal restrictions imposed by parties outside of the reporting entity.

Unrestricted net position is a catchfall for all remaining net position not accounted for in the other two categories.

The following is included in Restricted Net Position:

Reserve for Plant Capacity Expansion

This reserve is related to that portion of the District's net position attributable to capacity expansion connection fees. Such fees can only be used for plant expansion. At June 30, 2021 and 2020, this reserve was $4,957,999 and $4,984,535, respectively.

NOTE 7 – RISK MANAGEMENT

The District is a member of the California Sanitation Risk Management Authority ("Authority"). The following disclosures are made in compliance with GASB Code Section J50.103:

A. Description of Joint Powers Authority

The Authority is comprised of 60 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance and risk management for the pooling of self-insured losses and to purchase excess insurance coverage.

Each member has a representative on the Board of Directors. Officers of the Authority are elected annually by the Board members.

NOTE 7 – RISK MANAGEMENT (Continued)

B. Self-Insurance Programs of the Authority

General Liability Insurance

Annual deposits are paid by member districts and are adjusted retrospectively to cover costs. Each member district self-insures at a variable amount for each loss; however, annual premiums are set such that this self-insured retention level is funded on an annual basis through required premiums. Participating districts then share in the next shared pool layer per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, errors and omissions, sudden and accidental pollution and employment practice liability. Separate deposits are collected from member districts to cover claims between $0 and $15,500,000. The pool layer is subject to retrospective adjustment. The District participates in the Authority's General Liability Program.

Workers Compensation Insurance

Annual deposits are paid by member districts and are adjusted retrospectively to cover costs. Each member district has first dollar coverage. Losses in excess of $750,000 are covered by excess insurance purchased by the participating district, as part of the pool, to a limit of $1 million per accident. The District participates in the Authority's Workers Compensation Program.

Property Protection

The District participates in the All Risks, Boiler and Machinery, and Flood Property Protection Program, which is underwritten by five insurance companies. The annual deposits are paid by participating member districts and are based upon value at risk and not subject to retroactive adjustments.

The Insurance Authority establishes claim liabilities based on actuarial estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported.

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 8 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	11.746%+$293,946	7.874%+$2,266

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were $615,256 for the fiscal year ended June 30, 2021.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability of $4,797,712 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2020, the District's proportion share of net pension liability was as follows:

Proportion-June 30, 2019	0.11094%
Proportion-June 30, 2020	0.11374%
Change-increase(decrease)	0.00280%

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2021, the District recognized pension expense of $967,051. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 34,219
Differences between expected and actual experience	247,240	
Net difference between projected and actual earnings on retirement plan investments	142,524	
Difference in proportions	118,687	85,297
Differences in actual contributions and proportionate share of contributions	4,439	
District contributions subsequent to the measurement date	615,256	
	$ 1,128,146	$ 119,516

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

$615,256 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Fiscal Year Ending June 30,	Amount
2022	$ 74,832
2023	139,962
2024	110,221
2025	68,359
	$ 393,374

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% Net Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter

(1) The mortality table used was developed based on CalPERs' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table please refer to December 2017 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% was used for this period.
(b) An expected inflation of 2.92% was used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15% percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension plan liability	$7,489,544	$ 4,797,712	$ 2,573,536

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to Pension Plan

At June 30, 2021, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2021.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Fund (CERBT), an agent multiple-employer defined benefit healthcare plan administered by the California Public Employees' Retirement System (CalPERS). Benefits are provided to employees who retire at age 50 or older with five years of eligible CalPERS service. Coverage is also provided to eligible retirees, spouses and surviving spouses. These benefits are provided per contract between the District and the employee associations. Separate financial statements of the CERBT may be obtained by writing to CalPERS at Lincoln Plaza North 400 Q Street, Sacramento, and CA 95814 or by visiting the CalPERS website at www.calpers.ca.gov.

Funding Policy

In 2009, the District joined the CalPERS medical program. In 2021, the District contributed the full cost of retiree and spousal coverage, up to the cost of PERS Choice coverage in comparison to the "unequal contribution" approach that was used at the inception of the CalPERS medical program. The District's contribution will be based on each retiree's age and enrollment status. The contribution requirements of plan members and the District are established and may be amended by the District and the employee associations. Currently, contributions are not required from plan members.

Employees Covered

As of June 30, 2020, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active employee	34
Inactive employees or beneficiaries currently receiving benefits	13
Total	47

Contributions

The District has a trust with the California Employers' Retiree Benefit Trust (CERBT). The District currently finances the trust by making 100% of the actuarially determined contribution.

Net OPEB Liability

The District's Net OPEB Liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	7.28%, based on the CERBT Strategy 1 investment policy
Salary increases	3.25% plus merit component
Inflation rate	2.26%
Investment rate of return	7.28% based on CERBT Strategy 1 investment policy
Healthcare cost trend rate	7.15% for 2022 decreasing each year to an ultimate rate of 5.00% for 2031 and later years

Assumption Changes: The average per capita claims cost was updated to reflect actual 2020 and 2021 premiums.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Discount rate. GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20 years, tax-exempt general obligation municipal bonds with an average of AA/Aa or better for benefits not covered by plan assets.

The arithmetic long-term expected real rates of return by asset class for the next 10 years as provided in a report by JP Morgan and listed in the Investments section of this Note. For each fiscal year thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.26% inflation rate. Investment expenses were assumed to be 10 basis points per year. These returns were matched with cash flows for benefits covered by plan assets and the Bond Buyer 20-Bond General Obligation index was matched with cash flows not covered by plan assets to measure the reasonableness of the choice in discount rate.

	June 30, 2020	**June 30, 2019**
Discount Rate	7.28%	7.28%
Bond buyer 20-Bond GO Index	2.21%	3.50%

Changes in the OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2019-Measurement Date	$ 3,936,032	$ 2,857,067	$ 1,078,965
Changes recognized for the measurement period:			
Service cost	149,735		149,735
Interest	293,274		293,274
Changes of assumptions	(325,191)		(325,191)
Difference between expected and actual experience	(5,469)		(5,469)
Contributions - employer		334,190	(334,190)
Net investment income		113,954	(113,954)
Benefit payments	(116,597)	(116,597)	
Administrative expense		(1,414)	1,414
Net Changes	(4,248)	330,133	(334,381)
Balance at June 30, 2020-Measurement Date	$ 3,931,784	$ 3,187,200	$ 744,584

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.28 percent) or 1-percentage-point higher (8.28 percent) than the current discount rate:

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Liability	$ 1,338,822	$ 744,584	$ 258,207

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.15 percent decreasing to 4.00 percent) or 1-percentage-point higher (8.15 percent decreasing to 6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (6.15% decreasing to 4.00%)	Trend Rate (7.15% decreasing to 5.00%)	1% Increase (8.15% decreasing to 6.00%)
Net OPEB Liability	$ 197,713	$ 744,584	$ 1,427,110

Investments

The allocation of the plan's invested assets is established by CERBT Strategy 1. The objective is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. The asset allocations and benchmarks for CERBT Strategy 1 are listed below:

Investment Class	**Target Allocation**	**Long-Term Expected Real Rate of Return (1)**
Equity	60.00%	5.49%
Fixed Income	32.00%	1.65%
REITs	8.00%	5.06%

(1) JPMorgan arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of $128,004. As of the fiscal year ended June 30, 2021, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 356,387	$ -
Change in assumptions		683,551
Difference between expected and actual experience	3,769	172,550
Net difference between projected and actual earnings on retirement plan investments	88,191	
	$ 448,347	$ 856,101

$356,387 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2022.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal year Ending June 30,	Amount
2022	$ (100,696)
2023	(90,706)
2024	(89,796)
2025	(96,170)
2026	(116,535)
Thereafter	(270,238)
	$ (764,141)

NOTE 10 – WASTEWATER RECLAMATION PROJECT

The District entered into an agreement, dated October 15, 1990, with the Goleta Water District for construction and operation of a wastewater reclamation project. The project provides for additional treatment of the District's wastewater and to distribute the resulting reclaimed wastewater for use by the Goleta Water District's customers.

The District agreed to provide the additional treatment facilities, which are integrated into the current treatment plant. The Goleta Water District agreed to provide the pumping and distribution facilities for the delivery of the reclaimed water.

The District has provided the site for the Reclamation Facility. The Reclamation Facility is designed to have a treatment, storage, and pumping capacity of 3.3 million gallons per day.

The agreement with the Goleta Water District provides that the Goleta Water District ultimately pay all the costs associated with the design and construction of the project, as well as the operation costs once the facility is completed. The Goleta Water District has the right to the water produced, with certain options.

The project was substantially complete and officially placed in service in August 1994.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Land Purchase Restrictions

On December 23, 1980, the District acquired twenty-eight (28) acres of land adjacent to the original plant site for the construction of various structures, ponds and sludge lagoons for the plant expansion project. The acquisition is subject to the condition that should the District or its successors at any time within fifty-nine (59) years cease to use the land, as defined in the deed, for the operation of a wastewater treatment plant for a continuous period of one (1) year, and the land will revert to the seller or its successor, at the acquisition price.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

GOLETA SANITARY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2021

The following table provides required supplementary information regarding the District's Pension Plan.

	2021	2020	2019	2018
Proportion of the net pension liability	0.04409%	0.04336%	0.04244%	0.04260%
Proportionate share of the net pension liability	$ 4,797,712	$ 4,442,628	$ 4,090,003	$ 4,224,332
Covered-payroll	$ 2,962,731	$ 2,711,945	$ 2,995,198	$ 2,609,634
Proportionate share of the net pension liability as percentage of covered payroll	161.94%	163.82%	136.55%	161.87%
Plan's total pension liability	$ 43,702,930,887	$ 41,426,453,489	$ 38,944,855,364	$ 37,161,348,332
Plan's fiduciary net position	$ 32,822,501,335	$ 31,179,414,067	$ 29,308,589,559	$ 27,244,095,376
Plan fiduciary net position as a percentage of the total pension liability	75.10%	75.26%	75.26%	73.31%

	2017	2016	2015
Proportion of the net pension liability	0.04215%	0.03991%	0.04434%
Proportionate share of the net pension liability	$ 3,647,366	$ 2,739,101	$ 2,759,210
Covered-payroll	$ 2,526,857	$ 2,378,509	$ 2,309,232
Proportionate share of the net pension liability as percentage of covered payroll	144.34%	115.16%	119.49%
Plan's total pension liability	$ 33,358,627,624	$ 31,771,217,402	$ 30,829,966,631
Plan's fiduciary net position	$ 24,705,532,291	$ 24,907,305,871	$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

Note to Schedule:

Changes in assumptions

In 2018, inflation was changed from 2.75 percent to 2.50 percent and individual salary increases and overall payroll growth was reduced from 3.00 percent to 2.75 percent.

In 2017, as par of the Asset Liability Management review cycle, the discount rate was changed from 7.65 percent to 7.15 percent.

In 2016, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

*- Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

GOLETA SANITARY DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2021

The following table provides required supplementary information regarding the District's Pension Plan.

	2021	2020	2019	2018
Contractually required contribution (actuarially determined)	$ 615,256	$ 619,908	$ 529,842	$ 545,176
Contribution in relation to the actuarially determined contributions	(615,256)	(619,908)	(529,842)	(545,176)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-payroll	$ 3,080,465	$ 2,962,731	$ 2,711,945	$ 2,995,198
Contributions as a percentage of covered payroll	19.97%	20.92%	19.54%	18.20%

	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 429,773	$ 392,036	$ 398,321
Contribution in relation to the actuarially determined contributions	(429,773)	(392,036)	(398,321)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-payroll	$ 2,609,634	$ 2,526,857	$ 2,378,509
Contributions as a percentage of covered payroll	16.47%	15.51%	16.75%

Notes to Schedule

Valuation Date:	6/30/2019

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020/2021 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2019 funding valuation report.
Inflation	2.50%
Salary Increases	Varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.0% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	The probabilities of retirement are based on the December 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The mortality table used was developed based on CalPERs' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

*- Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

GOLETA SANITARY DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2021

Measurement Period	**2020**	**2019**	**2018**	**2017**
Total OPEB Liability				
Service cost	$ 149,735	$ 142,604	$ 155,373	$ 147,974
Interest on the total OPEB liability	293,274	271,402	306,910	284,763
Actual and expected experience difference	(5,469)	3,998	(240,756)	1,341
Changes in assumptions	(325,191)		(564,625)	
Changes in benefit terms				
Benefit payments	(116,597)	(132,500)	(131,291)	(143,019)
Net change in total OPEB Liability	(4,248)	285,504	(474,389)	291,059
Total OPEB liability- beginning	3,936,032	3,650,528	4,124,917	3,833,858
Total OPEB liability- ending (a)	$ 3,931,784	$ 3,936,032	$ 3,650,528	$ 4,124,917
Plan Fiduciary Net Position				
Contribution - employer	$ 334,190	$ 356,618	$ 357,543	$ 336,291
Net investment income	113,954	157,288	164,504	181,510
Benefit payments	(116,597)	(132,500)	(131,291)	(143,019)
Administrative expense	(1,414)	(540)	(1,130)	(926)
Net change in plan fiduciary net position	330,133	380,866	389,626	373,856
Plan fiduciary net position- beginning	2,857,067	2,476,201	2,086,575	1,712,719
Plan fiduciary net position- ending (b)	$ 3,187,200	$ 2,857,067	$ 2,476,201	$ 2,086,575
Net OPEB liability - ending (a)-(b)	$ 744,584	$ 1,078,965	$ 1,174,327	$ 2,038,342
Plan fiduciary net position as a percentage of the total OPEB liability	81.06%	72.59%	67.83%	50.58%

*- Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

GOLETA SANITARY DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years*
As of June 30, 2021

The following table provides required supplementary information regarding the District's OPEB.

	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 248,434	$ 238,643	$ 238,643	$ 321,290
Contributions in relation to the ADC	(356,387)	(344,190)	(356,618)	(357,543)
Contribution deficiency (excess)	$ (107,953)	$ (105,547)	$ (117,975)	$ (36,253)
Covered payroll	$ 3,031,111	$ 2,867,993	$ 2,711,945	$ 2,995,198
Contributions as a percentage of covered payroll	11.76%	12.00%	13.15%	11.94%

Notes to Schedule

Valuation Date:	6/30/2020
Discount Rate:	7.28%
Salary Increases:	3.25%

*- Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

Audit Term Sheet

Accrual - The recognition of an expense or revenue item that has occurred buy not yet been recorded. The attempt to record the financial effects of these transactions and other events in the periods in which those transactions or events occur rather than only in the periods in which cash is received or paid by the business.

Asset – A resource with an economic value. An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit.

Current - represent all the assets or liabilities of a company that are expected to be utilized or exhausted through the standard business operations, over the next one year period.

Non-Current - represent all the assets or liabilities of a company that are expected to be utilized or exhausted through the standard business operations, in future years, beyond the next one year period.

Liability - DEBTS or OBLIGATIONS owed by one entity (Debtor) to another entity (Creditor) payable in money, goods, or services.

CERBT - The California Employers' Retiree Benefit Trust Fund is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.

Depreciation - Expense allowance made for wear and tear on an ASSET over its estimated useful life.

Discount Rate - The rate used to determine the current value, or present value, of an Asset or income stream.

Restricted Fund - Fund established to account for assets whose income must be used for purposes established by donors or grantors of such ASSETS.

Un-Restricted Fund - Resources of a government entity that have no restrictions as to use or purpose.

Deferral - The postponement of the date that an expense already paid or incurred, or of a revenue already received, is entered in the ledger.

Deferred Inflow - Deferred inflow of resources is defined as “an acquisition of net assets by the government that is applicable to a future reporting period.”

Deferred Outflow - Deferred outflow of resources is defined as “a consumption of net assets by the government that is applicable to a future reporting period.”

OPEB – Other Post Employment Benefit(s) All post-retirement benefits other than pensions, provided by employers to employees.

GASB – Government Accounting Standards Board. A non-government private organization that sets GAAP (Generally Accepted Accounting Principles) in the United States for non-federal governmental entities.

Capital Contribution - The treatment plant entity partners are billed their share, based upon contracted plant or outfall capacity, of Capital purchases. Those contributions, payments, are the contributions.

Revenues

Operating - **Is comprised of the Sewer Service Charges to the District's rate payors, Permit and Inspection Fees, Cost reimbursement from the Entity Partners for treatment and Disposal, and Administrative charges billed to the Entity Partners.**

Non-Operating - **Is comprised of Property Taxes, Grants, Intergovernmental payments, Annexation charges, Investment earnings and Other Income that includes CalCard incentive rebates, CSRMA dividends, and scrap recycling payments.**

Courtesy of: https://www.nysscpa.org/professional-resources/accounting-terminology-guide#letterd and other Google searches.

AGENDA ITEM #2

AGENDA ITEM: **2**

MEETING DATE: **December 6, 2021**

I. NATURE OF ITEM

Discussion and Adoption of Proposed Resolutions #21-672 and #21-673 Updating and Revising District Policies and Actions Related to Recent CalPERS Health Insurance Plan Changes

II. BACKGROUND INFORMATION

The District received a notice from CalPERS that the three former health insurance plans, PERS Choice, PERS Care and PERS Select have been transitioned into two plans: PERS Platinum (PERS Choice and PERS Care) and PERS Gold (PERS Select). The Board reviewed the notice on September 20, 2021 and took action to use the PERS Platinum for calendar year 2022.

Because the District has historically had several actions related to employee and retiree health insurance that named a specific CalPERS health plan the proposed resolutions will update these actions to match the CalPERS plan names.

III. COMMENTS AND RECOMMENDATIONS

Staff conferred with District legal counsel to determine how best to revise and/or update documents related to the CalPERS name change and has brought this issue back to the Board for further consideration and action.

IV. REFERENCE MATERIALS

Human Resources Policy #308 redline

Human Resources Policy #308 proposed

Resolution #21-672 Human Resources Policy #308

Employee Health Reimbursement Arrangement (HRA) Section 4.02.B redline

Retiree HRA Section 4.02.B redline

Resolution #21-673 HRA Revisions

POLICY

The District endeavors to provide a comprehensive suite of benefits to retain existing employees, attract potential future employees, and reduce employee turnover. Many of the benefits provided are referenced in other human resource policies. This policy describes the other employee benefits currently provided by the District that are not referenced in other policies. As is the case with all other benefit programs, the District reserves the right to amend, modify, supplement, or rescind any of these benefit programs at its discretion, subject to any law, regulation, or plan provision to the contrary.

Performance Incentive Program
The District recognizes that employees who have worked in a given position for some amount of time may reach the top of their position's salary range and will not be eligible for further merit increases. In order to acknowledge and encourage those employees who are not otherwise eligible for merit increases, but continue to demonstrate outstanding work habits and exemplary performance, a performance incentive may be granted. To be eligible, employees must meet specific performance criteria including, but not limited to, completing a majority of their annual goals, and receiving a minimum aggregate score of 80 out of 100 on their annual performance review. Employees meeting the performance incentive criteria are able to earn a one-time payment up to an amount ranging from 1-2% of their annual salary.

457 Deferred Compensation Plan
The District offers employees who have attained over six months' employment two options for tax-deferred savings plans from Ca1PERS, managed by Voya Financial or Lincoln Financial Group. A 457(b) plan is a supplemental retirement plan for employees who meet eligibility criteria. The plans allow employees to save for retirement pre-tax, which reduces their current taxable compensation, through a variety of investment options. The District does not match funds,

Education and Training
Upon approval, employees may be eligible for reimbursement of tuition costs (up to $1,000) upon successful completion of a course or training considered to be mutually beneficial to the employee and the District. The District also may provide a one-time incentive of $1,000 per eligible employee who has, or will acquire, certifications above their job requirements. For more information see Policy #306.

Retiree Health Plan
The District currently offers employees a generous retiree health plan once they have attained a minimum of 10 years employment and are at least fifty (50) years old. The District presently contributes towards the ~~"Other Southern California PERS-Choice"~~ premium for the health insurance plan designated by the District's Governing Board from time to time ~~level~~ at a rate beginning at 50%, increasing by 5% per year, up to 100% after 20 years of employment.

Banking and Credit Union Participation
District employees are eligible to join the Santa Barbara County Federal Credit Union, and may participate in special offerings from Union Bank as a District employee. Information on the services offered is available by request from the Finance and Human Resources Manager.

Flex System (Section 125 Plan)
District employees who have completed 90 days of employment may elect to participate in the Flex Flexible Spending Account. This allows employees to contribute a set dollar amount from each paycheck pre-tax, to a healthcare account. This account can be used to pay for out of pocket healthcare costs, such as co-payments, prescriptions, dental, and prescription glasses.

Cellular Phone Discounts
District employees are currently eligible to receive a discount on cellular telephone plans from AT&T, Sprint, and Verizon. Discounts vary by company.

POLICY

The District endeavors to provide a comprehensive suite of benefits to retain existing employees, attract potential future employees, and reduce employee turnover. Many of the benefits provided are referenced in other human resource policies. This policy describes the other employee benefits currently provided by the District that are not referenced in other policies. As is the case with all other benefit programs, the District reserves the right to amend, modify, supplement, or rescind any of these benefit programs at its discretion, subject to any law, regulation, or plan provision to the contrary.

Performance Incentive Program
The District recognizes that employees who have worked in a given position for some amount of time may reach the top of their position's salary range and will not be eligible for further merit increases. In order to acknowledge and encourage those employees who are not otherwise eligible for merit increases, but continue to demonstrate outstanding work habits and exemplary performance, a performance incentive may be granted. To be eligible, employees must meet specific performance criteria including, but not limited to, completing a majority of their annual goals, and receiving a minimum aggregate score of 80 out of 100 on their annual performance review. Employees meeting the performance incentive criteria are able to earn a one-time payment up to an amount ranging from 1-2% of their annual salary.

457 Deferred Compensation Plan
The District offers employees who have attained over six months' employment two options for tax-deferred savings plans from Ca1PERS, managed by Voya Financial or Lincoln Financial Group. A 457(b) plan is a supplemental retirement plan for employees who meet eligibility criteria. The plans allow employees to save for retirement pre-tax, which reduces their current taxable compensation, through a variety of investment options. The District does not match funds,

Education and Training
Upon approval, employees may be eligible for reimbursement of tuition costs (up to $1,000) upon successful completion of a course or training considered to be mutually beneficial to the employee and the District. The District also may provide a one-time incentive of $1,000 per eligible employee who has, or will acquire, certifications above their job requirements. For more information see Policy #306.

Retiree Health Plan
The District currently offers employees a generous retiree health plan once they have attained a minimum of 10 years employment and are at least fifty (50) years old. The District presently contributes towards the premium for the health insurance plan, designated by the District's Governing Board from time to time at a rate beginning at 50%, increasing by 5% per year, up to 100% after 20 years of employment.

Banking and Credit Union Participation
District employees are eligible to join the Santa Barbara County Federal Credit Union, and may participate in special offerings from Union Bank as a District employee. Information on the services offered is available by request from the Finance and Human Resources Manager.

Flex System (Section 125 Plan)
District employees who have completed 90 days of employment may elect to participate in the Flex Flexible Spending Account. This allows employees to contribute a set dollar amount from each paycheck pre-tax, to a healthcare account. This account can be used to pay for out of pocket healthcare costs, such as co-payments, prescriptions, dental, and prescription glasses.

Cellular Phone Discounts
District employees are currently eligible to receive a discount on cellular telephone plans from AT&T, Sprint, and Verizon. Discounts vary by company.

RESOLUTION NO. 21-672

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT AMENDING POLICY #308 OF HUMAN RESOURCES PROCEDURE AND POLICY MANUAL REGARDING OTHER BENEFITS

WHEREAS, the Goleta Sanitary District (the "District") has adopted a Human Resources Procedure and Policy Manual (the "HR Manual"), effective as of October 4, 2005, and has amended the procedures and policies set forth therein from time to time thereafter; and

WHEREAS, Policy #308 of Section III (Benefits) of the HR Manual describes various benefits that the District provides to its active and retired employees; and

WHEREAS, the Governing Board of the District deems it to be in the District's best interests to amend Policy #308 delete the specific reference to the "Other Southern California PERS-Choice" health insurance plan and replace it with a general reference to the health insurance plan designated by the District's Governing Board from time to time.

NOW, THEREFORE, be it resolved by the Governing Board of the Goleta Sanitary District as follows:

1. **Amendment of Policy #308.** Policy #308 of Section III (Benefits) of the HR Manual is hereby deleted in its entirety and is replaced with the revised Policy #308 attached hereto as Exhibit "A" and incorporated herein by this reference.

2. **Continued Effect.** Except as specifically amended herein, the HR Manual, as previously amended, shall continue in full force and effect.

PASSED AND ADOPTED this 6th day of December 2021, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

____
Jerry D. Smith,
President of the Governing Board

COUNTERSIGNED

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

EXHIBIT "A"

Amended Policy #308

Excerpt – Employee Health Reimbursement Arrangement (HRA) Section 4.02.B

4.02. Crediting Of Health Care Accounts.

A. For each month that a Participant participates in the Plan, the Administrator shall credit the Participant's Health Care Account with an amount equal to the excess, if any, of (i) the total monthly premium cost for the PEMHCA coverage for the Participant and the Participant's Dependents over (ii) the then current minimum monthly contribution required under California Government Code section 22892(b) (e.g., one hundred twelve dollars ($112) per month in 2012), all as determined under subsection B, below.

B. The monthly premium cost for the PEMHCA coverage for the Participant and the Participant's Dependents to be used under subsection A, above, shall be determined in accordance with the following provisions:

1. If the PEMHCA coverage for the Participant and the Participant's Dependents is the health insurance plan designated by the District's Governing Board from time to time (the "Designated Health Plan")~~PERS Choice Health Basic Plan of the Other Southern California Region~~, the monthly premium cost shall be the full monthly premium for such coverage.

2. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan~~PERS Choice Health Basic Plan of the Other Southern California Region~~ and is more expensive than ~~such~~ coverage under the Designated Health Plan, the monthly premium cost shall be the full monthly premium that would have been applicable for the Designated Health Plan~~PERS Choice Health Basic Plan of the Other Southern California Region~~.

3. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan ~~PERS Choice Health Basic Plan of the Other Southern California Region~~ and is less expensive than ~~such~~ coverage under the Designated Health Plan, the monthly premium cost shall be the full monthly premium for such less expensive coverage.

Excerpt – Retiree HRA Section 4.02.B

B. The monthly premium cost for the PEMHCA coverage for the Participant and the Participant's Dependents to be used under subsection A, above, shall be determined according to the following provisions:

1. If the PEMHCA coverage for the Participant and the Participant's Dependents is the health insurance plan designated by the District's Governing Board from time to time (the "Designated Health Plan")~~PERS Choice Health Basic Plan of the Other Southern California Region~~, the monthly premium cost shall be the full monthly premium for such coverage.

2. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan ~~PERS Choice Health Basic Plan of the Other Southern California Region~~ and is more expensive than such coverage, the monthly premium cost shall be the full monthly premium that would have been applicable for the Designated Health Plan~~PERS Choice Health Basic Plan of the Other Southern California Region~~.

3. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan~~PERS Choice Health Basic Plan of the Other Southern California Region~~ and is less expensive than such coverage, the monthly premium cost shall be the full monthly premium for such less expensive coverage.

4. If either the Retiree is eligible for Medicare or a Dependent of the Retiree is eligible for Medicare, the monthly premium cost shall be the full monthly combination premium for the Designated Health Plan~~PERS Choice Medicare Supplement/Managed Medicare Plan of the Other Southern California Region~~.

5. If the Retiree resides outside of the State of California and the PEMHCA coverage for the Participant and the Participant's Dependents is under an out-of-State plan, the monthly premium cost shall not be determined based upon the PEMHCA out-of-State plan unless such coverage is less expensive than coverage under the Designated Health Plan~~PERS Choice Health Basic Plan of the Other Southern California Region~~.

RESOLUTION NO. 21-673

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT APPROVING REVISIONS TO HEALTH REIMBURSEMENT ARRANGEMENTS FOR ACTIVE AND RETIRED DISTRICT EMPLOYEES

WHEREAS, on October 3, 2011, the Governing Board of the Goleta Sanitary District (the "District") adopted Resolution No. 11-523 approving (i) an Employee Health Reimbursement Arrangement for active employees to provide additional employer reimbursements to cover all employee health insurance costs (the "Employee HRA"), and (ii) a Retiree Health Reimbursement Arrangement for retired employees to provide additional employer reimbursements to cover some or all of the of the retiree health insurance costs based on years of service (the "Retiree HRA").

WHEREAS, on October 3, 2011, the Governing Board adopted Resolution No. 11-525 revising Section 3.06.A.1 of the Retiree HRA.

WHEREAS, the Governing Board desires to revise Section 4.02.B. of the Employee HRA and Section 4.02.B. of the Retiree HRA to delete the specific references to "PERS Choice Health Basic Plan of the Other Southern California Region" and "PERS Choice Medicare Supplement/Managed Medicare Plan of the Other Southern California Region" and replace them with a general reference to the health insurance plan designated by the District's Governing Board from time to time.

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

1. Section 4.02.B. of the Employee HRA is hereby deleted and is replaced with the revised Section 4.02.B. attached hereto as Exhibit "A" and incorporated herein by this reference.

2. Section 4.02.B. of the Retiree HRA is hereby deleted and is replaced with the revised Section 4.02.B. attached hereto as Exhibit "B" and incorporated herein by this reference.

3. The Governing Board reserves the right to amend, modify, repeal or terminate the Employee HRA and/or the Retiree HRA, as revised herein, as the Board deems appropriate, in the Board's sole discretion. Irrespective of the date of hire or the date of retirement, no employee or retiree shall have any vested rights to the health premium benefits provided for in the Employee HRA and/or the Retiree HRA.

4. Neither the Employee HRA nor the Retiree HRA is intended to confer any benefits or rights on any employee or retiree who is not eligible to receive health insurance coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA).

PASSED AND ADOPTED this 6th day of December, 2021, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Jerry D. Smith,
President of the Governing Board

COUNTERSIGNED:

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

EXHIBIT "A"

Revised Section 4.02.B. to Employee Health Reimbursement Arrangement

B. The monthly premium cost for the PEMHCA coverage for the Participant and the Participant's Dependents to be used under subsection A, above, shall be determined in accordance with the following provisions:

1. If the PEMHCA coverage for the Participant and the Participant's Dependents is the health insurance plan designated by the District's Governing Board from time to time (the "Designated Health Plan"), the monthly premium cost shall be the full monthly premium for such coverage.

2. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan and is more expensive than coverage under the Designated Health Plan, the monthly premium cost shall be the full monthly premium that would have been applicable for the Designated Health Plan.

3. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan and is less expensive than coverage under the Designated Health Plan, the monthly premium cost shall be the full monthly premium for such less expensive coverage.

EXHIBIT "B"

Revised Section 4.02.B. to Retiree Health Reimbursement Arrangement

B. The monthly premium cost for the PEMHCA coverage for the Participant and the Participant's Dependents to be used under subsection A, above, shall be determined according to the following provisions:

1. If the PEMHCA coverage for the Participant and the Participant's Dependents is the health insurance plan designated by the District's Governing Board from time to time (the "Designated Health Plan"), the monthly premium cost shall be the full monthly premium for such coverage.

2. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan and is more expensive than such coverage, the monthly premium cost shall be the full monthly premium that would have been applicable for the Designated Health Plan.

3. If the PEMHCA coverage for the Participant and the Participant's Dependents is not the Designated Health Plan and is less expensive than such coverage, the monthly premium cost shall be the full monthly premium for such less expensive coverage.

4. If either the Retiree is eligible for Medicare or a Dependent of the Retiree is eligible for Medicare, the monthly premium cost shall be the full monthly combination premium for the Designated Health Plan.

5. If the Retiree resides outside of the State of California and the PEMHCA coverage for the Participant and the Participant's Dependents is under an out-of-State plan, the monthly premium cost shall not be determined based upon the PEMHCA out-of-State plan unless such coverage is less expensive than coverage under the Designated Health Plan.

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: December 6, 2021

I. NATURE OF ITEM

Consideration of Pension Liability Management Strategies

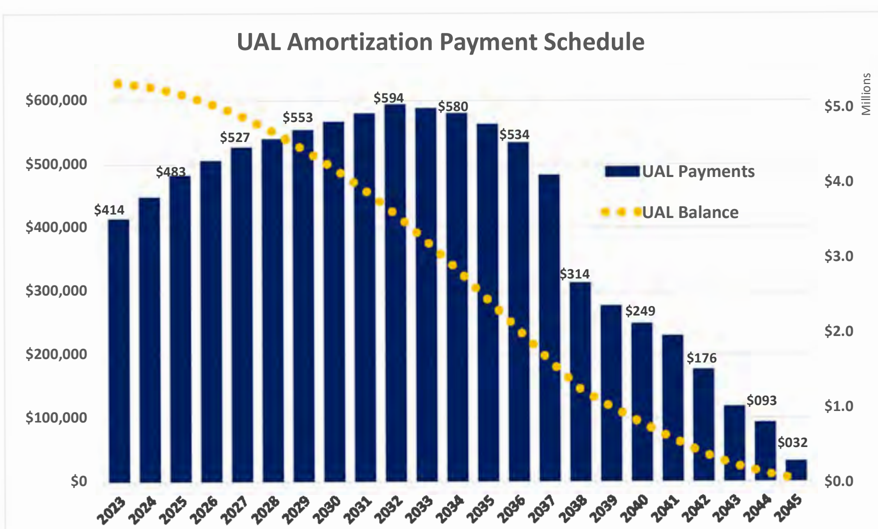
II. BACKGROUND INFORMATION

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 PEPRA – 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.

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.

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 actuarial calculations are based on several 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.

It is important to understand that 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.

Given the strong financial returns posted by CalPERS over the last year, the District’s total UAL is expected to be lowered. However, CalPERS is also planning to reduce the discount rate from 7% to 6.8% which will likely offset a portion of reduction due to last year’s returns. The actual amount of the District’s revised UAL won’t be known until the issuance of the next annual actuarial report in August 2022. However, Julio Morales, a licensed municipal financial advisor has estimated that our revised UAL should be approximately $3.8M.

On November 15, 2021, the Board asked that this item be brought back for further discussion and consideration.

III. COMMENTS AND RECOMMENDATIONS

The active management of the District’s pension liability can result in the avoidance of significant future costs and improve the District’s net financial position over time. One way to do this could be by paying down or paying off the UAL using capital funds (Fund #4655) via an interfund loan to the running expense fund (Fund #4640). The interest on an interfund loan could be set at the opportunity cost of the money and the duration of the loan could be set so that the annual loan payment would be approximately equal to the existing CalPERs UAL payments. This way the contract entities could also share in the benefit of a shorter loan term and reduced future payments.

While borrowing from the capital fund via an interfund loan will ensure repayment of the amount borrowed with interest, the reduction in the amount capital funds available for use during the term of the loan could impact the delivery of needed capital improvements.

A cash flow model of Fund #4655 has been developed to determine if an interfund loan as describe above would impact the future delivery of future capital improvements associated with the Biosolids & Energy Strategic Plan (BESP). A printout of the cash flow model is attached to this report. The assumptions used in the model are listed along the top of the sheet. Each of these assumptions can be modified to test how various changes affect the two alternative funding scenarios.

The middle of the sheet shows the annual revenues, expenses, and fund balances based on the listed model assumptions for two separate BESP project funding alternatives. The first alternative includes a “pay as you go” approach with a traditional design, bid, and build project delivery method. The second alternative includes financing the remaining BESP projects and accelerating their completion via a design/build project delivery method.

The bottom portion of the spreadsheet shows a total project cost comparison for the two BESP funding alternatives including operational costs savings over time. The combination of the estimated project and operational cost savings total over $11M which is almost twice the estimated loan cost of $5.6M.

Two graphs of the cashflow model data are also attached to this report. The first one shows the annual fund balance for each of the two BESP funding alternatives and second one shows the amount of Revenue From Other Governmental Agencies (RFGOA) that will be required. The annual fund balance shows that both funding alternatives are possible in that there is a positive fund balance in all years. However, there isn’t much cushion in the estimated fund balance for alternative #1 after paying for the proposed BESP Phase 2 & 3 improvements in years 6 & 7 and the amount of RFGOA required at that time may likely exceed the funding capacity of our contract users.

The cashflow model shows that an interfund loan from Fund #4655 to Fund #4640 to pay off the UAL as described above would not impact the delivery of the planned BESP projects regardless of which funding option is chosen. As such staff recommends the Board direct staff to initiate discussions with the Contract Users regarding the financial benefits of paying off the UAL via an interfund loan from Fund #4655.

IV. REFERENCE MATERIALS

Capital Fund #4655 Cash Flow Analysis for UAL Payoff with and without BESP Financing

Annual Fund Balance Graph

Total RFGOA Graph

Capital Fund #4655 Cash Flow Analysis for UAL Payoff with & without BESP Financing

Interfund Loan Assumptions:	
Beginning Balance Fund #4655:	$15,900,000
Total UAL & OPEB to be paid off:	$3,800,000
Intrafund Loan from Fund 4640:	$1,000,000
Interfund Loan from Fund 4655	$2,800,000
Annual UAL Loan Payment:	-$401,212
Interfund (UAL) Loan Rate:	1.00%
Interfund (UAL) Loan Term (yrs.)	10

BESP Phase 2 &3 Loan Assumptions:	
Loan Proceeds:	$18,000,000
Loan Cost:	1.0%
Interest Rate:	2.75%
Loan Term (yrs.):	20
Annual Payment:	-$1,193,912
Total Interest Paid:	-$5,641,823

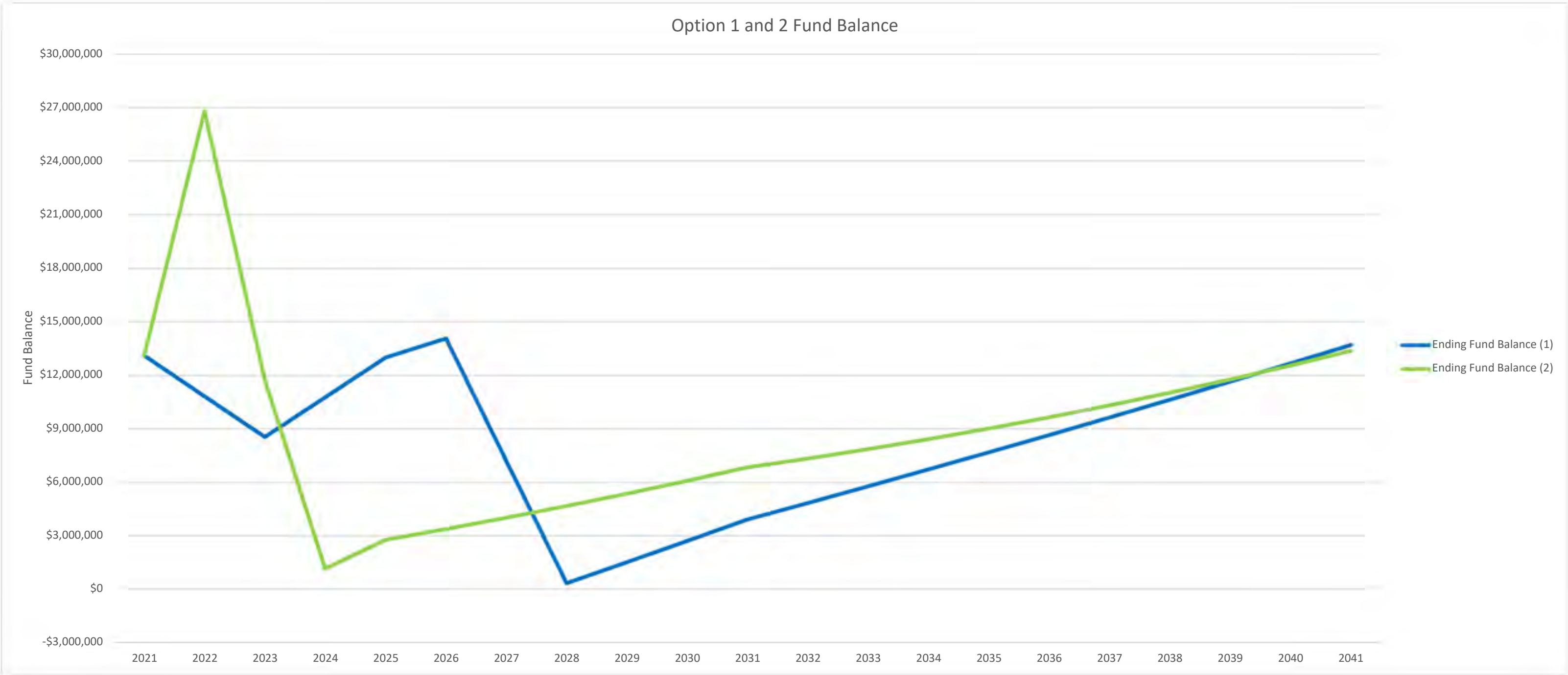
Operational Cost Assumptions:	
Annual Electrical Costs:	$450,000
Electricity Inflation Index:	5%
Annual Hauling and Disposal Costs:	$500,000
Hauling and Disposal Inflation Index:	7%
Other Annual Capital Expenditures:	$2,500,000
Annual Increase in Other Captial Expenditures:	1%

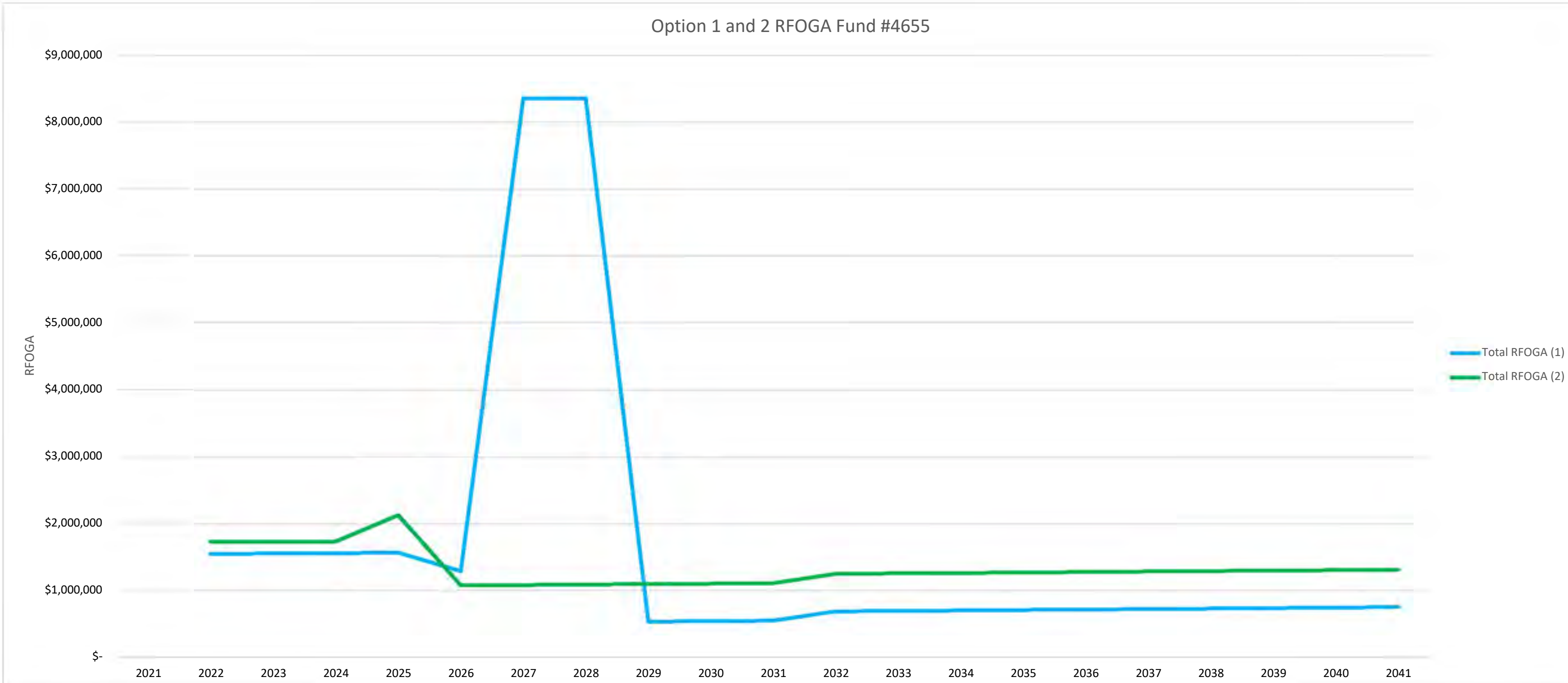
BESP Cost Assumptions (Fund #4655)	
Phase 1 Construction Cost:	$9,000,000
Phase 2 & 3 Construction Cost:	$25,000,000
Phase 2 &3 Design Cost:	$2,500,000
Annual Construction Cost Index:	7%
Annual Electrical Cost Offset	25%
Annual Hauling Cost Offest	70%
Annual FOG Tipping Fee Revenue	$215,000

Other Fund #4655 Revenue Assumptions:	
Annual Sewer Service Charge Revenue	$1,000,000
Annual Depreciation Revenue	$1,700,000
Annual Increase in Revenue	1%
Interest:	0.3%
RFOGA on BESP Expenditures	47%
RFOGA on Other Capital Fund Expenditures	25%

Year	0	1	2	3	4	5	6	7	8	9	10
Date	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Interfund Loan Schedule											
Interfund Loan Balance		$3,800,000	$3,436,788	$3,069,944	$2,699,432	$2,325,214	$1,947,254	$1,565,515	$1,179,958	$790,546	$397,239
Interest on Balance		$38,000	$34,368	$30,699	$26,994	$23,252	$19,473	$15,655	$11,800	$7,905	$3,972
Interfund Loan Payment		-$401,212	-$401,212	-$401,212	-$401,212	-$401,212	-$401,212	-$401,212	-$401,212	-$401,212	-$401,212
GSD Share (67%)		-$268,812	-$268,812	-$268,812	-$268,812	-$268,812	-$268,812	-$268,812	-$268,812	-$268,812	-$268,812
Contract Users Share (33%)		-$132,400	-$132,400	-$132,400	-$132,400	-$132,400	-$132,400	-$132,400	-$132,400	-$132,400	-$132,400
Interfund Loan Balance		$3,436,788	$3,069,944	$2,699,432	$2,325,214	$1,947,254	$1,565,515	$1,179,958	$790,546	$397,239	$0
1. Fund #4655 Cash Flow No Capital Financing											
Beginning Fund Balance		$13,100,000	$10,817,430	$8,536,262	$10,756,583	$12,991,981	$14,061,217	$7,194,853	$336,266	$1,517,417	$2,710,956
Sewer Service Charges Rev.		$1,000,000	$1,010,000	$1,020,100	$1,030,301	$1,040,604	$1,051,010	$1,061,520	$1,072,135	$1,082,857	$1,093,685
Depreciation Funding Rev.		$1,700,000	$1,717,000	$1,734,170	$1,751,512	$1,769,027	$1,786,717	$1,804,584	$1,822,630	$1,840,856	$1,859,265
Interfund Loan Reimbursement		$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630
Interest on Fund balance		$39,300	$32,452	$25,609	$32,270	$38,976	$42,184	$21,585	$1,009	$4,552	$8,133
BESP Phase 1 Expenditures		-$4,500,000	-$4,500,000								
BESP Phase 2&3 Expenditures						-$2,500,000	-$17,531,897	-$17,531,897			
RFOGA BESP Expenditures (1)		$1,057,500	$1,057,500	$1,057,500	$1,057,500	$1,175,000	$8,239,991	$8,239,991			
Other Capital Expenditures		-$2,500,000	-$2,525,000	-$2,550,250	-$2,575,753	-$1,000,000	-$1,000,000	-$1,000,000	-$2,680,338	-$2,707,142	-$2,734,213
RFOGA Other Capital Exp		$625,000	$631,250	$637,563	$643,938	$250,000	$250,000	$250,000	$670,085	$676,785	$683,553
Ending Fund Balance (1)	**$13,100,000**	**$10,817,430**	**$8,536,262**	**$10,756,583**	**$12,991,981**	**$14,061,217**	**$7,194,853**	**$336,266**	**$1,517,417**	**$2,710,956**	**$3,917,009**
Total RFOGA (1)		$1,550,100	$1,556,350	$1,562,663	$1,569,038	$1,292,600	$8,357,591	$8,357,591	$537,685	$544,386	$551,153
2. Fund #4655 Cash Flow w/ Capital Financing											
Beginning Fund Balance		$13,100,000	$26,809,656	$11,729,442	$1,148,767	$2,775,110	$3,375,897	$4,006,185	$4,666,706	$5,358,210	$6,081,462
Sewer Service Charges Rev.		$1,000,000	$1,010,000	$1,020,100	$1,030,301	$1,040,604	$1,051,010	$1,061,520	$1,072,135	$1,082,857	$1,093,685
Depreciation Funding Rev.		$1,700,000	$1,734,000	$1,768,680	$1,804,054	$1,840,135	$1,876,937	$1,914,476	$1,952,766	$1,991,821	$2,031,657
Interfund Loan Repayment		$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630	$295,630
Interest on Fund balance		$39,300	$80,429	$35,188	$3,446	$8,325	$10,128	$12,019	$14,000	$16,075	$18,244
BESP Phase 1 Expenditures		-$4,500,000	-$4,500,000								
RFOGA BESP Expenditures (1)		$1,057,500	$1,057,500	$1,057,500	$1,057,500						
BESP Phase 2&3 Expenditures		-$2,500,000	-$13,375,000	-$13,375,000							
Other Capital Expenditures		-$1,000,000	-$1,000,000	-$1,000,000	-$2,575,753	-$2,601,510	-$2,627,525	-$2,653,800	-$2,680,338	-$2,707,142	-$2,734,213
RFOGA on other cap exp		$250,000	$250,000	$250,000	$643,938	$650,378	$656,881	$663,450	$670,085	$676,785	$683,553
BESP Loan Proceeds		$18,000,000									
BESP Loan Payment		-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912
RFOA on loan payment		$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139
Ending Fund Balance (2)	**$13,100,000**	**$26,809,656**	**$11,729,442**	**$1,148,767**	**$2,775,110**	**$3,375,897**	**$4,006,185**	**$4,666,706**	**$5,358,210**	**$6,081,462**	**$6,837,246**
Total RFOGA (2)		$1,736,239	$1,736,239	$1,736,239	$2,130,177	$1,079,116	$1,085,620	$1,092,189	$1,098,823	$1,105,524	$1,112,292
Operational Cost Savings Comparison											
Annual Electricity Costs		$450,000	$472,500	$496,125	$520,931	$546,978	$574,327	$603,043	$633,195	$664,855	$698,098
Annual Hauling and Disposal Costs		$500,000	$535,000	$572,450	$612,522	$655,398	$701,276	$750,365	$802,891	$859,093	$919,230
Standard Project Delivery (1)											
Electrical Cost Savings			$0	$124,031	$130,233	$136,744	$143,582	$150,761	$158,299	$166,214	$174,524
Hauling and Disposal Cost Savings			$0	$0	$0	$0	$0	$0	$562,024	$601,365	$643,461
FOG Tipping Fee Revenue			$0	$0	$0	$0	$0	$0	$215,000	$215,000	$215,000
Subtotal:			$0	$124,031	$130,233	$136,744	$143,582	$150,761	$935,322	$982,579	$1,032,985
Accelerated Project Delivery (2)											
Electrical Cost Savings			$0	$124,031	$130,233	$136,744	$143,582	$150,761	$158,299	$166,214	$174,524
Hauling and Disposal Cost Savings			$0	$0	$428,765	$458,779	$490,893	$525,256	$562,024	$601,365	$643,461
FOG Tipping Fee Revenue			$0	$0	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000
Subtotal:			$0	$124,031	$773,998	$810,523	$849,475	$891,016	$935,322	$982,579	$1,032,985
Difference:					**$643,765**	**$673,779**	**$705,893**	**$740,256**			
Acce;erated Project Cost Savings:											

Year	11	12	13	14	15	16	17	18	19	20	
Date	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	
1. Fund #4655 Cash Flow No Capital Financing											
Beginning Fund Balance	$3,917,009	$4,840,073	$5,775,019	$6,721,975	$7,681,068	$8,652,428	$9,636,184	$10,632,470	$11,641,419	$12,663,165	
Sewer Service Charges Rev.	$1,104,622	$1,115,668	$1,126,825	$1,138,093	$1,149,474	$1,160,969	$1,172,579	$1,184,304	$1,196,147	$1,208,109	
Depreciation Funding Rev.	$1,877,858	$1,896,636	$1,915,603	$1,934,759	$1,954,106	$1,973,647	$1,993,384	$2,013,318	$2,033,451	$2,053,785	
Interest on Fund balance	$11,751	$14,520	$17,325	$20,166	$23,043	$25,957	$28,909	$31,897	$34,924	$37,989	
Other Capital Expenditures	-$2,761,555	-$2,789,171	-$2,817,063	-$2,845,233	-$2,873,686	-$2,902,422	-$2,931,447	-$2,960,761	-$2,990,369	-$3,020,272	
RFOGA Other Capital Exp	$690,389	$697,293	$704,266	$711,308	$718,421	$725,606	$732,862	$740,190	$747,592	$755,068	
Ending Fund Balance (1)	**$4,840,073**	**$5,775,019**	**$6,721,975**	**$7,681,068**	**$8,652,428**	**$9,636,184**	**$10,632,470**	**$11,641,419**	**$12,663,165**	**$13,697,844**	
Total RFOGA (1)	$690,389	$697,293	$704,266	$711,308	$718,421	$725,606	$732,862	$740,190	$747,592	$755,068	
2. Fund #4655 Cash Flow w/ Capital Financing											
Beginning Fund Balance	$6,837,246	$7,330,730	$7,857,476	$8,418,314	$9,014,095	$9,645,688	$10,313,980	$11,019,878	$11,764,308	$12,548,217	
Sewer Service Charges Rev.	$1,104,622	$1,115,668	$1,126,825	$1,138,093	$1,149,474	$1,160,969	$1,172,579	$1,184,304	$1,196,147	$1,208,109	
Depreciation Funding Rev.	$2,072,291	$2,113,736	$2,156,011	$2,199,131	$2,243,114	$2,287,976	$2,333,736	$2,380,410	$2,428,019	$2,476,579	
Interest on Fund balance	$20,512	$21,992	$23,572	$25,255	$27,042	$28,937	$30,942	$33,060	$35,293	$37,645	
Other Capital Expenditures	-$2,761,555	-$2,789,171	-$2,817,063	-$2,845,233	-$2,873,686	-$2,902,422	-$2,931,447	-$2,960,761	-$2,990,369	-$3,020,272	
RFOGA on other cap exp	$690,389	$697,293	$704,266	$711,308	$718,421	$725,606	$732,862	$740,190	$747,592	$755,068	
BESP Loan Payment	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	-$1,193,912	
RFOA on loan payment	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	$561,139	
Ending Fund Balance (2)	**$7,330,730**	**$7,857,476**	**$8,418,314**	**$9,014,095**	**$9,645,688**	**$10,313,980**	**$11,019,878**	**$11,764,308**	**$12,548,217**	**$13,372,572**	
Total RFOGA (2)	$1,251,527	$1,258,431	$1,265,404	$1,272,447	$1,279,560	$1,286,744	$1,294,000	$1,301,329	$1,308,731	$1,316,207	
Operational Cost Savings Comparison											
Annual Electricity Costs	$733,003	$769,653	$808,135	$848,542	$890,969	$935,518	$982,294	$1,031,408	$1,082,979	$1,137,128	
Annual Hauling and Disposal Costs	$983,576	$1,052,426	$1,126,096	$1,204,923	$1,289,267	$1,379,516	$1,476,082	$1,579,408	$1,689,966	$1,808,264	
Standard Project Delivery (1)											
Electrical Cost Savings	$183,251	$192,413	$202,034	$212,136	$222,742	$233,879	$245,573	$257,852	$270,745	$284,282	$3,489,295
Hauling and Disposal Cost Savings	$688,503	$736,698	$788,267	$843,446	$902,487	$965,661	$1,033,257	$1,105,585	$1,182,976	$1,265,785	$11,319,515
FOG Tipping Fee Revenue	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$2,795,000
Subtotal:	$1,086,754	$1,144,111	$1,205,301	$1,270,581	$1,340,229	$1,414,540	$1,493,831	$1,578,437	$1,668,721	$1,765,067	$17,603,810
Accelerated Project Delivery (2)											
Electrical Cost Savings	$183,251	$192,413	$202,034	$212,136	$222,742	$233,879	$245,573	$257,852	$270,745	$284,282	$3,489,295
Hauling and Disposal Cost Savings	$688,503	$736,698	$788,267	$843,446	$902,487	$965,661	$1,033,257	$1,105,585	$1,182,976	$1,265,785	$13,223,207
FOG Tipping Fee Revenue	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$215,000	$3,655,000
Subtotal:	$1,086,754	$1,144,111	$1,205,301	$1,270,581	$1,340,229	$1,414,540	$1,493,831	$1,578,437	$1,668,721	$1,765,067	$20,367,502
								Total Operational Cost Savings			**$2,763,692**
								Total Project Cost Savings:			**$8,313,793**
								Total Cost Savings Due tp Project Acceleration:			**$11,077,486**


Option 1 and 2 Fund Balance
Fund Balance
$30,000,000
$27,000,000
$24,000,000
$21,000,000
$18,000,000
$15,000,000
$12,000,000
$9,000,000
$6,000,000
$3,000,000
$0
-$3,000,000
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
Ending Fund Balance (1)
Ending Fund Balance (2)



Option 1 and 2 RFOGA Fund #4655
$9,000,000
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$-
RFOGA
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
Total RFOGA (1)
Total RFOGA (2)

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT
GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from November 16, 2021 through December 6, 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 priority lines cleaning throughout the District.

CCTV INSPECTION
Staff is conducting routine Closed-Circuit Television (CCTV) inspections in the areas of Cathedral Oaks Road between N. Fairview and N. Patterson Avenues.

GREASE AND OIL INSPECTIONS
Staff continues with the annual Grease and Oil inspections.

REPAIR AND MAINTENANCE
Staff continues working with Santa Barbara County and Granite Construction on a paving project on Calle Barquero and Walnut Drive. Staff continues the 2021-2022 emergency winter storm preparation activities. The annual update of the District's California Uniform Public Construction Cost Accounting Act (CUPCCAA) list of qualified contractors is underway. The 90-day inspections of the Vactor and Vaccon trucks have been completed. No deficiencies were noted by Jeff Hayes Truck and Equipment Repair staff.

2021 CCTVI PROJECT REVIEW
Staff continues work with Hazen and Sawyer on the update of the District's Asset Management Program (AMP).

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT
Plant flows have increased to an average of 4.6 million gallons per day (MGD) as U.C.S.B. is back in session with in-person instruction. The Plant received the lowest flow year-to-date (3.54 MGD) during the Thanksgiving holiday weekend. The demand for reclaimed water has decreased to less than 0.5 MGD due to lower temperatures and shorter days. Flow concentrations and loadings during the weekends continue to cause intermittent challenges and various levels of plant interference. The Reclamation Disinfection Study by Hazen and Sawyer has kicked off; an initial sampling will be conducted in the coming weeks to quantify the inhibition to the treatment process and its effect on total coliform samples at various locations throughout the process. This project will help identify ways in which we may be able to augment our existing disinfection system and/or to make informed decisions to move to a different technology, such as ultra violet light (UV).

Biofilter #2 has been modified to run as a mixed reactor, having both an aerobic (with oxygen) process and a submerged anaerobic (without oxygen) process. This modification will reduce the biological loading on the activated sludge process and hopefully will reduce the inhibitory impact of cleaning chemicals entering the plant. Approximately 25% of the plant flow will be diverted through this process. Operations will begin with the modified operation in the coming weeks following the initial sampling for the disinfection study.

Centrifuge and dredging operations continue in lagoon #2. Lack of commercial drivers for both our sludge hauler and chemical providers is continuing to cause disruptions to deliveries and hauling. Staff is monitoring this issue and will update the Board as needed.

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

The Lystek Thickened Waste Activated Sludge (TWAS) pre-treatment pilot project has been configured and initially tested. Samples have been taken and will be analyzed in the coming weeks to determine the optimal recipe of heat and alkali that will give the demonstration period the greatest benefit with the lowest cost. The demonstration testing period will begin in January, 2022 when flows and loadings have normalized after the holidays.

The Biosolids and Energy Strategic Plan (BESP) Phase 1 project has reached the 60% design level. While a significant amount of additional design effort was required due to Air Pollution Control District permitting issues, a revised scope of work has been developed that will result in significant savings to the overall project costs.

PUBLIC OUTREACH AND EDUCATION

The District held its second public hearing for the transition from at-large to district-based elections. Demographers Lapkoff and Gobalet gave a presentation on the process and were available for questions. There was one member of the public who made a statement regarding communities of interest. The meeting was a hybrid in-person and virtual public hearing with Spanish interpretation. Recordings of the meeting were made in both English and Spanish and are posted on the District's website.

In the Spring of 2022, the District will hold two additional public hearings after the draft maps are drawn. Members of the public are able to give input on communities of interest via the website and by email until the voting district maps are finalized.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of December 6, 2021 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	$ 587,493
Investment Accounts:	$ 28,170,662
Total District Funds:	$ 28,758,155

The following transactions are reported herein for the period 11/16/21 – 12/06/21.

Regular, Overtime, Cash-outs and Net Payroll:	$	287,736
Claims:	$	303,962
Total Expenditures:	$	591,698
Total Deposits:	$	458,273

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	$	- 0 -
CWB Operational to CWB Money Market:	$	- 0 -
CWB Money Market to CWB Operational:	$	- 0 -

The District's investments comply with the District's Investment Policy adopted per Resolution No. 16-606. The District has adequate funds to meet the next six months of normal operating expenses.

Local Agency Investment Fund (LAIF)
LAIF Monthly Statement – November, 2021
LAIF Quarterly Report – Previously submitted.

PMIA/LAIF Performance – Previously submitted.
PMIA Effective Yield – Previously submitted.

Community West Bank (CWB)
CWB Money Market Account – November, 2021

Deferred Compensation Accounts
CalPERS 457 Deferred Compensation Plan – October, 2021
Lincoln 457 Deferred Compensation Plan – November, 2021

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

COVID-19 Response Plan Update
A verbal update will be provided at the meeting.

California State Treasurer
Fiona Ma, CPA

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

December 01, 2021

LAIF Home
PMIA Average Monthly Yields

GOLETA SANITARY DISTRICT

GENERAL MANAGER
ONE WILLIAM MOFFETT PLACE
GOLETA, CA 93117

Tran Type Definitions

Account Number: 70-42-002

November 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	2,025,102.07
Total Withdrawal:	0.00	Ending Balance:	2,025,102.07

Community West Bank
445 Pine Avenue
Goleta, CA 93117

RETURN SERVICE REQUESTED

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

Statement Ending 11/30/2021

GOLETA SANITARY DISTRICT
Customer Number: XXXXXXXX5554

There have been changes to fees which may affect your account, effective January 1, 2022.

Disclosures, the Schedule of Fees, and Business Checking and Business Savings account details are available online at www.CommunityWestBank.com.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC AGENCY-MMDA	XXXXXXXX5554	$26,145,559.52

PUBLIC AGENCY-MMDA - XXXXXXXX5554

Account Summary

Date	Description	Amount		
10/30/2021	**Beginning Balance**	**$26,138,684.69**	Average Ledger Balance	$26,138,684.69
	1 Credit(s) This Period	$6,874.83		
	0 Debit(s) This Period	$0.00		
11/30/2021	**Ending Balance**	**$26,145,559.52**		

Account Activity

Post Date	Description	Debits	Credits	Balance
10/30/2021	**Beginning Balance**			**$26,138,684.69**
11/30/2021	INTEREST AT .3000 %		$6,874.83	$26,145,559.52
11/30/2021	**Ending Balance**			**$26,145,559.52**

Daily Balances

Date	Amount
11/30/2021	$26,145,559.52

EQUAL HOUSING LENDER
Member FDIC

CalPERS 457 Plan

October 31, 2021

This document includes important information to help you compare the investment options under your retirement plan. If you want additional information about your investment options, you can go to **https://calpers.voya.com**.

A free paper copy of the information available on the website can be obtained by contacting:

Voya Financial
Attn: CalPERS 457 Plan
P.O. Box 55772
Boston, MA 02205-5772
(800) 260-0659

Document Summary

This document has two parts. Part I consists of performance information for the plan investment options. This part shows you how well the investments have performed in the past. Part I also shows the total annual operating expenses of each investment option. Part II provides additional information concerning Plan administrative fees that may be charged to your individual account.

CalPERS 457 PLAN

Part I. Performance Information For Periods Ended October 31, 2021

https://calpers.voya.com

Table 1 focuses on the performance of investment options that do not have a fixed or stated rate of return. Table 1 shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods[1]. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about an investment option's principal risks is available on the website listed above.

Table 1 also shows the Total Annual Operating Expenses of each investment option. Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option[2]. The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the U.S. Department of Labor's website for an example showing the long-term fees and expenses at http://www.dol.gov/ebsa. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

Table 1 - Variable Net Return Investments

Name of Fund / *Name of Benchmark*	Performance 3 Month	Performance 1 Year	Annualized Performance 5 Years	Annualized Performance 10 Years	Annualized Performance Since Inception	Inception Date	Total Annual Operating Expenses[3] As a %	Total Annual Operating Expenses[3] Per $1000
Equity Funds								
State Street Russell All Cap Index Fund - Class I	4.82	43.55	18.48	-	14.73	10/07/13	0.31%	$3.10
Russell 3000 Index	4.88	43.90	18.91	-	15.12			
State Street Global All Cap Equity ex-US Index Fund - Class I	0.92	30.51	9.81	-	5.85	10/07/13	0.32%	$3.20
MSCI ACWI ex-USA IMI Index (net)	0.96	30.90	9.97	-	6.06			
Fixed Income								
State Street US ShortTerm Gov't/Credit Bond Index Fund - Class I	-0.50	-0.40	1.40	-	1.06	10/07/13	0.32%	$3.20
Bloomberg US 1-3 yr Gov't/Credit Bond Index	-0.41	-0.05	1.83	-	1.53			
State Street US Bond Fund Index - Class I	-1.17	-0.80	2.77	-	3.02	10/07/13	0.31%	$3.10
Bloomberg US Aggregate Bond Index	-1.08	-0.48	3.10	-	3.32			
Real Assets								
State Street Real Asset Fund - Class A	4.11	34.64	7.26	-	3.72	10/08/13	0.44%	$4.40
State Street Custom Benchmark[4]	4.17	35.24	7.57	-	4.09			
Cash (Cash Equivalents)								
State Street STIF	-0.05	-0.18	0.95	-	0.64	09/02/14	0.33%	$3.30
BofA ML 3-month US T-Bill	0.01	0.06	1.15	-	0.85			
Target Retirement Date Funds[5]								
CalPERS Target Income Fund	0.44	11.60	6.15	4.99	5.90	12/01/08	0.32%	$3.20
SIP Income Policy Benchmark[6]	0.52	11.94	6.38	5.22	6.43			
CalPERS Target Retirement 2015	0.43	12.23	6.21	5.61	6.96	12/01/08	0.32%	$3.20
SIP 2015 Policy Benchmark[6]	0.51	12.57	6.43	5.92	7.50			
CalPERS Target Retirement 2020	0.95	16.79	7.27	6.41	7.75	12/01/08	0.32%	$3.20
SIP 2020 Policy Benchmark[6]	1.02	17.14	7.48	6.72	8.26			
CalPERS Target Retirement 2025	1.47	21.49	8.79	7.48	8.70	12/01/08	0.32%	$3.20
SIP 2025 Policy Benchmark[6]	1.54	21.86	8.99	7.79	9.19			
CalPERS Target Retirement 2030	1.98	26.31	9.93	8.35	9.62	12/01/08	0.32%	$3.20
SIP 2030 Policy Benchmark[6]	2.05	26.69	10.20	8.71	10.12			
CalPERS Target Retirement 2035	2.46	31.31	11.21	9.23	10.43	12/01/08	0.32%	$3.20
SIP 2035 Policy Benchmark[6]	2.52	31.68	11.48	9.61	10.97			
CalPERS Target Retirement 2040	2.98	35.61	12.43	9.95	11.03	12/01/08	0.32%	$3.20
SIP 2040 Policy Benchmark[6]	3.04	35.99	12.71	10.34	11.55			
CalPERS Target Retirement 2045	2.98	35.61	13.01	10.25	11.22	12/01/08	0.32%	$3.20
SIP 2045 Policy Benchmark[6]	3.04	35.99	13.29	10.63	11.78			
CalPERS Target Retirement 2050	2.98	35.61	13.01	10.24	11.29	12/01/08	0.32%	$3.20
SIP 2050 Policy Benchmark[6]	3.04	35.99	13.29	10.63	11.78			
CalPERS Target Retirement 2055	2.98	35.62	13.01	-	9.19	10/07/13	0.32%	$3.20
SIP 2055 Policy Benchmark[6]	3.04	35.99	13.29	-	9.53			
CalPERS Target Retirement 2060	2.98	35.62	-	-	16.51	11/01/18	0.32%	$3.20
SIP 2060 Policy Benchmark[6]	3.04	35.99	-	-	16.79			
Broad-Based Benchmarks[7]								
Russell 3000 Index	4.88	43.90	18.91	16.10	-	-	-	-
MSCI ACWI ex-USA IMI Index (net)	0.96	30.90	9.97	6.93	-	-	-	-
Bloomberg US Aggregate Bond Index	-1.08	-0.48	3.10	3.00	-	-	-	-

Part II. Explanation of CalPERS 457 Plan Expenses

October 31, 2021

https://calpers.voya.com

Table 2 provides information concerning Plan administrative fees and expenses that may be charged to your individual account if you take advantage of certain features of the Plan. In addition to the fees and expenses described in Table 2 below, some of the Plan's administrative expenses are paid from the Total Annual Operating Expenses of the Plan's investment options.

Table 2 - Fees and Expenses				
Individual Expenses[8]				
Service	**Fee Amount**	**Frequency**	**Who do you pay this fee to?**	**Description**
Loan Origination Fee	$50	Per loan application	Voya	The charge covers the processing of your loan and applies each time you request a loan from your retirement account. This fee is deducted from your Plan account.
Maintenance Fee (For loans taken on or after April 1, 2020)	$35 ($8.75 assessed quarterly)	Annual	Voya	The charge covers the maintenance costs of your loan and applies on a quarterly basis. This fee is deducted from your Plan account.
Self-Managed Account (SMA) Maintenance Fee	$50	Annual fee deducted monthly on a pro-rata basis	Voya	Schwab Personal Choice Retirement Account is available to you if your Employer has elected it as an option. This fee is deducted pro rata on a monthly basis from your core fund investments[9] in your CalPERS 457 account. For more information about SMAs, including a complete list of fees charged by Schwab for different types of investment transactions, please contact Schwab at (888) 393-PCRA (7272). Fees may also be incurred as a result of actual brokerage account trades. Before purchasing or selling any investment through the SMA, you should contact Schwab at (888) 393-PCRA (7272) to inquire about any fees, including any undisclosed fees, associated with the purchase or sale of such investment.
Self-Managed Account (SMA) Plan Administrative Fee	0.29% ($2.90 per $1,000)	Annual fee deducted monthly on a pro-rata basis	Voya	The SMA Plan Administrative fee pays for recordkeeping costs for assets in your SMA account. This fee is deducted pro rata on a monthly basis from your core fund investments in your CalPERS 457 account. The SMA Plan Administrative Fee is subject to change based on total Plan assets.

Footnotes for Table 1 and Table 2:

[1] Fund returns shown are net of investment management and administrative expenses and fees unless otherwise noted. Benchmark performance returns do not reflect any management fees, transaction costs or expenses. Benchmarks are unmanaged. You cannot invest directly in a benchmark.

[2] Historical annual operating expenses are not available. Reported annual operating expenses are estimated based on SSGA investment management, Voya recordkeeping, and SSGA capped operating expenses.

[3] Total annual operating expenses are comprised of investment management and administrative expenses and fees incurred by the funds.

[4] State Street Real Asset Fund has a custom benchmark comprised of 25% Bloomberg Roll Select Commodity Index, 25% S&P® Global Large MidCap Commodity and Resources Index, 10% Dow Jones US Select REIT Index, 20% Bloomberg US Government Inflation-Linked 1-10 Year Bond Index, and 20% S&P Global Infrastructure Index.

[5] If the ending market value (EMV) falls to zero in any one month, the inception date resets to the next month with an EMV. Performance is then calculated from the new inception date.

[6] The benchmark for each Target Retirement Date Fund is a composite of asset class benchmarks that are weighted according to each Fund's policy target weights. The asset class benchmarks are Russell 3000 Index, MSCI ACWI ex-USA IMI Index (net), Bloomberg US Aggregate Bond Index, the SSGA customized benchmark for Real Assets (see footnote 4), and BofA ML 3-month US T-Bill.

[7] Broad-based benchmarks grouped here provide comparative performance standards for domestic equity, international equity and fixed income.

[8] The CalPERS Board of Administration periodically reviews the plan administrative fees and adjusts fees to reflect expenses incurred by the Plan. Participant fees are charged to reimburse CalPERS for actual administrative fees of the Plan.

[9] Core fund investments are listed in Table 1 above the Target Retirement Date funds. Core funds include: State Street Russell All Cap Index Fund (Class I), State Street Global All Cap Equity ex-US Index Fund (Class I), State Street US Short Term Government/Credit Bond Index Fund (Class I), State Street US Bond Fund Index (Class I), State Street Real Asset Fund (Class A), and State Street Short Term Investment Fund ("STIF").

Lincoln Financial Group
Multi-Fund®

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 11/30/2021	YTD as of 11/30/2021	*Average Annual Total Return (%) as of 11/30/2021* 1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
Risk Managed												
Fidelity® VIP Freedom 2055 Portfolio℠ - Service Class[6, 9]	RM	04/11/2019	-1.38	12.37	12.37	-2.61	-2.43	18.07	N/A	N/A	N/A	15.72
Fidelity® VIP Freedom 2060 Portfolio℠ - Service Class[6, 9]	RM	04/11/2019	-1.38	12.33	12.33	-2.60	-2.36	18.04	N/A	N/A	N/A	15.75
Maximum Capital Appreciation												
AB VPS Global Thematic Growth Portfolio - Class B[1, 2]	MCA	01/11/1996	-1.31	18.99	18.99	-0.62	0.43	24.86	25.33	20.19	12.93	6.54
DWS Alternative Asset Allocation VIP Portfolio - Class A[1, 2, 3, 6, 7]	MCA	02/02/2009	-1.35	8.10	8.10	-3.32	-2.32	11.51	7.73	4.41	2.77	4.57
LVIP Baron Growth Opportunities Fund - Service Class[4]	MCA	10/01/1998	-1.92	12.51	12.51	-4.82	-1.61	19.62	21.34	19.37	14.81	11.79
LVIP Delaware SMID Cap Core Fund - Standard Class[4, 5]	MCA	07/12/1991	-2.21	16.88	16.88	-4.03	-1.29	24.05	13.25	11.23	11.34	9.41
LVIP SSGA Emerging Markets 100 Fund - Standard Class[1, 19]	MCA	06/18/2008	-1.07	4.23	4.23	-3.78	-6.04	13.31	3.43	3.76	1.19	2.35
LVIP SSGA Small-Cap Index Fund - Standard Class[4, 18]	MCA	04/18/1986	-1.91	11.07	11.07	-4.29	-3.37	20.54	12.62	10.57	11.47	7.29
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Standard Class[4]	MCA	02/03/1994	-2.43	11.46	11.46	-4.07	-2.63	17.58	21.58	18.55	15.42	7.68
Long Term Growth												
American Funds Global Growth Fund - Class 2[1]	LTG	04/30/1997	-1.49	12.07	12.07	-3.17	-4.09	18.09	21.94	17.90	14.01	9.76
American Funds Growth Fund - Class 2	LTG	02/08/1984	-2.02	19.48	19.48	-2.40	2.20	27.60	29.06	24.07	18.25	12.62

Performance Update

Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day	YTD as of 11/30/2021	YTD as of 11/30/2021	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
						Average Annual Total Return (%) as of 11/30/2021						
American Funds International Fund - Class 2[1]	LTG	05/01/1990	-1.52	-4.43	-4.43	-6.36	-8.18	1.63	7.66	8.03	6.60	6.68
Delaware VIP Small Cap Value[4, 5]	LTG	12/27/1993	-2.58	25.22	25.22	-1.02	1.32	35.35	10.54	7.58	10.05	9.35
Fidelity® VIP Contrafund® Portfolio - Service Class	LTG	01/03/1995	-2.04	23.76	23.76	-0.05	1.55	27.47	23.86	18.72	15.11	11.18
Fidelity® VIP Growth Portfolio - Service Class	LTG	10/09/1986	-1.90	20.63	20.63	-0.76	0.58	25.45	27.92	24.80	18.13	10.51
LVIP BlackRock Global Real Estate Fund - Standard Class[1, 2, 9]	LTG	04/30/2007	-1.57	20.44	20.44	-2.19	-2.19	25.22	11.08	8.18	7.20	1.98
LVIP Delaware Mid Cap Value Fund - Standard Class[4, 5]	LTG	12/28/1981	-3.02	21.92	21.92	-2.17	-0.13	28.40	11.92	9.39	11.21	10.43
LVIP Delaware Social Awareness Fund - Standard Class[5]	LTG	05/02/1988	-1.95	20.64	20.64	-1.69	0.32	25.23	19.30	16.26	14.26	10.31
LVIP Dimensional U.S. Core Equity 1 Fund - Standard Class	LTG	12/28/1981	-2.11	20.61	20.61	-1.47	-0.11	26.31	17.21	14.91	13.90	10.01
LVIP Mondrian International Value Fund - Standard Class[1]	LTG	05/01/1991	-1.19	5.22	5.22	-5.37	-5.58	8.99	3.43	4.83	4.05	5.16
LVIP SSGA International Index Fund - Standard Class[1, 18, 20]	LTG	04/30/2008	-1.11	4.96	4.96	-4.51	-5.19	9.99	8.54	7.97	5.90	1.74
LVIP SSGA S&P 500 Index Fund - Standard Class[18, 21]	LTG	05/01/2000	-1.88	21.81	21.81	-0.80	1.02	26.36	18.88	16.44	14.72	6.15
LVIP Vanguard Domestic Equity ETF Fund - Service Class[6, 22]	LTG	04/29/2011	-1.99	19.27	19.27	-1.59	0.01	24.20	18.16	15.54	13.72	11.85
LVIP Vanguard International Equity ETF Fund - Service Class[1, 6, 22]	LTG	04/29/2011	-0.76	3.23	3.23	-4.43	-5.52	9.06	8.91	8.10	5.71	3.41
MFS® VIT Utilities Series - Initial Class[2]	LTG	01/03/1995	-2.22	5.58	5.58	-1.95	-3.01	9.11	9.92	10.02	8.23	10.00
Growth and Income												
American Funds Growth-Income Fund - Class 2	GI	02/08/1984	-2.17	16.94	16.94	-3.01	-1.35	21.25	14.87	14.33	13.67	10.30
BlackRock Global Allocation V.I. Fund - Class I[1, 3]	GI	02/28/1992	-1.20	3.30	3.30	-2.78	-3.36	7.43	11.49	8.58	6.46	6.45
Fidelity® VIP Freedom 2020 Portfolio℠ - Service Class[6, 8]	GI	04/26/2005	-0.58	6.29	6.29	-1.37	-1.59	9.56	11.45	9.28	7.87	6.12
Fidelity® VIP Freedom 2025 Portfolio℠ - Service Class[6, 8]	GI	04/26/2005	-0.73	7.25	7.25	-1.53	-1.69	10.95	12.40	10.08	8.81	6.68

Performance Update

MultiFund

Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day	YTD as of 11/30/2021	YTD as of 11/30/2021	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
						Average Annual Total Return (%) as of 11/30/2021						
Fidelity® VIP Freedom 2030 Portfolio℠ - Service Class[6, 8]	GI	04/26/2005	-0.84	8.41	8.41	-1.74	-1.90	12.61	13.50	11.28	9.60	6.98
Fidelity® VIP Freedom 2035 Portfolio℠ - Service Class[6, 8]	GI	04/08/2009	-1.13	10.69	10.69	-2.23	-2.19	15.77	15.12	12.65	10.66	12.03
Fidelity® VIP Freedom 2040 Portfolio℠ - Service Class[6, 8]	GI	04/08/2009	-1.38	12.37	12.37	-2.58	-2.40	18.06	16.15	13.26	11.02	12.38
Fidelity® VIP Freedom 2045 Portfolio℠ - Service Class[6, 8]	GI	04/08/2009	-1.37	12.39	12.39	-2.56	-2.38	18.03	16.14	13.26	11.11	12.46
Fidelity® VIP Freedom 2050 Portfolio℠ - Service Class[6, 8]	GI	04/08/2009	-1.37	12.39	12.39	-2.57	-2.40	18.01	16.15	13.24	11.17	12.57
LVIP BlackRock Advantage Allocation Fund - Standard Class[3, 5, 10]	GI	07/28/1988	-0.74	4.50	4.50	-1.09	-1.99	7.06	9.50	7.68	6.55	5.82
LVIP Delaware REIT Fund - Standard Class[2, 5, 9]	GI	05/04/1998	-1.88	29.95	29.95	-0.86	0.99	34.62	9.67	6.80	8.46	7.93
LVIP Delaware Value Fund - Standard Class[5]	GI	07/28/1988	-2.61	12.50	12.50	-3.18	-1.56	17.08	7.04	7.98	10.90	7.90
LVIP Delaware Wealth Builder Fund - Standard Class[3, 5, 10]	GI	08/03/1987	-0.98	7.31	7.31	-1.07	-0.95	9.77	7.31	6.35	6.60	6.04
LVIP JPMorgan Retirement Income Fund - Standard Class[3, 5, 10]	GI	04/27/1983	-0.55	3.11	3.11	-1.18	-1.36	5.28	7.14	5.71	5.15	6.56
Income												
LVIP BlackRock Inflation Protected Bond Fund - Standard Class[12]	I	04/30/2010	-0.09	3.42	3.42	0.61	0.63	4.20	4.21	2.65	0.90	1.84
LVIP Delaware Bond Fund - Standard Class[5, 12]	I	12/28/1981	0.20	-2.51	-2.51	-0.10	-1.27	-2.19	5.04	3.08	2.46	6.50
LVIP Delaware Diversified Floating Rate Fund[5, 14]	I	04/30/2010	0.00	-0.90	-0.90	-0.26	-0.45	-0.73	0.61	0.61	0.37	0.23
LVIP Delaware Diversified Income Fund - Standard Class[5, 12]	I	05/16/2003	0.18	-2.28	-2.28	-0.33	-1.42	-1.68	5.80	3.51	2.71	4.25
LVIP Delaware High Yield Fund - Standard Class[5, 12, 15]	I	07/28/1988	-0.15	2.00	2.00	-0.94	-1.38	3.53	6.81	5.02	5.26	5.61
LVIP Global Income Fund - Standard Class[1, 10, 12, 13]	I	05/04/2009	0.51	-5.53	-5.53	0.11	-2.46	-4.89	2.44	2.10	1.02	2.23
LVIP SSGA Bond Index Fund - Standard Class[12, 18]	I	04/30/2008	0.30	-2.48	-2.48	0.17	-0.94	-2.46	4.20	2.32	1.68	2.43
PIMCO VIT Total Return Portfolio - Administrative Class[12]	I	12/31/1997	0.28	-2.16	-2.16	0.08	-1.14	-1.91	4.51	3.02	2.57	4.16

Performance Update

Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day	YTD as of 11/30/2021	YTD as of 11/30/2021	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
						Average Annual Total Return (%) as of 11/30/2021						
Risk Managed - Asset Allocation												
LVIP Global Conservative Allocation Managed Risk Fund - Standard Class[1, 3, 6, 10, 16]	RMAA	05/03/2005	-0.70	4.93	4.93	-0.99	-1.41	7.18	7.13	5.76	5.09	4.94
LVIP Global Growth Allocation Managed Risk Fund - Standard Class[1, 3, 6, 10, 16]	RMAA	05/03/2005	-1.23	8.59	8.59	-1.86	-1.95	12.38	7.92	7.04	5.47	4.72
LVIP Global Moderate Allocation Managed Risk Fund - Standard Class[1, 3, 6, 10, 16]	RMAA	05/03/2005	-1.08	7.18	7.18	-1.53	-1.74	10.45	7.46	6.56	5.24	4.87
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Standard Class[1, 3, 6, 10, 11, 13]	RMAA	05/03/2005	-0.95	8.56	8.56	-1.76	-1.96	12.28	7.96	6.62	4.92	3.94
Preservation of Capital												
LVIP Government Money Market Fund - Standard Class[10, 17]	PC	01/07/1982	0.00	-0.90	-0.90	-0.09	-0.25	-0.98	-0.26	-0.23	-0.60	2.68
Risk Managed - US Large Cap												
LVIP BlackRock Dividend Value Managed Volatility Fund - Standard Class[10, 11]	RMUSL	02/03/1994	-2.30	15.12	15.12	-4.50	-2.84	19.37	7.87	7.76	7.56	6.63
LVIP Blended Large Cap Growth Managed Volatility Fund - Standard Class[10, 11, 13]	RMUSL	02/03/1994	-1.94	25.34	25.34	0.25	0.91	29.69	20.21	16.78	12.09	7.59
Asset Allocation												
LVIP T. Rowe Price 2010 Fund (Standard Class)[6, 8, 10]	AsA	05/01/2007	-0.79	5.75	5.75	-1.45	-1.53	8.35	9.52	6.97	5.33	4.20
LVIP T. Rowe Price 2020 Fund (Standard Class)[6, 8, 10]	AsA	05/01/2007	-0.91	7.07	7.07	-1.62	-1.61	10.15	10.76	8.20	6.00	4.32
LVIP T. Rowe Price 2030 Fund (Standard Class)[6, 8, 10]	AsA	05/01/2007	-1.24	9.63	9.63	-2.11	-1.87	13.61	12.69	9.50	6.67	4.61
LVIP T. Rowe Price 2040 Fund (Standard Class)[6, 8, 10]	AsA	05/01/2007	-1.60	12.12	12.12	-2.59	-2.07	16.86	14.27	10.65	7.24	4.59
LVIP T. Rowe Price 2050 Fund (Standard Class)[6, 8, 10]	AsA	04/29/2011	-1.71	12.91	12.91	-2.73	-2.13	17.93	14.73	11.54	7.71	6.13
LVIP T. Rowe Price 2060 Fund - Standard Class[6, 8, 10]	AsA	04/30/2020	-1.74	13.50	13.50	-2.86	-2.24	18.89	N/A	N/A	N/A	29.74
Risk Managed - US Mid Cap												

Printed On 12/01/2021 at 01:47 EST

Performance Update

Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day	YTD as of 11/30/2021	YTD as of 11/30/2021	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
						Average Annual Total Return (%) as of 11/30/2021						
LVIP Blended Mid Cap Managed Volatility Fund - Standard Class[4, 10, 11, 13]	RMUSM	05/01/2001	-2.26	9.74	9.74	-3.88	-2.49	15.98	18.19	16.25	8.95	5.19
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Standard Class[4, 10, 11, 13]	RMUSM	05/01/2001	-2.76	20.46	20.46	-3.20	-2.15	25.62	8.29	6.92	7.57	6.21
Risk Managed - Global/International												
LVIP Franklin Templeton Global Equity Managed Volatility Fund - Standard Class[1, 10, 11]	RMGI	08/01/1985	-2.07	10.94	10.94	-3.65	-3.45	15.60	9.07	8.70	6.55	7.13
LVIP SSGA International Managed Volatility Fund - Standard Class[1, 6, 10, 11]	RMGI	12/31/2013	-1.10	4.69	4.69	-4.55	-5.23	9.67	5.04	5.88	N/A	1.08

* 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.

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

[17] **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.

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

[19] **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.

[20] **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.

[21] **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®.

[22] **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 December 6, 2021

Date: | **Correspondence Sent To:**

1. 11/16/2021 Nicholas Brooks
   United Rentals
   Subject: Notice Inviting Contractors and Vendors to be included in the Goleta Sanitary District Emergency Response Plan for Force Account Services
   Letters also sent to:
   - Shane Alexander
     Cushman Contracting Corporation
   - Michelle Beason
     National Plant Services, Inc.
   - Blair Douglas
     Tierra Contracting, Inc.
   - Pat Geier
     ServiceMaster Anytime
   - Alan Lash
     Lash Construction, Inc.

2. 11/17/2021 California Regional Water Quality Control Board
   Central Coast Region
   Subject: Monthly Monitoring and Reporting Review for October 2021 Reclamation Facility

3. 11/29/2021 California Regional Water Quality Control Board
   Central Coast Region
   Subject: Monthly Monitoring and Reporting Review for October 2021 Plant Operations

4. 11/29/2021 Shane Redman
   Subject: Sewer Service Availability
   Proposed Sewer Service Connection for One Existing Single-Family Residence -
   A.P.N. 067-163-008 at 435 Los Verdes Drive, Santa Barbara, CA

5. 12/02/2021 Julia Parker
   Wildlife Care Network
   Subject: Notice of Violation: Industrial Wastewater Discharge

6. 12/19/2021 Michael Baker
   United Boys and Girls Club
   Subject: Sewer Service Charge Fiscal Year ending June 30, 2021

DISTRICT CORRESPONDENCE

Board Meeting of December 6, 2020

Date:	**Correspondence Received From:**
1. 11/16/2021	Air Pollution Control District Santa Barbara County **Subject:** Notice of Final Permit to Operate 08561 – R10 Issuance
2. 11/22/2021	LAFCO **Subject:** Nominations for and Election of Regular Special District Member to LAFCO
3. 12/02/2021	Los Angeles County Sanitation Districts **Subject:** Funding Proposal to Augment CASA Resources for Climate, Air Quality and Energy

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