

AGENDA

REMOTE MEETING NOTICE

To address concerns relating to COVID-19, this meeting will be accessible by remote video conferencing. The public may participate in this meeting remotely via zoom as set forth below.

INSTRUCTIONS FOR USING ZOOM

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

TO SPEAK 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:

Join Zoom Meeting

<https://us02web.zoom.us/j/87265527387?pwd=NUNWNmNEZzhJSTNkY3M2RFJOUUswQT09>

Meeting ID: 872 6552 7387

Passcode: 561117

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

April 4, 2022

CALL TO ORDER: 6:30 p.m.

ROLL CALL OF MEMBERS

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

CONSIDERATION OF THE MINUTES OF THE BOARD MEETING

The Board will consider approval of the Minutes of the Regular Meeting of March 21, 2022.

The Board will consider approval of the Minutes of the Special Meeting of March 23, 2022.

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. PRESENTATION OF DISTRICT OF DISTINCTION PLATINUM CERTIFICATION

2. TRANSITION TO DISTRICT-BASED ELECTIONS PROCESS, ADOPTION OF RESOLUTION NO. 22-681 REGARDING CEQA EXEMPTION, AND ADOPTION OF ORDINANCE NO. 94 APPROVING DISTRICT-BASED ELECTIONS, ELECTION DISTRICT MAP, AND SEQUENCE OF ELECTIONS (Board may take action on this item.)

3. DISCUSSION AND ACTION RELATED TO DIRECTOR PARTICIPATION ON THE EXECUTIVE BOARD OF THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION'S SANTA BARBARA CHAPTER
(Board may take action on this item.)
4. CONSIDERATION OF PUBLICATION OF PUBLIC NOTICE FOR ADJUSTMENT TO DIRECTORS' COMPENSATION FOR FISCAL YEAR 2022-2023
(Board may take action on this item.)
5. REVIEW OF 2022 ANNUAL MEETING AND DRAFT ACTION PLAN
(Board may take action on this item.)
6. CONSIDERATION OF MOLEAER NANOBUBBLE GENERATOR LEASE CONTRACT
(Board may take action on this item.)
7. GENERAL MANAGER'S REPORT
8. LEGAL COUNSEL'S REPORT
9. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
10. PRESIDENT'S REPORT
11. ITEMS FOR FUTURE MEETINGS
12. CORRESPONDENCE
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
13. 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
REGULAR MEETING OF THE GOVERNING BOARD
GOLETA SANITARY DISTRICT
A PUBLIC AGENCY
DISTRICT OFFICE CONFERENCE ROOM
ONE WILLIAM MOFFETT PLACE
GOLETA, CALIFORNIA 93117

March 21, 2022

- CALL TO ORDER:** President Majoewsky called the meeting to order at 6:31 p.m.
- BOARD MEMBERS PRESENT:** Steven T. Majoewsky, George W. Emerson, Sharon Rose, Edward Fuller, Jerry D. Smith
- BOARD MEMBERS ABSENT:** None
- STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance and Human Resources Manager/Board Secretary, Laura Romano, Management Analyst, and Richard Battles, Legal Counsel from Howell Moore & Gough LLP.
- OTHERS PRESENT:** None
- APPROVAL OF MINUTES:** Director Smith made a motion, seconded by Director Rose, to approve the minutes of the Special Board meeting of 03/05/22 and the Regular Board meeting of 03/07/22. The motion carried by the following vote:
- (22/03/2298)
- | | | |
|----------|---|--|
| AYES: | 5 | Majoewsky, Emerson, Rose, Fuller, Smith |
| NOES: | | None |
| ABSENT: | | None |
| ABSTAIN: | | None |
- POSTING OF AGENDA:** The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 72 hours in advance of the meeting.
- PUBLIC COMMENTS:** None

BUSINESS:

1. **SECOND PUBLIC HEARING PRESENTATION ON REVIEW OF DRAFT MAPS AND 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 and four sample maps, via Zoom.

President Majoewsky opened the public hearing at 7:04 p.m. There was no public comment and President Majoewsky closed the public hearing at 7:06 p.m.

Director Smith made a motion, seconded by Director Fuller, to direct staff to proceed with Map #1, with revised numbering, and present to the Board for consideration at the April 4, 2022 Board meeting.

The motion carried by the following vote:

(22/03/2299)

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

2. CONSIDERATION OF LAFCO MUNICIPAL SERVICES REVIEW QUESTIONNAIRE
Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Smith, to include the hydraulically feasible properties within Hope Ranch as part of Goleta Sanitary District's sphere of influence in the questionnaire submittal to LAFCO.

The motion carried by the following vote:

(22/03/2300)

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

3. STATUS UPDATE ON USAGE OF EMPLOYEE ASSISTANCE PROGRAM
Mr. Wagner began the staff report and Ms. Romano reported on program issues on this presentation item. No Board action was taken.

4. CONSIDERATION OF PROPOSED ANNEXATION OF 1351 HOLIDAY HILL ROAD, GOLETA. APN 077-030-006
Mr. Wagner gave the staff report.

Consensus of the Board was no objection to the proposed annexation of 1351 Holiday Hill Road.

5. CONSIDERATION OF RESOLUTION NO. 22-679, REPEALING RESOLUTION NO. 18-624 AUTHORIZING INVESTMENT OF DISTRICT MONEY IN LOCAL AGENCY INVESTMENT FUND AND RESOLUTION NO. 22-680 REPEALING RESOLUTION NO. 21-661 DESIGNATING PERSONS AUTHORIZED TO ACT ON DISTRICT ACCOUNTS
Mr. Wagner gave the staff report.

Director Rose made a motion, seconded by Director Fuller, to approve and adopt Resolution No. 22-679, repealing Resolution No. 18-624 authorizing investment of District money in Local Agency Investment Fund and to approve and adopt Resolution No. 22-680 repealing Resolution 21-661 designating persons authorized to act on District accounts.

The motion carried by the following vote:

(22/03/2301)

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

6. GENERAL MANAGER'S REPORT
Mr. Wagner gave the report.

5. LEGAL COUNSEL'S REPORT
Mr. Battles reported that the CASA Attorneys Conference is scheduled for May 13, 2022.

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

Director Smith – No report.

Director Fuller – No report.

Director Emerson – No report.

Director Rose – Reported she submitted her Goleta West Sanitary District meeting writeup.

7. PRESIDENT'S REPORT
President Majoewsky – No report.

8. ITEMS FOR FUTURE MEETINGS
No Board action was taken to return with an item.

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

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

Director Smith made a motion, seconded by Director Emerson, to ratify and approve the claims, for the period 03/08/22 to 03/21/22 as follows:

| | |
|---|---------------|
| Running Expense Fund #4640 | \$ 339,673.71 |
| Capital Reserve Fund #4650 | \$ 289,195.01 |
| Depreciation Replacement Reserve Fund #4655 | \$ 5,166.00 |

The motion carried by the following vote:

(22/03/2302)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:36 p.m.

Jerry D. Majoewsky
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

George W. Emerson

Sharon Rose

Edward Fuller

Jerry D. Smith

MINUTES
SPECIAL MEETING OF THE GOVERNING BOARD
GOLETA SANITARY DISTRICT
A PUBLIC AGENCY
PACIFICA SUITES HOTEL
5490 HOLLISTER AVENUE
SANTA BARBARA, CALIFORNIA 93117

March 23, 2022

- CALL TO ORDER:** President Majoewsky called the meeting to order at 9:00 a.m. via teleconference.
- BOARD MEMBERS PRESENT:** Steven T. Majoewsky, George W. Emerson, Sharon Rose, Edward Fuller, Jerry D. Smith
- BOARD MEMBERS ABSENT:** None
- STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance and Human Resources Manager/Board Secretary, and Laura Romano, Management Analyst.
- OTHERS PRESENT:** 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. **ANNUAL PLANNING WORKSHOP**
The Governing Board and General Manager met to discuss various issues related to District operations, including but not limited to prior year goals, financial data, performance information, and revenue projections, including rate and capital project financing. There was a fifteen-minute morning break and an hour lunch break. No action was taken.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:34 p.m.

Steven T. Majoewsky
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

George W. Emerson

Sharon Rose

Edward Fuller

Jerry D. Smith

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Presentation of District of Distinction Platinum Certification

II. BACKGROUND INFORMATION

The District's Strategic Plan is a guiding document which lays out goals and benchmarks for the District's future. One of the vision statements defined in that plan states that the District will continue its commitment to excellence in Board governance. A goal of this strategy is to retain the platinum level District of Distinction recognition from California Special District Association's Special District Leadership Foundation (SDLF).

In 2018 the District was recognized as a District of Distinction, platinum level (the highest level) by the SDLF for having achieved a high level of excellence in governance and transparency. The District of Distinction accreditation program enables districts to demonstrate their commitment to sound, responsible, transparent governance to their communities, stakeholders, and peers. The District reapplied in the beginning of 2022 and has once again been recognized by SDLF for these achievements. The District is the only agency in Santa Barbara County to be recognized at the platinum level of achievement.

The requirements include Board member completion of the SDLF Leadership Academy; the core special district governance training in California. In addition to the incumbent Board members, Director Fuller completed his Academy training last year. The Leadership Academy courses are unique from any other courses on special district governance in that the curriculum has been created by special districts and agreed upon as to what governing officials of special districts should know. This awards our Board Recognition in Special District Governance.

The general manager (GM) must also receive recognition as a Certified Special District Manager. General Manager Wagner renewed his certification in the Spring of 2021. Previous to applying for the District of Distinction, last Fall the District applied for, and was awarded the Certificate of Transparency, which recognizes organizations whose policies and procedures demonstrate best practices, who commit to board and staff professional development, and have three years minimum of clean financial audits. All of these achievements must be completed before applying for District of Distinction recognition.

III. COMMENTS AND RECOMMENDATIONS

Charlotte Holifield, Coastal Network Public Affairs Field Coordinator, will present the District of Distinction, platinum level recognition plaque on behalf of the Special District Leadership Foundation and the California Special District Association. A press release will be issued to the local media in celebration of this recognition of excellence.

As this item is informative only, no action need be taken by the Board.

IV. REFERENCE MATERIAL

None

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Transition to District-Based Elections Process, Adoption of Resolution No. 22-681 Regarding CEQA Exemption, and Adoption of Ordinance No. 94 Approving District-Based Elections, Election District Map, and Sequence of Elections

II. BACKGROUND INFORMATION

On August 20, 2018, the Board adopted Resolution No.18-637 declaring its intent to transition from at-large elections to district-based elections in accordance with the California Voting Rights Act (CVRA) for the November 2022 General Election, following the completion and receipt of the data from the 2020 Census. On July 6, 2020 the Board approved an agreement with Lapkoff and Gobalet for demographic services to assist in creating the new voting district maps pursuant to the CVRA.

A number of outreach activities must take place before a new voting district map can be finalized. These activities include, but are not limited to the following:

1. Conducting public outreach, including to non-English-speaking communities, to explain the districting process and to encourage public participation.
2. Holding two public hearings to gather input before draft voting district maps are prepared.
3. Holding two additional public hearings after draft voting district maps have been prepared for additional public feedback.
4. Publicizing the above public hearings in advance (on the District's website, social media, in press releases, posted in the community).
5. Holding a public meeting to approve the final voting district map.
6. Submitting the approved final voting district map to the County's Office of Elections.

The first two public hearings were held via Zoom on Monday, November 1, 2021, and Saturday, November 20, 2021. The second round of public hearings to review draft maps and provide input took place on Saturday, March 5, 2022, and Monday, March 21, 2022 at the District's Boardroom and virtually via Zoom. An

interpreter was available to assist with anyone desiring Spanish-language interpretation. Recorded versions of the meetings in English and Spanish were posted to the District’s website.

Advertisement via print and digital media, social media posts, radio advertising, a mailed flyer, and updates to the District’s website were placed before all hearings took place.

The Board met to review the draft maps a second time at the March 21, 2022, hearing and selected Plan 1, as it met multiple criteria for the drawing of voting districts. The Board directed staff to bring this item back for adoption in coordination with legal counsel.

The District’s Environmental Committee has evaluated the proposed adoption of an ordinance approving the transition to district-based elections in accordance with the District’s local guidelines for implementing the California Environmental Quality Act (“CEQA”) and has determined that such adoption is exempt from environmental review. This conclusion is set forth in the Preliminary Environmental Review form prepared by the Environmental Committee.

III. COMMENTS AND RECOMMENDATIONS

If the Board wishes to move forward with district-based elections and the selection of Plan 1 as the chosen voting district map, it is recommended that the Board first adopt Resolution No. 22-681 to (i) set forth its approval of the Preliminary Environmental Review form, (ii) adopt findings that the adoption of Ordinance No. 94 is exempt from environmental review under CEQA, and (iii) authorize the filing of a Notice of Exemption.

It is recommended that the Board then review and discuss Ordinance No. 94 which (a) changes the system of elections for Board members from an at-large system to a district-based system, (b) approves the Board’s preferred map, which is identified as Plan 1 and which describes the voting district boundaries, and (c) identifies the election sequencing for each voting district.

The District’s legal counsel prepared Ordinance No. 94, and the Ordinance has been reviewed by the District’s demographers. The Board-selected voting district map is attached to the Ordinance. Ordinance No. 94 provides for the following election sequence:

| ELECTION DISTRICT | DIRECTOR | FIRST ELECTION DATE |
|--------------------------|-----------------|----------------------------|
| Election District 1 | Emerson | November 2024 |
| Election District 2 | Smith | November 2022 |
| Election District 3 | Majoewsky | November 2022 |
| Election District 4 | Fuller | November 2024 |
| Election District 5 | Rose | November 2024 |

After review and discussion of Ordinance No. 94, the Board may make such changes as it deems appropriate, including changes to the election sequence. It is recommended that the Board then adopt the Ordinance, subject to any such changes.

Following the adoption of Ordinance No. 94, District staff will have the demographers submit the approved map and sequence of elections to the County's Office of Elections.

IV. REFERENCE MATERIALS

Resolution No. 22-681 Setting Forth Findings, Approving Preliminary Environmental Review Form, and Authorizing Filing of Notice of Exemption Relating to Adoption of Ordinance No. 94

Preliminary Environmental Review form

Notice of Exemption

Ordinance No. 94 Approving Transition from At-Large Elections to District-Based Elections, Approving Map of Election Districts, and Establishing Sequence for Elections

RESOLUTION NO. 22-681

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT SETTING FORTH FINDINGS, APPROVING PRELIMINARY ENVIRONMENTAL REVIEW FORM, AND AUTHORIZING FILING OF NOTICE OF EXEMPTION RELATING TO ADOPTION OF ORDINANCE NO. 94

WHEREAS, at its regular meeting on April 4, 2022, the Governing Board (the “Board”) of the Goleta Sanitary District (the “District”) is proposing to adopt Ordinance No. 94 approving the transition from at-large elections to district-based elections, approving a map of election districts, and establishing the sequence for elections (the “Ordinance”).

WHEREAS, the District’s Environmental Committee has conducted a preliminary review of the Ordinance and has concluded that the adoption thereof is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to Sections 15061(b)(3) and 15378(b)(5) of Title 14 of the California Code of Regulations (the “CEQA Guidelines”). Said conclusion is set forth in the Preliminary Environmental Review form prepared by the Environmental Committee, a copy of which has been presented to and reviewed by the Board.

WHEREAS, the Board desires to adopt certain findings, approve the Preliminary Environmental Review form, and take other actions relating to the adoption of the Ordinance.

NOW, THEREFORE, the Governing Board of the Goleta Sanitary District does hereby find, resolve and order as follows:

1. The Board hereby finds that, (i) pursuant to Section 15061(b)(3) of the CEQA Guidelines, it can be seen with certainty that there is no possibility that the adoption of Ordinance No. 94 may have a significant effect on the environment, (ii) pursuant to Section 15378(b)(5) of the CEQA Guidelines, the adoption of Ordinance No. 94 constitutes an organizational or administrative activity of a governmental agency that will not result in direct or indirect physical changes in the environment, (iii) there is no substantial evidence in the record before the District that the adoption of Ordinance No. 94 will have a significant environmental effect, and (iv) no environmental review is required.

2. The Board hereby approves the Preliminary Environmental Review form prepared by the District’s Environmental Committee.

3. The Secretary of the District is hereby authorized and directed to file with the Santa Barbara County Clerk a Notice of Exemption relating to the adoption of the Ordinance.

PASSED AND ADOPTED this 4th day of April, 2022, by the following vote of the Governing Board of the Goleta Sanitary District.

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED:

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

PRELIMINARY ENVIRONMENTAL REVIEW
GOLETA SANITARY DISTRICT

One William Moffett Place
Goleta, CA 93117
(805) 967-4519

Name of Project: Adoption of Ordinance No. 94 approving transition from at-large elections to district-based elections

Location: Within Goleta Sanitary District boundaries, Santa Barbara County, California

Entity or Person Undertaking Project: (Check appropriate box)

- Goleta Sanitary District
- Other: Name: _____
Address: _____

Environmental Committee Determination:

The District's Environmental Committee, having undertaken and completed a preliminary review of this proposed activity in accordance with the California Quality Act Guidelines ("CEQA Guidelines") has concluded that:

- A. The activity does not require further environmental assessment because:
- 1. The proposed action does not constitute a project under CEQA Guidelines Section 15378(b)(5).
 - 2. The project constitutes a feasibility or planning study under CEQA Guidelines Section 15262.
 - 3. The project is an Emergency Project under CEQA Guidelines Section 15269.
 - 4. The project is a Ministerial Project under CEQA Guidelines Section 15268.
 - 5. The project is exempt under CEQA Guidelines Section 15061(b)(3).
 - 6. The project involves another public agency which constitutes the lead agency.

Name of Lead Agency _____

- B. The District is the lead agency and the activity is a project which requires further evaluation of the possible significant effects on the environment.

Date: _____

Steve D. Wagner

General Manager/District Engineer

Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117

County Clerk of the Board
County of Santa Barbara
105 East Anapamu St. Room 407
Santa Barbara, CA 93101

Project Title: Adoption of Ordinance No. 94 approving transition from at-large elections to district-based elections.

Project Location – Specific: Throughout the Goleta Sanitary District boundaries.

Project Location – City: City of Goleta and unincorporated areas of Santa Barbara County.

Project Location – County: Santa Barbara.

Description of Project: Ordinance No. 94 approves the transition from at-large elections to district-based elections for members of the Goleta Sanitary District Governing Board.

Name of Public Agency Approving Project: Goleta Sanitary District.

Name of Person or Agency Carrying out Project: Goleta Sanitary District.

Exempt Status: (check one)

- Ministerial (Sec. 21080 (b)(1); 15268)
- Declared Emergency (Sec. 21080 (b)(3); 15269 (a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- Regulatory Exemption. State section number. Sections 15061(b)(3) and 15378(b)(5) of Title 14 of the California Code of Regulations (CEQA Guidelines)
- Statutory Exemptions. State code number.

Reason why project is exempt: Pursuant to Section 15061(b)(3) of the CEQA Guidelines, it can be seen with certainty that there is no possibility that the adoption of Ordinance No. 94 may have a significant effect on the environment. Pursuant to Section 15378(b)(5) of the CEQA Guidelines, the adoption of Ordinance No. 94 constitutes an organizational or administrative activity of a governmental agency that will not result in direct or indirect physical changes in the environment. There is no substantial evidence in the record before the District that the adoption of Ordinance No. 94 will have a significant environmental effect.

Lead Agency Contact Person: Steve D. Wagner

Telephone Number: (805) 967-4519

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ **Date:** _____ **Title:** General Manager

- Signed by Lead Agency Date received for filing at OPR: _____
- Signed by Applicant

ORDINANCE NO. 94

ORDINANCE OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT APPROVING TRANSITION FROM AT-LARGE ELECTIONS TO DISTRICT-BASED ELECTIONS, APPROVING MAP OF ELECTION DISTRICTS, AND ESTABLISHING SEQUENCE FOR ELECTIONS

WHEREAS, the five (5) members of the Governing Board (the “Board”) of the Goleta Sanitary District (the “District”) are currently elected by an at-large election method under which the voters of the District’s entire jurisdiction elect the Board members.

WHEREAS, Elections Code Sections 10508 and 10650 permit the District to change from its current at-large election method to a district-based election method under which each candidate must reside within an election district that is a divisible part of the District’s jurisdictional boundaries and is elected only by voters residing within that election district. The procedures for changing from at-large elections to a district-based elections are set forth in Elections Code Section 10010.

WHEREAS, on July 2, 2018, the District received a letter dated June 29, 2018 (the “Notice”) asserting that the District’s current at-large method of conducting elections may violate the California Voting Rights Act (“CVRA”).

WHEREAS, the Notice stated that the District had forty-five (45) days to adopt a resolution stating its intention to transition from at-large elections to district-based elections, specifying the specific steps the District would take to facilitate the transition, and estimating the time frame for the transition (a “Resolution of Intention”). The Notice also stated that, if the Board did not adopt a Resolution of Intention within such forty-five (45) day period, then a legal action would be commenced to require the District to institute district-based elections pursuant to the CVRA. The Notice further stated that, to enable the District to consider the issue at its regular Board meetings, the filing of any court action would be deferred until after the August 20, 2018 regular meeting of the Board.

WHEREAS, the prospective plaintiff offered to enter into a Conditional Settlement Agreement and Release (the “Settlement Agreement”) under which the District would not be required to institute district-based elections until the November 2022 regular election, which allowed 2020 census data to be used in drawing election district boundaries.

WHEREAS, the District denied that its current at-large method of election violated the CVRA or any other provision of law and asserted that the District’s election system is legal in all respects. Nevertheless, the District

recognized that public policy favors instituting district-based elections, and that litigation involves significant costs and uncertainty. The District further recognized that, by approving a Resolution of Intention and entering into the Settlement Agreement, it could avoid the costs and uncertainty that litigation involves and could delay the institution of district-based elections until 2022 so that the election district boundaries could be drawn based on 2020 federal census data, which would not become available until 2021. The District therefore concluded that the public interest would be served by adopting a Resolution of Intention, entering into the Settlement Agreement, and transitioning to district-based elections.

WHEREAS, on August 20, 2018, the District adopted a Resolution of Intention (Resolution No. 18-637) and approved the Settlement Agreement.

WHEREAS, pursuant to the Resolution of Intention, the District has undertaken the following steps to facilitate the transition from at-large elections to district-based elections, as required by Elections Code Section 10010:

(a) Before drawing draft maps of the proposed boundaries of the election districts, the District held two public hearings over a period of no more than thirty (30) days, at which the public was invited to provide input regarding the composition of the election districts. Before those hearings, the District conducted outreach to the public, including to non-English-speaking communities, to explain the election districting process and to encourage public participation.

(b) After the draft maps were drawn, the District published and made available for release the draft maps and the potential sequence of elections for the staggered terms of the District's Board members. The District also held two additional hearings over a period of no more than forty-five (45) days, at which the public was invited to provide input regarding the content of the draft maps and the proposed sequence of elections. The first version of a draft map was published at least seven (7) days before consideration at the first hearing.

WHEREAS, the Board desires to set forth herein its approval of (i) a final map identifying five (5) election districts, (ii) the transition from at-large elections to district-based elections, and (iii) the sequence of elections for the staggered terms of the District's Board members.

NOW, THEREFORE, the Governing Board of the Goleta Sanitary District ordains as follows:

1. **Election Divisions**. The Board hereby approves and adopts the map attached hereto as Exhibit "A" and the five (5) election districts identified therein, which map is incorporated herein by reference.

2. District-Based Elections. Commencing with the November 2022 regular election, Board members shall be elected using a district-based election method under which the candidate must (i) be a registered voter residing within an election district identified on Exhibit “A”, and (ii) be elected only by registered voters residing within that election district.

3. Sequence of Elections. The Board members shall serve for staggered terms of four (4) years each. The following sequence shall apply to the first district-based elections following the effective date of this Ordinance:

| ELECTION DISTRICT | FIRST ELECTION DATE |
|--------------------------|----------------------------|
| Election District 1 | November 2024 |
| Election District 2 | November 2022 |
| Election District 3 | November 2022 |
| Election District 4 | November 2024 |
| Election District 5 | November 2024 |

In determining the sequence of elections, the Board has given special consideration to the purposes of the CVRA, and has taken into account any preferences expressed by members of the election districts.

4. Term and Vacancies

(a) Any Board member who in office as of the effective date of this Ordinance shall continue to hold office until the expiration or earlier termination of the term for which the Board member was elected or appointed, regardless of the election district in which such Board member resides.

(b) If the position of a Board member who in office as of the effective date of this Ordinance becomes vacant prior to the expiration or earlier termination of the term for which the Board member was elected or appointed, the person who is appointed or who is elected at a special election to fill the vacancy may reside anywhere within the District’s boundaries.

(c) If the position of a Board member who is elected or appointed from an election district on or after the applicable first election date identified in Section 3 above becomes vacant prior to the expiration or earlier termination of the term for which the Board member was elected or appointed, the person who is appointed or who is elected at a special election to fill the vacancy must reside in that same election district.

5. Processing. The District’s staff and consultants, including the demographers retained by the District, are hereby authorized and directed to submit a copy of this Ordinance to the Santa Barbara County Elections Office, to work with the Elections Office, and to take any additional actions that are

necessary to facilitate the completion of the transition to district-based elections in time for the November 2022 election including, without limitation, making such minor revisions and adjustments to the election districts identified on Exhibit "A" as may be necessary for its implementation.

6. Future Adjustments. Pursuant to Elections Code Section 22000, Health and Safety Code Section 6592, and such other provisions of law that may amend or replace said code sections in the future, the Board shall adjust the boundaries of the election districts identified on Exhibit "A" following each decennial federal census, commencing with the 2030 federal census, to ensure that the election districts are in compliance with all applicable law.

7. Purpose. The change in the method of electing members of the Board, as set forth herein, is being made in furtherance of the purposes of the California Voting Rights Act of 2001 (Chapter 1.5 (commencing with Section 14025) of Division 14 of the Elections Code).

8. Publication. The Secretary of the District is hereby authorized and directed to publish this Ordinance or a summary hereof once in a newspaper published in the District in accordance with Health & Safety Code Section 6490.

9. Effective Date. This Ordinance shall take effect one week following the date of publication.

PASSED AND ADOPTED this 4th day of April 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED:

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

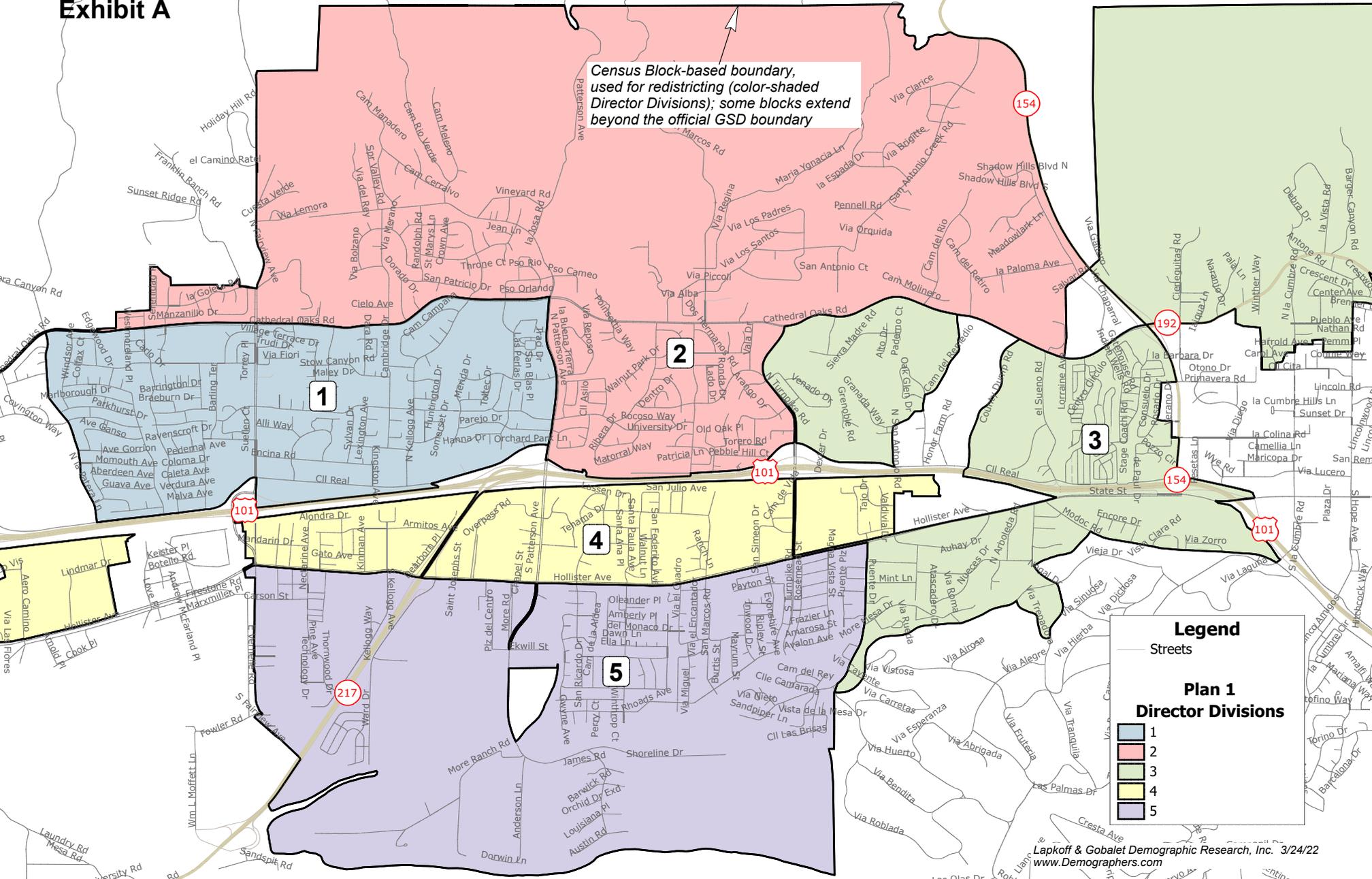
CERTIFICATION

I, Robert O. Mangus, Jr., Secretary of the Governing Board of the Goleta Sanitary District, hereby certify that the forgoing is a true and correct copy of Ordinance No. 94, which was duly adopted by the Governing Board of the Goleta Sanitary District at a regular meeting of said Governing Board held on April 4, 2022.

Date: April 4, 2022

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

Goleta Sanitary District Director Divisions Plan 1 (color-shaded) Exhibit A



Census Block-based boundary, used for redistricting (color-shaded Director Divisions); some blocks extend beyond the official GSD boundary

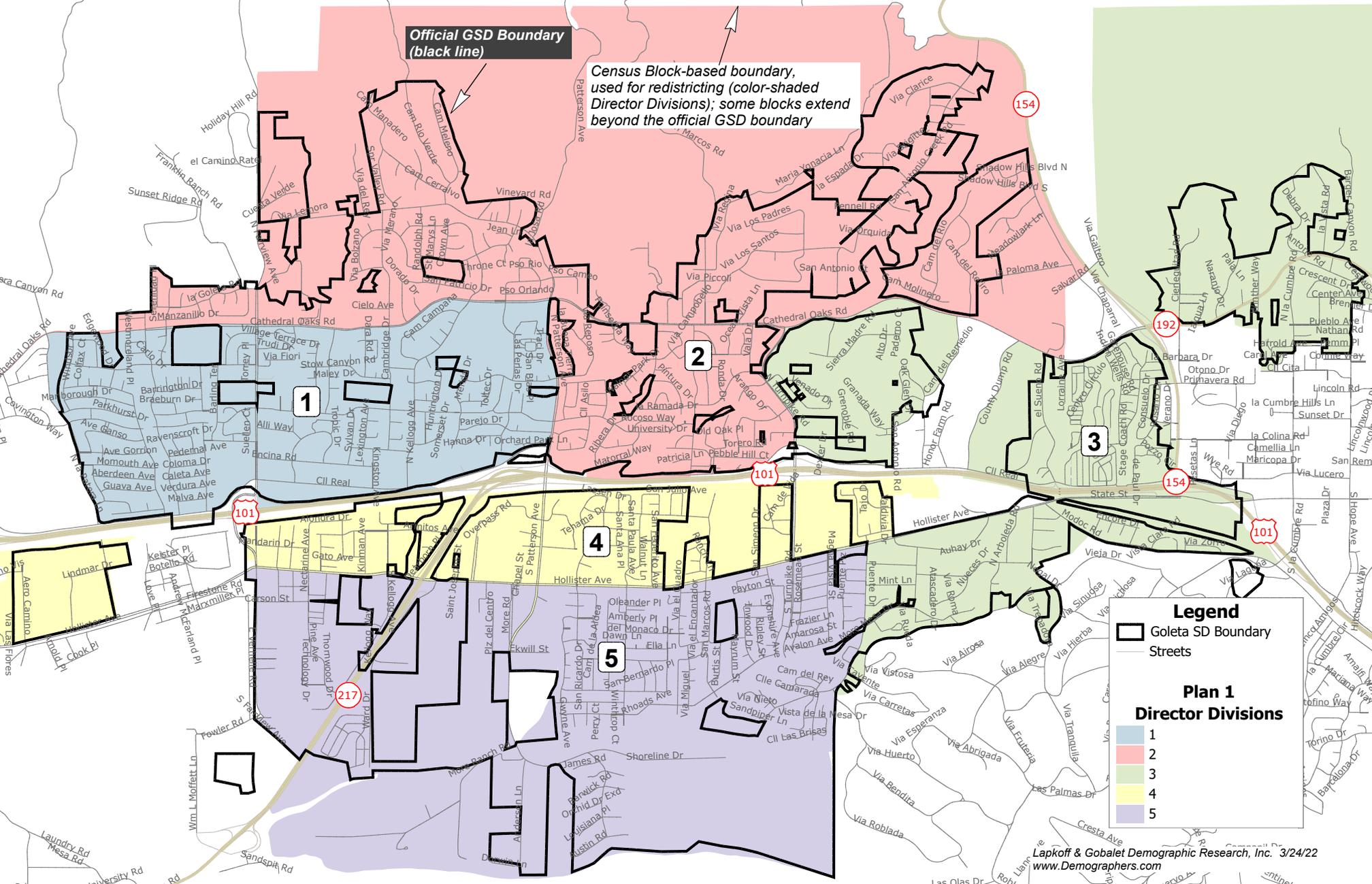
Legend

Streets

**Plan 1
Director Divisions**

- 1
- 2
- 3
- 4
- 5

Goleta Sanitary District Director Divisions Plan 1 (color-shaded)



GSD Plan 1

| District | Total Population | Latino/ Hispanic | Non-Hispanic | | | | Total |
|-------------------------------------|------------------|---------------------|--------------|-------|-------|-------|-------|
| | | | White | Black | Asian | Other | |
| Total Population Percentages | | | | | | | |
| 1 | 8,635 | 19% | 66% | 1% | 10% | 3% | 100% |
| 2 | 8,296 | 15% | 72% | 1% | 9% | 3% | 100% |
| 3 | 7,968 | 30% | 59% | 1% | 6% | 4% | 100% |
| 4 | 8,211 | 54% | 30% | 2% | 12% | 2% | 100% |
| 5 | 8,001 | 36% | 48% | 1% | 11% | 3% | 100% |
| Total | 41,111 | 31% | 55% | 1% | 10% | 3% | 100% |

| Age 18+ (Voting Age) Population Percentages | | | | | | | |
|--|--------|-----|-----|----|-----|----|------|
| 1 | 7,138 | 17% | 69% | 1% | 10% | 3% | 100% |
| 2 | 6,721 | 13% | 74% | 1% | 8% | 3% | 100% |
| 3 | 6,531 | 26% | 63% | 1% | 6% | 3% | 100% |
| 4 | 6,626 | 49% | 33% | 2% | 14% | 2% | 100% |
| 5 | 6,514 | 34% | 51% | 1% | 11% | 3% | 100% |
| Total | 33,530 | 28% | 58% | 1% | 10% | 3% | 100% |

| Citizens of Voting Age (CVAP) Percentages | | | | | | | |
|--|--------|-----|-----|----|----|----|------|
| 1 | 6,314 | 13% | 75% | 1% | 7% | 3% | 100% |
| 2 | 5,872 | 10% | 81% | 0% | 6% | 4% | 100% |
| 3 | 6,775 | 18% | 69% | 3% | 4% | 6% | 100% |
| 4 | 4,772 | 27% | 51% | 6% | 9% | 7% | 100% |
| 5 | 6,025 | 32% | 57% | 1% | 6% | 4% | 100% |
| Total | 29,758 | 20% | 67% | 2% | 6% | 5% | 100% |

GSD Plan 1

| District | Total Population | Spanish Surname | All Asian Surname | Korean | Japanese | Chinese | Indian | Vietnamese | Filipino |
|----------|------------------|-----------------|-------------------|--------|----------|---------|--------|------------|----------|
| | | | | | | | | | |
| 1 | 6,379 | 13% | 6% | 0% | 1% | 2% | 1% | 1% | 1% |
| 2 | 6,448 | 10% | 5% | 0% | 1% | 2% | 1% | 0% | 0% |
| 3 | 5,724 | 18% | 3% | 0% | 0% | 1% | 1% | 0% | 1% |
| 4 | 4,020 | 40% | 6% | 0% | 0% | 1% | 1% | 1% | 1% |
| 5 | 5,514 | 26% | 6% | 0% | 0% | 2% | 0% | 1% | 1% |
| Total | 28,085 | 20% | 5% | 0% | 1% | 2% | 1% | 1% | 1% |

| Actual Voters | | | | | | | | | |
|----------------------|--------|-----|----|----|----|----|----|----|----|
| 1 | 5,793 | 12% | 6% | 0% | 1% | 2% | 1% | 1% | 1% |
| 2 | 5,944 | 9% | 5% | 0% | 1% | 2% | 1% | 0% | 0% |
| 3 | 5,166 | 17% | 3% | 0% | 0% | 1% | 1% | 0% | 1% |
| 4 | 3,448 | 38% | 5% | 0% | 0% | 1% | 1% | 1% | 1% |
| 5 | 4,881 | 25% | 5% | 0% | 0% | 2% | 0% | 1% | 1% |
| Total | 25,232 | 19% | 5% | 0% | 1% | 2% | 1% | 1% | 1% |

| District | Total Pop | Deviation | % Deviation |
|----------|-----------|-----------|-------------|
| 1 | 8,635 | 413 | 5.0% |
| 2 | 8,296 | 74 | 0.9% |
| 3 | 7,968 | -254 | -3.1% |
| 4 | 8,211 | -11 | -0.1% |
| 5 | 8,001 | -221 | -2.7% |
| Total | 41,111 | | |
| Ideal | 8,222 | 667 | 8.1% |

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Discussion and Action Related to Director Participation on the Executive Board of the California Special Districts Association's Santa Barbara Chapter

II. BACKGROUND INFORMATION

Articles 6 and 7 of the District's Administrative Code provide for Board member participation on various committees and boards of District-supported organizations. Certain activities are identified and considered pre-approved in terms of compensation and/or expense reimbursement. For activities that are not considered pre-approved, the Board is authorized to approve such activities on a case-by-case basis.

While certain activities are considered pre-approved, individual Board members must get Board authorization before representing the District and/or participating in any activity that involves possible compensation and/or reimbursement of expenses.

Directors Rose and Emerson are interested in serving on the executive board of the California Special Districts Association's Santa Barbara chapter (SBCCSDA). As such, this request is being brought to the Board for consideration.

III. COMMENTS AND RECOMMENDATIONS

Participation on the SBCCSDA Executive Board is included in the District's list of pre-approved activities for both compensation and reimbursement of expenses. However, the Board must authorize this activity. As such, staff recommends the Board vote on Director Rose's and Director Emerson's participation on the SBCCSDA Executive Board.

IV. REFERENCE MATERIALS

None

AGENDA ITEM #4

AGENDA ITEM: 4

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Consideration of Publication of Public Notice for Adjustment to Directors' Compensation for Fiscal Year 2022-2023

II. BACKGROUND INFORMATION

Governing Board members are compensated for attending Board meetings and other events pursuant to Article 2 of the District's Administrative Code. Current District practice is to consider adjustments to the Directors' compensation on an annual basis. The last time the Board elected to increase the compensation for Directors was fiscal year (FY) 2020-21. In the past, compensation adjustments have been based on the approved cost of living adjustment (COLA) for District employees, with the stipulation that the Board member compensation adjustment not exceed the legal limitation of 5% for each calendar year after the last adjustment. The COLA value used for this purpose is available in April of each year since it is based on the 12-month average of individual monthly COLA values for the preceding 12 months, ending in March of each year.

If the Board wishes to implement a change in the Directors' compensation, the District is required to publish a notice 15 days in advance and hold a public hearing on the proposed adjustment in compensation. The public notice would include the amount of the proposed compensation rate, if known.

This item was last discussed on March 7, 2022. At that time the Board elected to table the discussion and directed staff to bring the items back for further consideration when the full board was present. As such, staff is bringing this item back for further consideration and possible direction.

III. COMMENTS AND RECOMMENDATIONS

If the Board wishes to adjust its compensation for FY 2022-23, it is recommended that staff be directed to advertise a public notice, similar to the draft attached, in order to implement the change in compensation.

IV. REFERENCE MATERIALS

Draft Public Notice

DRAFT

GOLETA SANITARY DISTRICT

Notice of Proposed Increase in Governing Board Compensation

The Goleta Sanitary District is proposing to increase the compensation payable to members of its Governing Board for attendance at meetings and for services rendered by Board members. The operative date of the last increase in compensation was August 1, 2020, at which time the compensation was increased to its current level of \$225.00 per meeting per day. Under Health & Safety Code Section 6489, the increase in compensation may not exceed 5% for each calendar year after the last adjustment.

A public hearing on the proposed compensation increase will be held on Monday, May 16, 2022 at 6:30 p.m. at the District's Board Room located at One William Moffett Place, Goleta, California. Questions or requests for additional information should be directed to the District at (805) 967-4519.

BY ORDER OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT.

Dated: April 4, 2022

AGENDA ITEM #5

AGENDA ITEM: 5

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Review of 2022 Annual Meeting and Draft Action Plan

II. BACKGROUND INFORMATION

The District's Governing Board held its annual planning meeting on Wednesday, March 23, 2022, at the Pacifica Suites to review the 2021 Annual Report, prior year activities and develop a new list of goals and objectives for the following year. The list of goals and objectives identified at the meeting have been put together into a draft Action Plan Summary that is presented herein for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

The attached 2022 Action Plan Summary includes 27 separate goals with a total of 82 associated actions to be completed over the next year. Many of these goals and actions carried over from the prior year are already in progress. While this is an ambitious plan, the timing and/or completion of most of the planned actions is dependent on the availability of the staff time and resources required. Some actions are dependent on other entities/agencies which are not under our control. This Action Plan Summary represents a preliminary outline for planned work to be accomplished over the following 12-month period.

Staff recommends the Board review and approve the 2022 Action Plan Summary subject to any revisions as desired. Once finalized, staff will prepare a detailed action plan that includes the estimated timelines for completion of all proposed actions. Status reports on the implementation of the 2022 Action Plan will be provided to the Board on a quarterly basis.

IV. REFERENCE MATERIALS

2022 Action Plan Summary

Goleta Sanitary District 2021 Annual Plan Summary

2022 Action Plan Summary

CATEGORY #1 CAPITAL IMPROVEMENTS

- * Implement Long Range Master Plan (LRMP) Projects
- * Implement Biosolids & Energy Strategic Plan (BESP)
- * Complete Lystemize Refeed Pilot Project
- * Complete CIP/StoryMap Update

Goal #1 Implement LRMP Projects

- Action Items: 1 Complete Construction of Lift Station Rehabilitation project
2 Determine scope and timing of next LRMP rehabilitation project

Goal #2 Implement BESP Improvements

- Action Items: 3 Approve MND & obtain regulatory permits for BESP Phase 1 project
4 Put BESP Phase 1 project out to bid
5 Complete preliminary engineering for BESP Phase 2 project
6 Integrate BESP improvements into LRMP

Goal #3 Complete Lystemize Refeed Pilot Project

- Action Items: 7 Complete TWAS refeed test procedures and collect relevant data
8 Prepare project performa based on project cost data
9 Board consideration of proforma and potential for long term use
10 Update LRMP as needed

Goal #4 Complete CIP/StoryMap Update

- Action Items: 11 Integrate updated project information into CIP
12 Update StoryMap and post on District website

Responsibility: Board, GM, staff, contractor, consultants, legal counsel

Goleta Sanitary District 2021 Annual Plan Summary

CATEGORY #2 ENGINEERING

- * Complete Reclamation Facility disinfection study
- * Initiate conceptual engineering design of future onsite water reuse facility
- * Update LRMP/CIP Storyboard and post to District Website
- * Continue value engineering analyses of BESP phase 2 project

Goal #5 Complete Reclamation Facility disinfection study

- Action Items:
- 13 Complete Reclamation Facility disinfection study
 - 14 Prepare report on recommended improvements
 - 15 Meet with GWD on recommended improvements
 - 16 Board consideration of recommended improvements
 - 17 Implement recommended improvements

Goal #6 Initiate conceptual engineering design of future onsite water reuse facility

- 18 Prepare and issue RFQ for engineering analysis
- 19 Select Consultant and complete study
- 20 Board consideration of study findings

Goal #7 Update LRMP/CIP Storyboard and post on District Website

- Action Items: 21 Incorporate BESP and other new CIPs into LRMP and update CIP story map online

Goal #8 Continue value engineering analyses of BESP phase 2 project

- Action Items: 22 Continue value engineering analyses of BESP phase 2 project

Responsibility: Board, GM, staff, consultants, legal counsel

Goleta Sanitary District 2021 Annual Plan Summary

CATEGORY #3 FINANCE

- * Adopt & Implement Capacity Exceedance Policy
- * Conduct Rate Study based on results of CASA F&L Study
- * Consider alternative project delivery and finance options for future capital projects
- * Implement recommended pension liability management strategies

Goal #9 Adopt and Implement Capacity Exceedance Policy

- Action Items: 23 Complete outreach to affected users and schedule public hearing on proposed policy
24 Board consideration of Capacity Exceedance Policy
25 Implement policy as directed by Board

Goal #10 Conduct rate study based on results from CASA's Flow & Loadings Study

- Action Items: 26 Continue participation in CASA F&L study
27 Prepare RFQ/P for selection of rate study consultant
28 Board consideration of rate study consultant
29 Conduct rate study based on results of CASA F&L study
30 Board consideration of rate study
31 Board adoption new rate structure
32 Develop outreach communications plan on proposed rate changes

Goal #11 Consider alternative project delivery and finance options for future capital projects

- Action Items: 33 Research alternative project delivery and finance options for future capital projects
34 Board consideration of alternative project delivery and finance options
35 Research grant opportunities for future capital projects

Goal #12 Implement pension liability management strategies

- Action Items: 36 Develop UAL payoff plan
37 Board consideration of UAL payoff plan
38 Presentation UAL payoff plan to contract entities
39 Implement approved plan

Responsibility: Board, GM, staff, consultants, legal counsel

Goleta Sanitary District 2021 Annual Plan Summary

Category #4 BOARD GOVERNANCE AND ORGANIZATIONAL MANAGEMENT

- * Improve collaboration with partner agencies organizations
- * Implement District Based Elections Pursuant to CVRA
- * Conduct triennial Board self-assessment

Goal #13 Improve collaboration with partner agencies

- Action Items:
- 40 Schedule meetings with UCSB on existing and future energy sustainability efforts
 - 41 Schedule meetings with contract entities on proposed UAL payoff plan
 - 42 Meet with contract entities to consider approval of Multi-Jurisdictional Agreements
 - 43 Provide periodic reports on regional coordination

Goal #14 Implement District Based Elections Pursuant to the CVRA

- Action Items:
- 44 Adopt voting district areas and send information to County in time for 2022 election
 - 45 Develop district elections public education plan in consultation with legal counsel

Goal #15 Conduct Triennial Board self-assessment

- Action Items:
- 46 Conduct Board self-assessment
 - 47 Board consideration of self-assessment recommendations
 - 48 Implement self-assessment recommendations

Responsibility: Board, GM, staff, legal counsel, consultants

Goleta Sanitary District 2021 Annual Plan Summary

CATEGORY #5 ENVIRONMENTAL STEWARDSHIP AND RESILIENCY PLANNING

- * Maintain certification as Santa Barbara County Green Business
- * Develop Outline for District Wide Resiliency Plan
- * Develop Climate Adaptation and Business Continuity Plan

Goal #16 Maintain certification as Santa Barbara County Green Business

- Action Items: 49 Review green business certification criteria to ensure compliance
50 Submit application if required to renew/maintain certification
51 Continue to support and participate in SBC Green Business program

Goal #17 Initiate Development of District Wide Resiliency Plan

- Action Items: 52 Prepare draft RP
53 Board consideration of draft RP
54 Post approved RP on District website

Goal #18 Develop Climate Adaptation and Business Continuity Plans

- Action Items: 55 Prepare Draft Climate Adaptation Plan
56 Prepare Draft Business Continuity Plan
57 Board Consideration of Draft Climate Adaptation and Business Continuity Plans

Responsibility: Board, GM, staff, consultants, legal counsel

CATEGORY #6 OUTREACH PROGRAM

- * Implement approved outreach program activities
- * Develop outreach plan for election by Districts (CRVA) (Citizen academy)

Goal #19 Implement annual outreach program activities

- Action Items: 58 Review annual outreach program with Board Outreach Committee
59 Board consideration of annual outreach program

Goal #20 Develop Outreach Program for Transition to District Elections

- Action Items: 59 Review election outreach program with Board Outreach Committee
60 Board consideration of election outreach program
61 Board consideration of establishment of Citizen Advisory Academy

Responsibility: Board, GM, staff, consultants

Goleta Sanitary District 2021 Annual Plan Summary

CATEGORY #7 PERSONNEL

- * Implement Competency Based Training Programs
- * Recruit and hire Project Manager
Fill vacant Senior Operation
- * Conduct 5 yr. salary and benefits survey of comparable organizations
- * Develop succession plans for near term retirements and key positions

Goal #21 Implement Competency Based Training Programs

- Action Items: 62 Complete and implement CBT programs for CS and Operations staff
63 Initiate development of CBT program for Maintenance and Laboratory staff

Goal #22 Recruit and hire Project Manager

- Action Items: 64 Develop position description and survey comparable positions
65 Board consideration of new position
66 Recruit and hire Project Manager

Goal #23 Conduct 5 yr. salary and benefits survey of comparable organizations

- Action Items: 67 Selection of salary survey consultant and approval of scope of work
68 Conduct salary survey of comparable organizations
69 Board consideration of survey results

Goal #24 Develop succession plans for near term retirements and key positions

- Action Items: 70 Develop succession plans for near term retirements and key positions

Goal #25 Engage new legal services firm for personnel related matters

- Action Items: 71 Board consideration and selection of legal services firm

Responsibility: Board, GM, staff, consultants, Legal Counsel

AGENDA ITEM #6

AGENDA ITEM: 6

MEETING DATE: April 4, 2022

I. NATURE OF ITEM

Consideration of Moleaer Nanobubble Generator Lease Contract

II. BACKGROUND INFORMATION

The District's Water Resource Recovery Facility has been adversely impacted by increased loads and concentrations. Over the past 7 years district staff has worked diligently with the help of consultants to overcome the challenges that this has presented. In recent years the District has identified specific consumer products now found at higher concentrations in the incoming wastewater. These chemicals, primarily disinfectants and surfactants, have an adverse effect on the biological treatment process. The end result of these interfering chemicals is the inability to consistently meet our recycled water specifications.

III. COMMENTS AND RECOMMENDATIONS

District staff has been continually researching and implementing possible solutions to mitigate the above-referenced impacts to the treatment process. Staff recently found a case study that showed a reduction in surfactants levels in wastewater effluent by using a novel technology that generates extremely small air bubbles called nanobubbles. District staff contacted Moleaer Inc. of Carson, CA to discuss their implementation of this technology.

According to a Moleaer Inc. representative, their technology creates bubbles that are so small that they will stay in solution. The nanobubbles created by the Moleaer generator have an extremely large ratio of surface area to volume. This unique trait allows the nanobubbles to work as a powerful oxidizer, capable of removing complex compounds, such as found within surfactants. Using very little energy and no chemicals this technology would allow other processes within the treatment plant to run more efficiently. Benefits that were recorded in the study included: decreased air demand at the aeration basin, reduced energy costs, and enhanced settling in the primary clarifiers, further reducing demand on the aeration basin.

District staff met with the Goleta Water District (GWD) to discuss the possible benefits that this technology may have on being able to maintain water specification at the reclamation facility. GWD agreed that they would pay for a 3-month trial of the technology. If the trial works to maintain consistent water specifications, then a cost sharing agreement between GSD and GWD would be negotiated.

Staff recommends that the Board authorize the General Manager to enter a purchase order contract for an amount not to exceed \$74,100 for the 3-month rental of a Moleaer Nanobubble Generator.

IV. REFERENCE MATERIAL

Moleaer Lease Contract Proposals



Quote for Goleta Sanitary District - 3 month Lease- 1x NBG 6

About Moleaer

Moleaer™ (Latin for 'tiny air') is a Los Angeles based company that develops industrial scale nanobubble systems to enhance a wide range of processes, enabling a radical change in the economics of indoor farming, separating metals, treating wastewater and recovering oil.

Goleta Sanitary District

1 Moffett Pl
Goleta, CA 93117
United States



Moleaer

20800 Belshaw Avenue
Carson California 90746
United States

John Crisman

jcrisman@goletasanitary.org
8059674519

Prepared by: Clint Hanson

clint@moleaer.com

Reference: 20220308-064329773

Quote created: March 8, 2022

Quote expires: May 7, 2022

Project Application

Moleaer is please to offer this proposal to the Goleta Sanitary District for a 3 month lease of an NBG6 Nanobubble Generator to treat the headworks of its municipal WWTP.

Price list below is per month with a 3 month minimum.

Purchase Terms

1st and last months rent due to place order

Subsequent payments are due by the 5th of the month

Lead time: 1 to 2 weeks

Customer Contact: John Crisman (805) 967-4519

jcrisman@goletasanitary.org

Site Address: 1 William Moffett Place Goleta, CA 93117

Customer Responsibilities:

Provide forklift, plumbing, and installation labor.

Plant Air and hose.

Moleaer Responsibilities:

Provide 20' Inlet & 20' Outlet Hose, Pipe Connectors, Hardware

Provide remote support

Provide On-site set up support

Freight Costs are Included

Total **\$24,700.00**

| PRODUCTS & SERVICES | SKU | QUANTITY | BILLING FREQUENCY | TERM | PRICE |
|---|------------|-----------------|------------------------------|-------------|--------------|
| Custom Build | | 1 | monthly | | \$0.00 |
| NBG6 Nanobubble Generators, approx 3000 GPM flow, Electric Driven | | 1 | monthly | | \$24,700.00 |
| -[Electrical] TF: Three-Phase 460 V, 60 Hz | | 1 | monthly | | \$0.00 |
| -[Water Type] Wastewater / Solids May be Present | | 1 | monthly | | \$0.00 |
| -[Controls] None (Standard) | | 1 | monthly | | \$0.00 |
| -[Meters] Gas Flow Rotameter | | 1 | monthly | | \$0.00 |
| -[Pump] T8 Self-Priming Pump (E: TF) | | 1 | monthly | | \$0.00 |

| PRODUCTS & SERVICES | SKU | QUANTITY | BILLING FREQUENCY | TERM | PRICE |
|---------------------|-----|----------|----------------------|------|--------------|
| SUBTOTALS | | | | | PRICE |
| Monthly subtotal | | | | | \$24,700.00 |

| | |
|--------------|-------------|
| Total | \$24,700.00 |
|--------------|-------------|

EQUIPMENT LEASE & FINANCING AGREEMENT

1. CONDITIONS. These Standard Terms and Conditions of Lease (these “Conditions”) govern the lease of products (the “Goods”) by Moleaer, Inc. (“Moleaer”) to the entity (“Lessee” and, with Moleaer, the “Parties”) named in Moleaer’s Sales Quote (the “Sales Quote” or “Order” and, together with these Conditions, this “Contract”). This Contract constitutes the entire agreement between the Parties, supersedes all prior written or oral communications or understandings concerning the Goods and takes precedence over and cancels any other, different or conflicting terms or conditions of Lessee’s order or acceptance. No waiver or amendment of any of the provisions of this Contract shall be effective unless in writing and executed by both Parties. Unless otherwise stated herein, Lessee’s receipt of any portion of the Goods shall constitute acceptance of these Conditions.

The Parties agree as follows:

2. EQUIPMENT: Moleaer hereby leases to Lessee the Equipment on the terms and conditions set forth in the Sales Quote outlined above.

3. LEASE TERM: The Lease will begin on the “Start Date” as defined in the Sales Quote and shall continue for the duration specified in the Sales Quote’s Lease Term. Unless the Lease is terminated, the Lease shall automatically renew for one-month periods on the first day of each month at the conclusion of the Lease Term. Either party may terminate this Lease prior to the end of the Lease Term by providing written notice to the other party of the date the Lease shall terminate, which shall be at least thirty (30) days after the date of such notice; provided that Moleaer may terminate the Lease immediately if Lessee is in default as provided under Section 10 hereof. The date of the termination of the Lease (whether pursuant to such termination notice or pursuant to an event of default under Section 10 hereof) shall be the “Termination Date” and the period between the Start Date and the Termination Date shall be the “Lease Term”. For the avoidance of doubt, Lessee shall be obligated to pay the Rent at least through the Termination Date.

4. RENT PAYMENTS: Lessee agrees to pay to Moleaer as rent for the Equipment the amount specified in the Sales Quote the (“Rent”) each month in advance of the one-month anniversary of the Start Date. First month’s payment shall include first-month’s rent, shipping charges and Security Deposit pursuant to Section 7 below, be made prior to shipment of the Equipment. Payments shall be made as per the wire instructions made clear on each monthly invoice or can be sent to the following address:

Moleaer Inc.

Attn: Accounting

20800 Belshaw Avenue

Carson, CA 90746 USA

or at any other address designated by Moleaer. If the Start Date is not on the first day of the month or if the Termination Date is not on the last day of a month, the Rent will be prorated accordingly. First and last payment will be due at the commencement of the lease. Lessee may, with a thirty (30) days written notice to Moleaer, terminate the Lease. Lessee acknowledges and agrees that its obligation to pay the Rent under this Agreement is absolute and unconditional under all circumstances and shall not be reduced by or made subject to any set off, counterclaim or deduction that Lessee has or may have in the future.

5. LATE CHARGES: If any amount under this Agreement is more than five (5) days late, Lessee agrees to pay a late fee of \$75.00.

6. INSTALLATION & RESPONSIBILITY OF THE LESSEE: Lessee understands that Moleaer is only responsible to deliver to lessee the Equipment as defined in Section 2. Lessee take complete and total responsibility for the unpacking, installation and operation of the Equipment which may include, but not limited to, the following:

- Obtaining any required permits
- Structural work such as installing a concrete pad, if necessary
- Piping of feed water to the system inlet, valved connection to within 4 feet of the first piece of equipment in the system.
- Ensuring that all solids in the water or wastewater are limited to 10 mm and below, by use of an intake screen.
- Piping of treated water discharge from the system to points of use/disposal.
- Provide floor drains as required for the equipment pad. Floor drains must be plumbed to a suitable location to handle any type and quantity of discharge which may be produced by the system during startup and normal maintenance.
- Providing necessary air or gas to the Equipment if Lessee is not renting a Compressor from Moleaer. Required air should be supplied to within 4 ft of the equipment, ½” line, clean and dried meeting ISO 8573.1.

7. SECURITY DEPOSIT: Prior to taking possession of the Equipment, Lessee shall deposit with Moleaer, in trust, a security deposit as outlined in the Sales Quote as security for the performance by Lessee of the terms under this Agreement and for any damages caused by Lessee or Lessee’s agents to the Equipment during the Lease Term (the “Security Deposit”). Moleaer may use part or all of the Security Deposit to repair any damage to Equipment caused by Lessee or Lessee’s agents. However, Lessee’s liability hereunder is not limited to the Security Deposit and Lessee shall be liable for any damage to the Equipment and the repair thereof or any additional losses to Moleaer arising out of such damage.

Lessee shall not be permitted to use or apply the security deposit at any time in lieu of payment of Rent or to deduct any portion of the Security Deposit from any month’s Rent. If Lessee breaches any of the terms or conditions of this Agreement, Lessee shall forfeit the Security Deposit, as permitted by law.

8. CLEANING FEE: Lessee agrees to pay a \$200 cleaning fee upon return of the Equipment to Moleaer.

9. SHIPPING EXPENSES: Lessee shall be responsible for all expenses and costs at the end of the Lease Term, of shipping the Equipment back to Moleaer's premises.

10. DELIVERY AND ACCEPTANCE OF EQUIPMENT. The receipt and acceptance by the Lessee (as may be evidenced by, but not necessarily limited to, the signature of the Lessee representative on the bill of lading) of the Equipment shall obligate Lessee to continue to pay the Rent and the other sums due hereunder and constitute acknowledgment that the Equipment has been received in good, safe, and serviceable condition and fit for use, unless the Lessee makes a claim to the contrary to Moleaer, via certified mail addressed to the Moleaer's address shown on the first page of this Agreement within 48 hours of receipt of the Equipment, and the Lessee has noted any defects on the bill of lading at the time of delivery of the Equipment. All delivery and installation arrangements and costs are the sole responsibility to Lessee (unless expressly included in the cost of the Equipment to Moleaer and upon which the Lease payments were computed). Lessee shall specify carriers. Lessee agrees to accept the Equipment when delivered and sign an equipment acceptance and purchase authorization (the "Equipment Acceptance and Purchase Authorization"), if supplied by Moleaer, when all the Equipment has been delivered. Should the Lessee cancel this Lease before the Equipment is delivered or if the Lessee refuses to sign the Equipment Acceptance and Purchase Authorization within seven (7) days after the Equipment is delivered, Moleaer may cancel the Lease. In the event the Equipment, its condition, or its delivery is such as would reasonably justify rejection of the Equipment by any purchaser, Lessee may reject the Equipment. If Lessee elects to reject the Equipment, Lessee agrees that, at its sole cost and expense, Lessee shall immediately notify Moleaer in writing of such rejection and shall comply with all instructions of Moleaer, as well as with all applicable laws dealing with the obligations incurred on rejection of goods.

11. DEFAULTS: If Lessee fails to perform or fulfill any obligation under this Agreement, Lessee shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, Lessee shall have seven (7) days from the date of notice of default by Moleaer to cure the default. In the event Lessee does not cure a default, Moleaer may, at Moleaer's option, (a) take actions necessary to cure such default, and Lessee shall be obligated to pay to Lessee the cost of taking such actions; or (b) declare Lessee in default of the Agreement. If Lessee shall become insolvent, cease to do business as a going concern or if a petition has been filed by or against Lessee under the any federal or state bankruptcy laws, Moleaer may immediately declare Lessee in default of this Agreement. In the event of default, Moleaer may, as permitted by law, re-take possession of the Equipment. In the event of default, Lessee shall be liable to Moleaer for the full amount of Rent and any other amounts due under this Agreement had the Lease continued; provided, however, that at Lessor's sole and exclusive option, if the Equipment is re-let, Lessee may be liable only for the difference between the Rent that would have been payable under this Agreement during the balance of the unexpired Lease Term and the actual Rent paid by any successive lessee minus the cost and expenses of such reletting.

12. POSSESSION AND SURRENDER OF EQUIPMENT: Lessee shall be entitled to possession of the Equipment on the first day of the Lease Term. At the expiration of the Lease Term, Lessee shall surrender the Equipment to Moleaer by delivering the Equipment to Moleaer or Moleaer's agent in good condition and working order, ordinary wear and tear excepted, as it was at the commencement of the Agreement. It shall be Lessee's responsibility to furnish packing boxes or crates for the return of the Equipment to Moleaer sufficient to protect the Equipment from damage during shipment. Lessee agrees to pay the expense of repairing the damage, if any, which may be done to the Equipment during shipment.

13. USE OF EQUIPMENT: Lessee shall only use the Equipment in a careful and proper manner and only for the application that the Equipment was provided for , and will comply with all laws, rules, ordinances, statutes and orders regarding the use, maintenance and storage of the

Equipment.

14. CONDITION OF EQUIPMENT AND REPAIR: Lessee or Lessee's agent has inspected the Equipment and acknowledges that the Equipment is in good and acceptable condition.

15. WARRANTIES: Moleaer makes no warranties, express or implied, with respect to this Agreement or the leased Equipment. Without limiting the generality of the foregoing, THE EQUIPMENT IS LEASED "AS IS" AND MOLEAER SPECIFICALLY MAKES NO WARRANTIES, AND EXPRESSLY:

- (I) DISCLAIMS THAT ANY EQUIPMENT IS FREE OF ANY RIGHTFUL CLAIM OF ANY THIRD PERSON BY WAY OF INFRINGEMENT OR THE LIKE;
- (II) DISCLAIMS THAT THE EQUIPMENT IS MERCHANTABILITY; AND
- (III) DISCLAIMS THAT THE EQUIPMENT IS FIT FOR A PARTICULAR USE.

16. INTENDED USE: Lessee shall use the Equipment only in the manner for which it was intended, solely for Lessee's business purpose as defined on the quote above and in accordance with all applicable manuals and instructions and in compliance with all applicable laws and regulations.

17. MAINTENANCE, ALTERATION, DAMAGE AND LOSS: Lessee will, at Lessee's expense, keep and maintain the Equipment clean and in good working order during the Lease Term, and shall promptly advise Moleaer of any problems with the Equipment. All replacement parts and repairs made to or placed upon the Equipment shall become the property of Moleaer. Lessee shall not tamper with, remove or alter any component of the Equipment without prior authorization from Moleaer. Lessee shall be responsible for the full replacement cost of the Equipment if any of the following apply:

- Equipment is lost or stolen
- Equipment becomes inoperable due to misuse
- Equipment is tampered with or modified in any way
- Equipment warranty seals are broken

In addition, the obligations of this Agreement shall continue in full force and effect through the Lease Term.

18. INSURANCE: Lessee shall be responsible to maintain insurance on the Equipment with losses payable to Moleaer against fire, theft, collision, and other such risks as are appropriate and specified by Moleaer. Upon request by Moleaer, Lessee shall provide proof of such insurance.

19. ENCUMBRANCES, TAXES AND OTHER LAWS: Lessee shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Moleaer's title or rights may be negatively affected. Lessee shall be responsible for complying with and conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Lessee shall promptly pay all assessments, taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or

maintenance of the Equipment, now or hereafter imposed by any state, federal, or local government on any item of the Equipment, or the Rent payable thereon, whether the same be payable by or assessed to Moleaer or Lessee. If by law, any registration or license fee or tax is billed to Moleaer, Lessee, at its expense, will do any and all things required to be done by Moleaer in connection with the licensing or registration procedure and the levy or assessment of any tax, including its billing or payment. On request, Lessee shall provide Moleaer with proof of payment and an executed sales tax exemption certificate for the lease of the Equipment.

20. MOLEAER'S REPRESENTATIONS: Moleaer represents and warrants that he/she has the right to lease the Equipment as provided in this Agreement and that Lessee shall be entitled to quietly hold and possess the Equipment, and Moleaer will not interfere with that right as long as Lessee pays the Rent in a timely manner and performs all other obligations under this Agreement.

21. LESSEE'S REPRESENTATION: Lessee agrees to provide a dedicated electrical circuit, wiring and related electrical as well as a water supply with appropriate valves, fittings, etc. to the Equipment at its sole cost and responsibility.

22. OWNERSHIP: The Equipment is and shall remain the sole exclusive property of Moleaer. Lessee has the right only to possess the Equipment until the Termination Date provided the Lessee is not in default. Moleaer shall have the right to enter, with two (2) days' prior notice, upon the premises where the Equipment is located for the purpose of confirming the existence, condition, and proper maintenance of the Equipment. Lessee shall not affix or attach the leased Equipment to any real property without Moleaer's prior written consent. The Equipment shall remain personal property regardless of whether it becomes affixed or attached to, or permanently rests on real property or any improvement on real property, unless the Equipment is purchased by Lessee.

23. INTELLECTUAL PROPERTY; CONFIDENTIALITY: Nothing in this Contract conveys any license, right, title or interest in or to the intellectual property of Moleaer to Lessee or any third party. Without limiting the foregoing, Lessee shall not, and shall not permit or assist any third party to, reverse engineer or otherwise attempt to extract, learn or derive proprietary elements of, the Goods, in whole or in part, or otherwise attempt to use the Goods to unfairly compete directly or indirectly with Moleaer. To the extent Lessee obtains the Confidential Information (defined below) of Moleaer (including, for example, pricing information or trade secrets), Lessee shall not use such Confidential Information for any unauthorized purpose or to disclose such Confidential Information to any third party. These restrictions shall not apply to information that Lessee can demonstrate (1) is in the public domain through no fault of Lessee or persons to whom it disclosed such information, (2) was independently developed by or for Lessee prior to receipt from Moleaer or (3) was disclosed to Lessee by a third party with the legal right to do so, free of any restrictions on subsequent disclosure. Lessee also may disclose such Confidential Information to the extent compelled by court order or applicable law, provided that it shall use its best efforts to provide Moleaer with prior written notice thereof and shall cooperate with Moleaer to obtain confidential treatment or a protective order therefor. For purposes of this Agreement, "Confidential Information" means all nonpublic information disclosed by Moleaer or its agents, or otherwise obtained by Lessee, and that is designated as confidential or that, given the nature of the information or the circumstances surrounding its disclosure, reasonably should be considered as confidential. Lessee agrees that any and all inventions (whether or not patented or patentable), works of authorship, copyrights, trade secrets, know-how, mask works, discoveries, research data, manufacturing methods, industrial designs, formulae, processes, technical information, and any other information that is or may be protectable or claimed as proprietary under the laws of any jurisdiction that it may develop regarding the installation or use of the Equipment through the lease or rental of such Equipment in any application shall be solely owned by Moleaer. Lessee shall assign (and hereby does assign) and shall cause its respective employees, agents and contractors to assign, without further consideration, the ownership of any such intellectual property to Moleaer. Lessee shall perform, upon the reasonable request of Moleaer, such further acts as may be necessary

or desirable to transfer ownership of, and to perfect and defend, such intellectual property in order to give effect to Moleaer's ownership thereof, including full assertion and litigation support.

24. LIMITATION ON MOLEAER LIABILITY: To the fullest extent permitted by law, the total liability, in the aggregate, of Moleaer to Lessee, and anyone claiming by, through, or under Lessee for any claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to the Equipment or this Agreement from any cause or causes, including but not limited to negligence, professional errors and omissions, strict liability, breach of contract, or breach of warranty, shall not exceed the amount of Rent actually paid by Lessee to Moleaer hereunder. Lessee expressly disclaims, and acknowledges that Moleaer shall not be liable for, consequential, incidental, punitive, exemplary, special or indirect damages under any claim arising under this Agreement or the Equipment, whether in tort, contract, under statute or otherwise.

25. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

26. ASSIGNMENT: Without the prior written consent of Moleaer, Lessee shall not sublet, lend, pledge, or assign this Agreement, the Lease, the Equipment or any interest thereon, or permit any, lien, charge, or encumbrance thereon. Lessee will not relinquish nor abandon possession of the Equipment to any party other than to the Moleaer. Moleaer may at any time assign to any bank, or other financial institution, or any person, firm, or corporation, all or part of its right, title and interest in and to this Agreement, the Lease, the Equipment and any monies to become due to the Moleaer hereunder, and Moleaer may grant security interests in the Equipment, subject to the Lessee's right therein as set forth in this Lease, and in such events, all the provisions of this Lease for the benefit of Moleaer shall inure to the benefit of and be exercised by or on behalf of such assignee. All Rent and any other payments due and to become due under this Lease and assigned by Moleaer shall be paid directly to assignee, upon notice of such assignment to Lessee.

27. BINDING EFFECT: The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.

28. GOVERNING LAW: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

29. NOTICE: Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

Lessee:

See Lessee contact information on the quote above

Moleaer:

Moleaer Inc.

Attn: Nick Dyer
20800 Belshaw Ave
Carson, CA 90746

Either party may change such addresses from time to time by providing notice as set forth above.

30. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may be modified in writing and must be signed by both Moleaer and Lessee.
31. **CUMULATIVE RIGHTS:** Moleaer's and Lessee's rights under this Agreement are cumulative, and shall not be construed as exclusive of each other unless otherwise required by law.
32. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver of limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of Rent by Moleaer does not waive Moleaer's right to enforce any provisions of this Agreement.
33. **INDEMNIFICATION:** Except for damages, claims or losses due to Moleaer's acts or negligence, Lessee, to the extent permitted by law, will indemnify and hold Moleaer and Moleaer's property, free and harmless from any liability for losses, claims, injury to or death of any person or for damage to property arising from Lessee using and possessing the Equipment or from the acts or omissions of any person or persons, including Lessee, using or possessing the Equipment with Lessee's express or implied consent.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from March 9, 2022 through April 4, 2022. 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 areas lines cleaning throughout the District.

CCTV INSPECTION

Staff is conducting routine Closed-Circuit Television (CCTV) inspections in the area of San Antonio Creek Road and Via Los Santos.

GREASE AND OIL INSPECTIONS

Staff continues with the annual Grease and Oil inspections. To date, 35 food service establishments have been inspected.

REPAIR AND MAINTENANCE

The City of Goleta paving project on Hollister and S. Kellogg Avenues is complete. The County of Santa Barbara Public Works crew has paved Kodiak Street near Hollister Avenue and South Turnpike Road. Three (3) District manholes and a clean out will be replaced by staff as part of this project.

GOLETA SANITARY DISTRICT FY 2021-22 PILOT PROJECTS

Staff continues working with Armorock and Tierra Contracting on the schedule for the installation of an epoxy manhole. The fiberglass manhole liner installation work with Ayala Engineering has been scheduled for the week of April 18, 2022.

2021 CCTVI PROJECT REVIEW & ASSET MANAGEMENT PROGRAM UPDATE

Staff continues working with Hazen and Sawyer on the update of the Asset Management Plan Capital Improvement Plan Story Map.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT

Due to UCSB's spring break, plant flows decreased to an average of 3.8 million gallons per day. The demand for reclaimed water has begun to increase due to warmer temperatures. 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 (Hazen) continues into its next phases. To date we have determined that the existing disinfection and filtration systems are working as designed. The cause of interference is highly correlated to high surfactant concentrations decreasing the removal of total coliform by the biological treatment process. Initial bench testing of peracetic acid has been performed to develop a range of doses for further evaluation. Samples have been sent to vendors for further evaluation of possible ultraviolet and peracetic/performic acid treatments. Medium and long-term solutions such

as micro/nano-filtration and ultraviolet disinfection prior to chlorination will be evaluated at a feasibility level for cost and constructability.

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. Currently, we are seeing nitrogen removal across the biofilter of about 60% which corresponds to about 12.5% of the total treatment plant's nitrogen removal. This reduction of nutrient loading on the downstream processes has already provided a new level of overall process stability.

Centrifuge and dredging operations continue in lagoon #2.

The Lystek Thickened Waste Activated Sludge (TWAS) pre-treatment pilot project is operating 24/7. We believe that the thermal hydrolysis process may reduce inhibitory chemicals that are adsorbed onto the sludge. We will be testing this hypothesis by sampling for these chemicals before and after the reactor once a steady state during the demonstration period has been reached. Once the demonstration period is complete, a summary report of the results and proforma analysis will be prepared and brought to the Board.

The Influent Pump Station Rehabilitation project has begun with the submittal and procurement process for the long lead-time items. Construction of the project may not start for another 5-8 months depending on the completion of the procurement process.

A workshop on the environmental document for the Biosolids and Energy Strategic Plan (BESP) Phase 1 is scheduled for later this month. This project is scheduled to begin construction by the end of the calendar year and to be completed by the end of 2023.

BESP Phases 2 & 3 preliminary engineering design is continuing to move forward. This project will provide a 30% design package for a centrifuge, thermal dryer, and a fats, oil and grease (FOG) receiving facility. This level of design is necessary to understand the cost and funding implications of the project.

Plant maintenance staff has completed the installation of new effluent chlorine residual analyzers. The old analyzers were well beyond their life expectancy. The new analyzers have no moving parts and do not require expensive reagents. The District has piloted one of these analyzers for the last 2 years, which led to considerable chemical savings.

Operations staff took delivery of the new skid-steer loader. This piece of equipment replaces an older John Deere farm tractor that it being phased out due to engine emissions. The new equipment provides greater flexibility with useful accessory implements, such as a pick-up broom and mower attachment, while also being much safer for the operator.

PUBLIC EDUCATION AND OUTREACH

Outreach efforts associated with the District's transition to district-based elections is winding down. The new draft map (Plan 1) was posted on the District's website and on social media. A public notice ran in the Santa Barbara News Press on Thursday, March 31, 2022. Once the final adoption is complete additional posting and outreach will be done through the usual channels, including in the next District newsletter.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of April 4, 2022 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

| | |
|------------------------------|---------------|
| Operating Checking Accounts: | \$ 689,833 |
| Investment Accounts: | \$ 31,901,441 |
| Total District Funds: | \$ 32,591,274 |

The following transactions are reported herein for the period 03/21/22 – 04/04/22

| | |
|---|------------|
| Regular, Overtime, Cash-outs and Net Payroll: | \$ 121,191 |
| Claims: | \$ 244,531 |
| Total Expenditures: | \$ 365,722 |
| Total Deposits: | \$ 288,349 |

Transfers of funds:

| | |
|--|------------|
| LAIF to Community West Bank Operational (CWB): | \$ - 0 - |
| CWB Operational to CWB Money Market: | \$ - 0 - |
| CWB Money Market to CWB Operational: | \$ 500,000 |

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

Local Agency Investment Fund (LAIF)

LAIF Monthly Statement – March, 2022
LAIF Quarterly Report – Previously submitted.

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

Community West Bank (CWB)

CWB Money Market Account – Previously submitted.

General Manager's Report

April 4, 2022

Page 4

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – Previously submitted.

Lincoln 457 Deferred Compensation Plan – March, 2022

California State Treasurer
Fiona Ma, CPA



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

April 01, 2022

[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

March 2022 Statement

Account Summary

| | | | |
|-------------------|------|--------------------|--------------|
| Total Deposit: | 0.00 | Beginning Balance: | 2,026,267.91 |
| Total Withdrawal: | 0.00 | Ending Balance: | 2,026,267.91 |

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 03/31/2022 | YTD as of 03/31/2022 | Average Annual Total Return (%) as of 3/31/2022 | | | | | | Since Incep. | |
|---|----------------|--------------------------|----------------------|----------------------|---|-------|--------|-------|-------|-------|--------------|-------|
| | | | | | 1 Mo | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr | | |
| Risk Managed | | | | | | | | | | | | |
| Fidelity® VIP Freedom 2055 Portfolio SM - Service Class ^{6,9} | RM | 04/11/2019 | -1.26 | -7.69 | -7.69 | 0.15 | -7.69 | 2.87 | N/A | N/A | N/A | 12.20 |
| Fidelity® VIP Freedom 2060 Portfolio SM - Service Class ^{6,9} | RM | 04/11/2019 | -1.27 | -7.65 | -7.65 | 0.16 | -7.65 | 2.85 | N/A | N/A | N/A | 12.22 |
| Maximum Capital Appreciation | | | | | | | | | | | | |
| AB VPS Global Thematic Growth Portfolio - Class B ^{1,2} | MCA | 01/11/1996 | -1.45 | -14.96 | -14.96 | -0.67 | -14.96 | 0.38 | 17.00 | 14.36 | 10.31 | 5.88 |
| DWS Alternative Asset Allocation VIP Portfolio - Class A ^{1,2,3,6,7} | MCA | 02/02/2009 | -0.59 | 0.35 | 0.35 | 2.96 | 0.35 | 9.18 | 7.27 | 4.60 | 2.73 | 4.74 |
| LVIP Baron Growth Opportunities Fund - Service Class ⁴ | MCA | 10/01/1998 | -1.40 | -14.61 | -14.61 | -0.12 | -14.61 | -0.95 | 14.60 | 14.34 | 12.60 | 11.07 |
| LVIP Delaware SMID Cap Core Fund - Standard Class ^{4,5} | MCA | 07/12/1991 | -1.33 | -4.92 | -4.92 | 0.47 | -4.92 | 3.78 | 12.50 | 10.03 | 9.85 | 9.27 |
| LVIP SSGA Emerging Markets 100 Fund - Standard Class ^{1,19} | MCA | 06/18/2008 | -0.76 | -1.07 | -1.07 | -1.80 | -1.07 | -1.43 | 3.51 | 2.06 | 0.41 | 2.45 |
| LVIP SSGA Small-Cap Index Fund - Standard Class ^{4,18} | MCA | 04/18/1986 | -1.00 | -7.84 | -7.84 | 1.13 | -7.84 | -6.98 | 10.17 | 8.20 | 9.48 | 7.04 |
| LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Standard Class ⁴ | MCA | 02/03/1994 | -1.29 | -12.74 | -12.74 | 1.58 | -12.74 | -1.22 | 13.64 | 14.05 | 12.60 | 7.11 |
| Long Term Growth | | | | | | | | | | | | |
| American Funds Global Growth Fund - Class 2 ¹ | LTG | 04/30/1997 | -1.75 | -13.77 | -13.77 | -0.01 | -13.77 | -3.81 | 14.19 | 13.00 | 11.36 | 9.10 |
| American Funds Growth Fund - Class 2 | LTG | 02/08/1984 | -1.54 | -9.12 | -9.12 | 4.01 | -9.12 | 6.32 | 23.68 | 19.77 | 15.82 | 12.25 |

Performance Update

Monthly hypothetical performance adjusted for contract fees *

| Investment Options | | Inception Date | Change from Previous Day | YTD as of 03/31/2022 | YTD as of 03/31/2022 | Average Annual Total Return (%) as of 3/31/2022 | | | | | | Since Incep. |
|--|-----|----------------|--------------------------|----------------------|----------------------|---|-------|--------|-------|-------|-------|--------------|
| | | | | | | 1 Mo | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr | |
| American Funds International Fund - Class 2 ¹ | LTG | 05/01/1990 | -1.55 | -9.87 | -9.87 | -0.96 | -9.87 | -10.75 | 2.39 | 4.39 | 4.76 | 6.33 |
| Delaware VIP Small Cap Value ^{4, 5} | LTG | 12/27/1993 | -1.42 | -3.51 | -3.51 | -1.88 | -3.51 | 6.96 | 11.55 | 6.89 | 9.13 | 9.32 |
| Fidelity® VIP Contrafund® Portfolio - Service Class | LTG | 01/03/1995 | -1.71 | -9.90 | -9.90 | 2.83 | -9.90 | 11.75 | 18.73 | 14.77 | 12.71 | 10.70 |
| Fidelity® VIP Growth Portfolio - Service Class | LTG | 10/09/1986 | -1.16 | -7.03 | -7.03 | 4.37 | -7.03 | 10.26 | 22.57 | 20.40 | 15.78 | 10.21 |
| LVIP BlackRock Global Real Estate Fund - Standard Class ^{1, 2, 9} | LTG | 04/30/2007 | -1.46 | -4.78 | -4.78 | 3.59 | -4.78 | 13.10 | 8.04 | 7.34 | 6.11 | 1.95 |
| LVIP Delaware Mid Cap Value Fund - Standard Class ^{4, 5} | LTG | 12/28/1981 | -1.46 | -2.01 | -2.01 | 0.80 | -2.01 | 11.74 | 12.32 | 9.10 | 10.53 | 10.47 |
| LVIP Delaware Social Awareness Fund - Standard Class ⁵ | LTG | 05/02/1988 | -1.53 | -6.02 | -6.02 | 2.90 | -6.02 | 10.21 | 16.96 | 14.12 | 12.62 | 10.12 |
| LVIP Dimensional U.S. Core Equity 1 Fund - Standard Class | LTG | 12/28/1981 | -1.50 | -4.56 | -4.56 | 2.44 | -4.56 | 10.25 | 16.41 | 13.37 | 12.38 | 9.93 |
| LVIP Mondrian International Value Fund - Standard Class ¹ | LTG | 05/01/1991 | -1.85 | -2.72 | -2.72 | -2.29 | -2.72 | 0.83 | 2.87 | 2.97 | 3.77 | 5.17 |
| LVIP SSGA International Index Fund - Standard Class ^{1, 18, 20} | LTG | 04/30/2008 | -1.72 | -7.12 | -7.12 | -0.44 | -7.12 | -0.80 | 6.14 | 5.25 | 4.80 | 1.50 |
| LVIP SSGA S&P 500 Index Fund - Standard Class ^{18, 21} | LTG | 05/01/2000 | -1.56 | -4.86 | -4.86 | 3.61 | -4.86 | 14.26 | 17.45 | 14.55 | 13.22 | 6.02 |
| LVIP Vanguard Domestic Equity ETF Fund - Service Class ^{6, 22} | LTG | 04/29/2011 | -1.44 | -5.53 | -5.53 | 3.23 | -5.53 | 10.68 | 16.34 | 13.59 | 12.21 | 11.30 |
| LVIP Vanguard International Equity ETF Fund - Service Class ^{1, 6, 22} | LTG | 04/29/2011 | -1.52 | -6.47 | -6.47 | -0.49 | -6.47 | -3.81 | 6.08 | 5.36 | 4.52 | 2.99 |
| MFS® VIT Utilities Series - Initial Class ² | LTG | 01/03/1995 | -0.30 | 3.24 | 3.24 | 6.98 | 3.24 | 15.37 | 10.55 | 9.95 | 8.65 | 10.28 |
| Growth and Income | | | | | | | | | | | | |
| American Funds Growth-Income Fund - Class 2 | GI | 02/08/1984 | -1.52 | -5.70 | -5.70 | 2.29 | -5.70 | 9.27 | 13.23 | 12.49 | 12.44 | 10.18 |
| BlackRock Global Allocation V.I. Fund - Class I ^{1, 3} | GI | 02/28/1992 | -1.08 | -7.03 | -7.03 | -0.92 | -7.03 | -3.21 | 8.61 | 6.39 | 5.29 | 6.20 |
| Fidelity® VIP Freedom 2020 Portfolio SM - Service Class ^{6, 8} | GI | 04/26/2005 | -0.69 | -6.63 | -6.63 | -1.08 | -6.63 | -0.17 | 7.99 | 6.98 | 6.48 | 5.69 |
| Fidelity® VIP Freedom 2025 Portfolio SM - Service Class ^{6, 8} | GI | 04/26/2005 | -0.84 | -6.92 | -6.92 | -0.98 | -6.92 | 0.19 | 8.83 | 7.65 | 7.27 | 6.23 |

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Performance Update

Monthly hypothetical performance adjusted for contract fees *

| Investment Options | | Inception Date | Change from Previous Day | YTD as of 03/31/2022 | YTD as of 03/31/2022 | Average Annual Total Return (%) as of 3/31/2022 | | | | | | Since Incep. |
|--|----|----------------|--------------------------|----------------------|----------------------|---|-------|-------|-------|-------|-------|--------------|
| | | | | | | 1 Mo | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr | |
| Fidelity® VIP Freedom 2030 Portfolio SM - Service Class ^{6, 8} | GI | 04/26/2005 | -0.96 | -7.20 | -7.20 | -0.85 | -7.20 | 0.70 | 9.85 | 8.59 | 8.01 | 6.52 |
| Fidelity® VIP Freedom 2035 Portfolio SM - Service Class ^{6, 8} | GI | 04/08/2009 | -1.11 | -7.50 | -7.50 | -0.36 | -7.50 | 1.83 | 11.58 | 9.84 | 8.96 | 11.30 |
| Fidelity® VIP Freedom 2040 Portfolio SM - Service Class ^{6, 8} | GI | 04/08/2009 | -1.28 | -7.70 | -7.70 | 0.08 | -7.70 | 2.80 | 12.70 | 10.50 | 9.34 | 11.67 |
| Fidelity® VIP Freedom 2045 Portfolio SM - Service Class ^{6, 8} | GI | 04/08/2009 | -1.27 | -7.67 | -7.67 | 0.12 | -7.67 | 2.83 | 12.71 | 10.50 | 9.41 | 11.75 |
| Fidelity® VIP Freedom 2050 Portfolio SM - Service Class ^{6, 8} | GI | 04/08/2009 | -1.32 | -7.73 | -7.73 | 0.09 | -7.73 | 2.79 | 12.71 | 10.49 | 9.43 | 11.85 |
| LVIP BlackRock Advantage Allocation Fund - Standard Class ^{3, 5, 10} | GI | 07/28/1988 | -0.79 | -6.46 | -6.46 | -0.46 | -6.46 | -0.73 | 6.33 | 5.73 | 5.31 | 5.62 |
| LVIP Delaware REIT Fund - Standard Class ^{2, 5, 9} | GI | 05/04/1998 | -1.40 | -5.31 | -5.31 | 6.19 | -5.31 | 24.37 | 9.10 | 6.83 | 7.27 | 7.96 |
| LVIP Delaware Value Fund - Standard Class ⁵ | GI | 07/28/1988 | -1.38 | 0.09 | 0.09 | 1.72 | 0.09 | 11.62 | 9.21 | 8.63 | 10.64 | 8.06 |
| LVIP Delaware Wealth Builder Fund - Standard Class ^{3, 5, 10} | GI | 08/03/1987 | -0.86 | -4.21 | -4.21 | -0.17 | -4.21 | 3.31 | 5.88 | 4.92 | 5.53 | 5.94 |
| LVIP JPMorgan Retirement Income Fund - Standard Class ^{3, 5, 10} | GI | 04/27/1983 | -0.52 | -5.84 | -5.84 | -0.97 | -5.84 | -1.40 | 4.39 | 4.02 | 4.07 | 6.38 |
| Income | | | | | | | | | | | | |
| LVIP BlackRock Inflation Protected Bond Fund - Standard Class ¹² | I | 04/30/2010 | -0.13 | -0.50 | -0.50 | -0.63 | -0.50 | 3.16 | 3.44 | 2.46 | 0.79 | 1.77 |
| LVIP Delaware Bond Fund - Standard Class ^{5, 12} | I | 12/28/1981 | 0.09 | -6.59 | -6.59 | -2.69 | -6.59 | -6.14 | 1.13 | 1.47 | 1.52 | 6.25 |
| LVIP Delaware Diversified Floating Rate Fund ^{5, 14} | I | 04/30/2010 | 0.03 | -1.06 | -1.06 | -0.25 | -1.06 | -1.75 | -0.08 | 0.25 | 0.12 | 0.14 |
| LVIP Delaware Diversified Income Fund - Standard Class ^{5, 12} | I | 05/16/2003 | 0.14 | -6.44 | -6.44 | -2.33 | -6.44 | -5.57 | 1.87 | 1.83 | 1.75 | 3.81 |
| LVIP Delaware High Yield Fund - Standard Class ^{5, 12, 15} | I | 07/28/1988 | 0.02 | -4.67 | -4.67 | -0.96 | -4.67 | -1.51 | 4.09 | 3.62 | 3.97 | 5.46 |
| LVIP Global Income Fund - Standard Class ^{1, 10, 12, 13} | I | 05/04/2009 | 0.20 | -5.86 | -5.86 | -3.20 | -5.86 | -8.09 | -1.09 | 0.33 | 0.09 | 1.66 |
| LVIP SSGA Bond Index Fund - Standard Class ^{12, 18} | I | 04/30/2008 | 0.10 | -6.17 | -6.17 | -2.88 | -6.17 | -5.46 | 0.40 | 0.82 | 0.89 | 1.87 |
| PIMCO VIT Total Return Portfolio - Administrative Class ¹² | I | 12/31/1997 | 0.00 | -6.37 | -6.37 | -3.38 | -6.37 | -5.29 | 0.93 | 1.30 | 1.51 | 3.81 |

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Performance Update

Monthly hypothetical performance adjusted for contract fees *

| Investment Options | Inception Date | Change from Previous Day | YTD as of 03/31/2022 | YTD as of 03/31/2022 | Average Annual Total Return (%) as of 3/31/2022 | | | | | | Since Incep. | |
|---|----------------|--------------------------|----------------------|----------------------|---|-------|--------|-------|-------|-------|--------------|-------|
| | | | | | 1 Mo | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr | | |
| Risk Managed - Asset Allocation | | | | | | | | | | | | |
| LVIP Global Conservative Allocation Managed Risk Fund - Standard Class ^{1,3,6,10,16} | RMAA | 05/03/2005 | -0.64 | -6.94 | -6.94 | -1.31 | -6.94 | -1.73 | 3.89 | 3.81 | 3.91 | 4.49 |
| LVIP Global Growth Allocation Managed Risk Fund - Standard Class ^{1,3,6,10,16} | RMAA | 05/03/2005 | -1.12 | -8.28 | -8.28 | -1.27 | -8.28 | -0.78 | 5.18 | 4.63 | 4.24 | 4.26 |
| LVIP Global Moderate Allocation Managed Risk Fund - Standard Class ^{1,3,6,10,16} | RMAA | 05/03/2005 | -0.94 | -7.77 | -7.77 | -1.26 | -7.77 | -1.00 | 4.64 | 4.32 | 4.01 | 4.42 |
| LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Standard Class ^{1,3,6,10,11,13} | RMAA | 05/03/2005 | -1.00 | -4.86 | -4.86 | -0.32 | -4.86 | 1.33 | 6.54 | 5.12 | 3.98 | 3.72 |
| Preservation of Capital | | | | | | | | | | | | |
| LVIP Government Money Market Fund - Standard Class ^{10,17} | PC | 01/07/1982 | 0.00 | -0.24 | -0.24 | -0.08 | -0.24 | -0.98 | -0.47 | -0.24 | -0.60 | 2.65 |
| Risk Managed - US Large Cap | | | | | | | | | | | | |
| LVIP BlackRock Dividend Value Managed Volatility Fund - Standard Class ^{10,11} | RMUSL | 02/03/1994 | -1.44 | 2.04 | 2.04 | 1.72 | 2.04 | 10.15 | 11.75 | 8.28 | 7.00 | 6.84 |
| LVIP Blended Large Cap Growth Managed Volatility Fund - Standard Class ^{10,11,13} | RMUSL | 02/03/1994 | -1.21 | -14.33 | -14.33 | -0.56 | -14.33 | 7.38 | 14.68 | 11.98 | 9.20 | 7.03 |
| Asset Allocation | | | | | | | | | | | | |
| LVIP T. Rowe Price 2010 Fund (Standard Class) ^{6,8,10} | AsA | 05/01/2007 | -0.72 | -5.31 | -5.31 | -0.30 | -5.31 | 0.38 | 6.65 | 5.40 | 4.45 | 3.84 |
| LVIP T. Rowe Price 2020 Fund (Standard Class) ^{6,8,10} | AsA | 05/01/2007 | -0.80 | -5.59 | -5.59 | -0.10 | -5.59 | 0.85 | 7.79 | 6.41 | 5.11 | 3.96 |
| LVIP T. Rowe Price 2030 Fund (Standard Class) ^{6,8,10} | AsA | 05/01/2007 | -1.09 | -6.12 | -6.12 | 0.43 | -6.12 | 2.02 | 9.75 | 7.61 | 5.74 | 4.24 |
| LVIP T. Rowe Price 2040 Fund (Standard Class) ^{6,8,10} | AsA | 05/01/2007 | -1.39 | -6.28 | -6.28 | 1.12 | -6.28 | 3.38 | 11.49 | 8.73 | 6.35 | 4.26 |
| LVIP T. Rowe Price 2050 Fund (Standard Class) ^{6,8,10} | AsA | 04/29/2011 | -1.50 | -6.32 | -6.32 | 1.30 | -6.32 | 3.83 | 12.01 | 9.49 | 6.90 | 5.64 |
| LVIP T. Rowe Price 2060 Fund - Standard Class ^{6,8,10} | AsA | 04/30/2020 | -1.50 | -6.25 | -6.25 | 1.31 | -6.25 | 4.06 | N/A | N/A | N/A | 22.12 |
| Risk Managed - US Mid Cap | | | | | | | | | | | | |

Performance Update

Monthly hypothetical performance adjusted for contract fees *

| Investment Options | Inception Date | Change from Previous Day | Average Annual Total Return (%) as of 3/31/2022 | | | | | | | | | |
|--|------------------|--------------------------|---|----------------------|-------|--------|-------|-------|-------|-------|--------------|--|
| | | | YTD as of 03/31/2022 | YTD as of 03/31/2022 | 1 Mo | 3 Mo | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | |
| LVIP Blended Mid Cap Managed Volatility Fund - Standard Class ^{4, 10, 11, 13} | RMUSM 05/01/2001 | -0.74 | -15.42 | -15.42 | -0.12 | -15.42 | -3.17 | 10.61 | 11.44 | 6.30 | 4.38 | |
| LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Standard Class ^{4, 10, 11, 13} | RMUSM 05/01/2001 | -1.46 | -3.33 | -3.33 | 0.28 | -3.33 | 8.49 | 10.29 | 6.55 | 6.54 | 6.24 | |
| Risk Managed - Global/International | | | | | | | | | | | | |
| LVIP Franklin Templeton Global Equity Managed Volatility Fund - Standard Class ^{1, 10, 11} | RMGI 08/01/1985 | -1.51 | -4.51 | -4.51 | -0.02 | -4.51 | 5.62 | 9.65 | 7.05 | 5.59 | 7.06 | |
| LVIP SSGA International Managed Volatility Fund - Standard Class ^{1, 6, 10, 11} | RMGI 12/31/2013 | -1.60 | -9.03 | -9.03 | -2.18 | -9.03 | -3.12 | 2.32 | 2.82 | N/A | 0.44 | |

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

Performance Update

1 International

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

2 Sector Funds

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

3 Asset Allocation Portfolios

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

4 Small & Mid Cap

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

5 Macquarie Investment Management

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

6 Fund of funds

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

7 Alternative Funds

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

8 Target-date funds

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

9 REIT

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

10 Manager of managers funds

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

11 Managed Volatility Strategy

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

12 Bonds

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

13 Multimanager

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

14 Floating rate funds

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

15 High-yield or mortgage-backed funds

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

Performance Update

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 April 4, 2022



Date: **Correspondence Sent To:**

1. 03/28/2022 Christo Anderson
CA Assets
Subject: Sewer Service Availability
Proposed Sewer Service Connection for a Lot Split
Parcel 1 of Parcel Map 14,827 - APN: 061-070-067
4535 Hollister Ave., Santa Barbara, CA

2. 03/28/2022 Christo Anderson
CA Assets
Subject: Sewer Service Availability
Proposed Sewer Service Connection for a Lot Split
Parcel 2 of Parcel Map 14,827 - APN: 061-070-067
4535 Hollister Ave., Santa Barbara, CA

3. 03/30/2022 Johan Denecke
Atomica Corp.
Subject: Correction – March 15, 2022 Notice of Violation ERROR

Date: **Correspondence Received From:**

1. 03/15/2022 Granite
Subject: Energy Surcharge – Effective April 1, 2022

2. 03/15/2022 The Regents of the University of California
Subject: Notice of Violation, Industrial Wastewater Discharge
Permit # A-413

3. 03/21/2022 SNF Water Science
Subject: Notice of Price Change – Effective April 1, 2022

4. 03/24/2022 Santa Barbara Wildlife Care Network
Subject: Industrial Wastewater Discharge Permit #C-247-25
Compliance Report

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