

# **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/89039650226?pwd=61HCr7dnq3KMtpnEdDLqnU0A9BFua1.1>**

**Meeting ID: 890 3965 0226**

**Passcode: 198019**

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

One William Moffett Place  
Goleta, California 93117

July 6, 2022

**CALL TO ORDER:** 2:00 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 June 20, 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 24 hours in advance of the meeting.

**BUSINESS:**

1. CONSIDERATION AND APPROVAL OF RESOLUTION ELECTING TO HAVE SEWER SERVICE CHARGES COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2022-23, DIRECTING THE PREPARATION AND FILING OF THE REPORT, FIXING TIME AND PLACE FOR HEARING, AND PROVIDING FOR NOTICE THEREOF  
(Board may take action on this item.)
2. STATUS REPORT ON BIOSOLIDS AND ENERGY STRATEGIC PLAN'S FINANCING PLAN AND COORDINATION OF EFFORTS WITH GOLETA WEST SANITARY DISTRICT
3. CONSIDERATION OF BIOSOLIDS DISPOSAL AGREEMENT ASSIGNMENT REQUEST  
(Board may take action on this item.)

4. GENERAL MANAGER'S REPORT
5. LEGAL COUNSEL'S REPORT
6. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
7. PRESIDENT'S REPORT
8. ITEMS FOR FUTURE MEETINGS
9. CORRESPONDENCE  
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
10. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT  
(The Board will be asked to ratify claims.)

## **ADJOURNMENT**

***Any public records which are distributed less than 24 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.***

***Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's Finance & H.R. Manager at least 2 hours prior to the meeting by telephone at (805) 967-4519 or by email at [info@goletasaniitary.org](mailto:info@goletasaniitary.org).***

# MINUTES

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

June 20, 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 (via Zoom)
- BOARD MEMBERS ABSENT:** None
- STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Rob Mangus, Finance and Human Resources Manager/Board Secretary, and Richard Battles, Legal Counsel from Howell Moore & Gough LLP.
- OTHERS PRESENT:** Tom Evans, Director, Goleta Water District, Larry Meyer, Director, Goleta West Sanitary District, and Brian McCarthy, General Manager, Goleta West Sanitary District
- APPROVAL OF MINUTES:** Director Fuller made a motion, seconded by Director Rose, to approve the minutes of the Regular Board meeting of 06/06/22 and the Special Board meeting of 06/13/22. The motion carried by the following vote:
- (22/06/2236)
- |          |   |   |
|----------|---|---|
| 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. **CONSIDERATION OF DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2022-23**  
Mr. Wagner and Mr. Mangus gave the staff report.

Director Rose made a motion, seconded by Director Smith to approve and adopt the Fiscal Year 2022-23 Budget.

The motion carried by the following vote:

(22/06/2237)

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

2. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 22-688 APPROVING REVISED ORGANIZATION CHART AND EMPLOYEE PAY SCHEDULE

Mr. Wagner gave the staff report.

Director Smith made a motion, seconded by Director Fuller to approve and adopt Resolution No. 22-688 approving and adopting an updated Organizational Chart and Employee Pay Schedule, for FY2022-23.

The motion carried by the following vote:

(22/06/2238)

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

3. CONSIDERATION OF APPROVAL OF RESOLUTION NO. 22-689 ADOPTING FINDINGS, APPROVING PRELIMINARY ENVIRONMENTAL REVIEW FORM AND ENVIRONMENTAL IMPACT ASSESSMENT, AND RATIFYING AND APPROVING PREPARATION OF A MITIGATED NEGATIVE DECLARATION FOR THE BESP PHASE 2 PROJECT

Mr. Wagner gave the staff report.

Director Rose made a motion, seconded by Director Fuller to approve and adopt Resolution No. 22-689 adopting findings, approving the Preliminary Environmental Review Form and Environmental Impact Assessment, and Ratifying and Approving the Preparation of a Mitigated Negative Declaration for the Biosolids and Energy Strategic Plan Phase 2 project.

The motion carried by the following vote:

(22/06/2239)

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

4. REVIEW AND CONSIDERATION OF PROPOSAL FOR REGULATORY AND PERMITTING SUPPORT SERVICES FOR THE BIOSOLIDS AND ENERGY STRATEGIC PLAN PHASE 2 IMPROVEMENTS

Mr. Wagner gave the staff report.

Consensus of the Board was to table this item and have it brought back at a future meeting.

5. CONSIDERATION AND APPROVAL OF ADDITIONAL INSTALLMENT SALE FINANCING DOCUMENTS FOR BIOSOLIDS AND ENERGY STRATEGIC PLAN (BESP) PROJECT AND REVISIONS TO PREVIOUSLY APPROVED FINANCING DOCUMENTS

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

Director Rose made a motion, seconded by Director Fuller to approve (i) the Tax Compliance Certificate, IRS Form 8038-G, UCC Financing Statement, and Closing Certificate, (ii) approve the changes to the Installment Sale Agreement and Escrow and Account Control Agreement, and (iii) authorize the execution thereof by the signatories identified in those documents.

The motion carried by the following vote:

(22/06/2240)

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

6. CLOSED SESSION

Consensus of the Board was to move the Closed Session item to the end of the meeting, as Item 14.

7. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

8. LEGAL COUNSEL'S REPORT

Mr. Battles reported on a Federal case involving a minority party state senator who filed a First Amendment retaliation claim against majority party state senators for allegedly retaliating against him for engaging in protected speech.

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

Director Fuller – No report.

Director Emerson – No report.

Director Smith – No report.

Director Rose – No report.

10. PRESIDENT'S REPORT

President Majoewsky – Reported on the Goleta Water District meeting he attended.

11. ITEMS FOR FUTURE MEETINGS

No Board action was taken to return with an item.

12. CORRESPONDENCE

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

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

Director Emerson made a motion, seconded by Director Fuller, to ratify and approve the claims, for the period 06/07/22 to 06/20/22 as follows:

Running Expense Fund #4640	\$	293,721.56
Depreciation Replacement Reserve Fund #4655	\$	72,904.56
Retiree Health Insurance Sinking Fund #4660	\$	3,666.83

The motion carried by the following vote:

(22/06/2241)

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

ABSTAIN:           None

President Majoewsky called a recess at 7:30 p.m.  
President Majoewsky called the meeting back to order at 7:44 p.m.

14.    CLOSED SESSION

A.    PUBLIC COMMENTS ON CLOSED SESSION MATTER

No public comment

B.    CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION  
54957(b)(1)  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
TITLE: GENERAL MANAGER

The Board entered closed session at 7:45 p.m.

The Board exited closed session at 8:25 p.m.

C.    PUBLIC REPORT ON CLOSED SESSION MATTER

There was no reportable Board action.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:26 p.m.

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Steven T. Majoewsky  
Governing Board President

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Robert O. Mangus, Jr.  
Governing Board Secretary

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George W. Emerson

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Sharon Rose

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Edward Fuller

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Jerry D. Smith

# **AGENDA ITEM #1**

**AGENDA ITEM: 1**

**MEETING DATE: July 6, 2022**

**I. NATURE OF ITEM**

Consideration and Approval of Resolution Electing to Have Sewer Service Charges Collected on the Tax Roll for Fiscal Year 2022-23, Directing the Preparation and Filing of the Report, Fixing Time and Place for Hearing, and Providing for Notice Thereof

**II. BACKGROUND INFORMATION**

In order to provide for the collection of the District's sewer service charges on the Santa Barbara County tax roll for the Fiscal Year 2022-23, the Board needs to adopt a resolution formally making that election. The resolution also needs to provide for (i) the preparation and filing of a written report containing a description of each parcel of property receiving service, and the amount of the sewer service charge for each such parcel, (ii) the scheduling of a public hearing on the report, and (iii) the publication of a notice of the hearing.

**III. COMMENTS AND RECOMMENDATIONS**

Staff has prepared a proposed resolution providing for the Board's election to have the District's sewer service charges collected on the Fiscal Year 2022-23 tax roll. It is recommended that the Board adopt the proposed resolution. The adoption of the resolution must be by 2/3 approval, which requires the affirmative vote of four Board members.

**IV. REFERENCE MATERIALS**

Resolution No. 22-690 Electing to Have Sewer Service Charges Collected on the Tax Roll for Fiscal Year 2022-23, Directing the Preparation and Filing of the Report, Fixing Time and Place for Hearing, and Providing for Notice

**RESOLUTION NO. 22-690**

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA  
SANITARY DISTRICT ELECTING TO HAVE SEWER SERVICE CHARGES  
COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2022-23, DIRECTING  
THE PREPARATION AND FILING OF REPORT, FIXING TIME AND PLACE  
FOR HEARING, AND PROVIDING FOR NOTICE THEREOF**

**WHEREAS**, the Governing Board of the Goleta Sanitary District (the “District”) has passed and adopted an ordinance prescribing sewer service charges; and

**WHEREAS**, pursuant to California Health and Safety Code Section 5473 et seq., the Governing Board desires to have said service charges for Fiscal Year 2022-23 (the “Service Charges”) collected on the Santa Barbara County tax roll with the general taxes.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** as follows:

1. Pursuant to Health and Safety Code Section 5473, the election is hereby made to have the Service Charges collected on the Santa Barbara County tax roll in the same manner, by the same persons, at the same time as, together with, and not separately from, the general taxes.
2. District staff is directed to prepare and file with the Secretary of the Board a written report containing a description of each parcel of real property receiving sewer service and the amount of the Service Charges for each such parcel (the “Report”).
3. A hearing on the Report shall be held before this Board on Monday, August 1, 2022, at 6:30 p.m., at One William Moffett Road, Goleta, California.
4. Pursuant to Health and Safety Code Section 5473.1, the Secretary shall cause a notice of the filing of the Report and of the time and place set for the hearing, at which oral or written presentation can be made, to be published pursuant to Government Code Section 6066 once a week for two successive weeks preceding said hearing with at least five (5) days intervening between the respective publication dates, not counting such publication dates, and the first publication date being not less than fourteen (14) days prior to the date set for hearing.
5. The Secretary is hereby authorized and directed to sign and publish said notice on behalf of the Board as ordered above.
6. The above-mentioned notice shall be in the form set forth in Exhibit “A” attached hereto and by this reference made a part hereof.

**PASSED AND ADOPTED** this 6th day of July 2022, by the following vote of the Governing Board of the Goleta Sanitary District.

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**COUNTERSIGNED:**

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Steven T. Majoewsky,  
President of the Governing Board

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Robert O. Mangus  
Secretary of the Governing Board

**EXHIBIT "A"**

**NOTICE OF FILING AND HEARING  
ON REPORT OF SEWER SERVICE CHARGES  
LEVIED BY THE GOLETA SANITARY DISTRICT**

NOTICE IS HEREBY GIVEN that, pursuant to Section 5473 of the California Health and Safety Code, there has been filed with the Secretary of the Goleta Sanitary District, a report containing: (a) a proposal to have sewer service charges for the Fiscal Year 2022-23 collected on the tax roll, (b) a description of each parcel of real property receiving services and facilities furnished by the Goleta Sanitary District in connection with its wastewater system, and (c) the amount of the sewer service charge to be levied upon each parcel for the Fiscal Year 2022-23, computed in conformity with the charges prescribed by an ordinance duly passed and approved by the Governing Board of the Goleta Sanitary District; and that the time and place for a hearing on said report has been set for Monday, August 1, 2022 at 6:30 p.m., at the office of the Goleta Sanitary District, One William Moffett Place, Goleta, California 93117.

DATED: July 6, 2022

GOLETA SANITARY DISTRICT

By \_\_\_\_\_  
Robert O. Mangus  
Secretary of the Governing Board

# **AGENDA ITEM #2**

**AGENDA ITEM: 2**

**MEETING DATE: July 6, 2022**

**I. NATURE OF ITEM**

Status Report on Biosolids and Energy Strategic Plan's Financing Plan and Coordination Efforts with Goleta West Sanitary District

**II. BACKGROUND INFORMATION**

At its meeting on June 6, 2022, the District's Governing Board adopted Resolution No. 22-684 which, among other actions, approved an Installment Sale Agreement and an Escrow and Account Control Agreement relating to the financing of the Biosolids and Energy Strategic Plan (BESP) project. Subsequent to that meeting, various revisions were made to those documents to put them in final form for execution. Copies of the final financing documents were presented to the Board for consideration on June 20, 2022 and the financing transaction closed as scheduled on June 23, 2022. The loan proceeds in the amount of \$14,135,000 were placed in the escrow account and are now available for disbursement. District staff have submitted two disbursement requests to date. One in the amount of \$135,000 for the cost of issuance and another in the amount of \$975,000 for prior design costs paid for the design and environmental review of the BESP projects.

Staff has also been in daily contact with the General Manager of the Goleta West Sanitary District (GWSD) regarding their independent review of the BESP project information that was submitted in response to a request for information. It is our understanding that GWSD is in the process of hiring Surendra Sakral, a lead engineer at AECOM to review the BESP project on their behalf. GWSD has initiated the process to obtain financing for their portion of the BESP project pending the completion of their review and approval of their participation.

**III. COMMENTS AND RECOMMENDATIONS**

Staff is continuing to pursue issuance of all regulatory permits for the BESP Phase 1 project. The draft Authority to Construct (ATC) permit from the Santa Barbara Air Pollution Control District is expected to be issued any day now and the Santa Barbara County Coastal Development Permit is expected to be issued in the fall. Construction of the BESP Phase 1 project is anticipated to begin in Spring 2023 and be completed by the end of 2024. The preliminary design of the BESP Phase 2 project is nearing completion and the environmental review effort has been temporarily placed on hold as directed by the Board.

A summary presentation/overview of the BESP project that was provided to the GWSD Board in May 2022 is attached herein. Similar presentations and

outreach materials summarizing the economic and environmental benefits of the BESP project are being developed for future use. This report is for Board information only and no action on the BESP project is required at this time.

#### **IV. REFERENCE MATERIALS**

BESP Summary Presentation

# Biosolids & Energy Strategic Plan

**Goleta West Sanitary District  
Presentation  
May 17, 2022**



# Biosolids & Energy Strategic Plan

- Initiated in 2018 to reduce risk and costs associated with energy and biosolids disposal



# Biosolids & Energy Strategic Plan

- The goal was to provide a biosolids and energy roadmap and strategy to reach energy-sufficiency by reassessing biosolids management practices in combination with numerous energy production approaches (energy generation, utilization, storage, and renewable energy sources).





# 5 Phases to Biosolids and Energy Strategy



## PHASE I

Conduct  
Biosolids  
End Use Market  
Study & UCSB  
HSW Assessment



## PHASE II

Identify Biosolids  
Current and  
Future  
Capacity &  
Potential  
Energy  
Production



## PHASE III

Evaluate Methods  
to Increase  
Digestion  
Capacity and  
Increased Energy  
Production



## PHASE IV

Evaluate  
Methods for  
Producing Class A  
Cake and Dried  
Material and  
Associated  
Energy  
Production



## PHASE V

Biosolids and  
Energy  
Strategic Plan  
Development

# Proposed Phased Timeline

## Biosolids Energy Roadmap

### Phase 3

*Triggered by Regulatory Timeline and Increased Hauling Cost*

- Implement Thermal Dryer to Achieve Class A Biosolids

### Phase 2

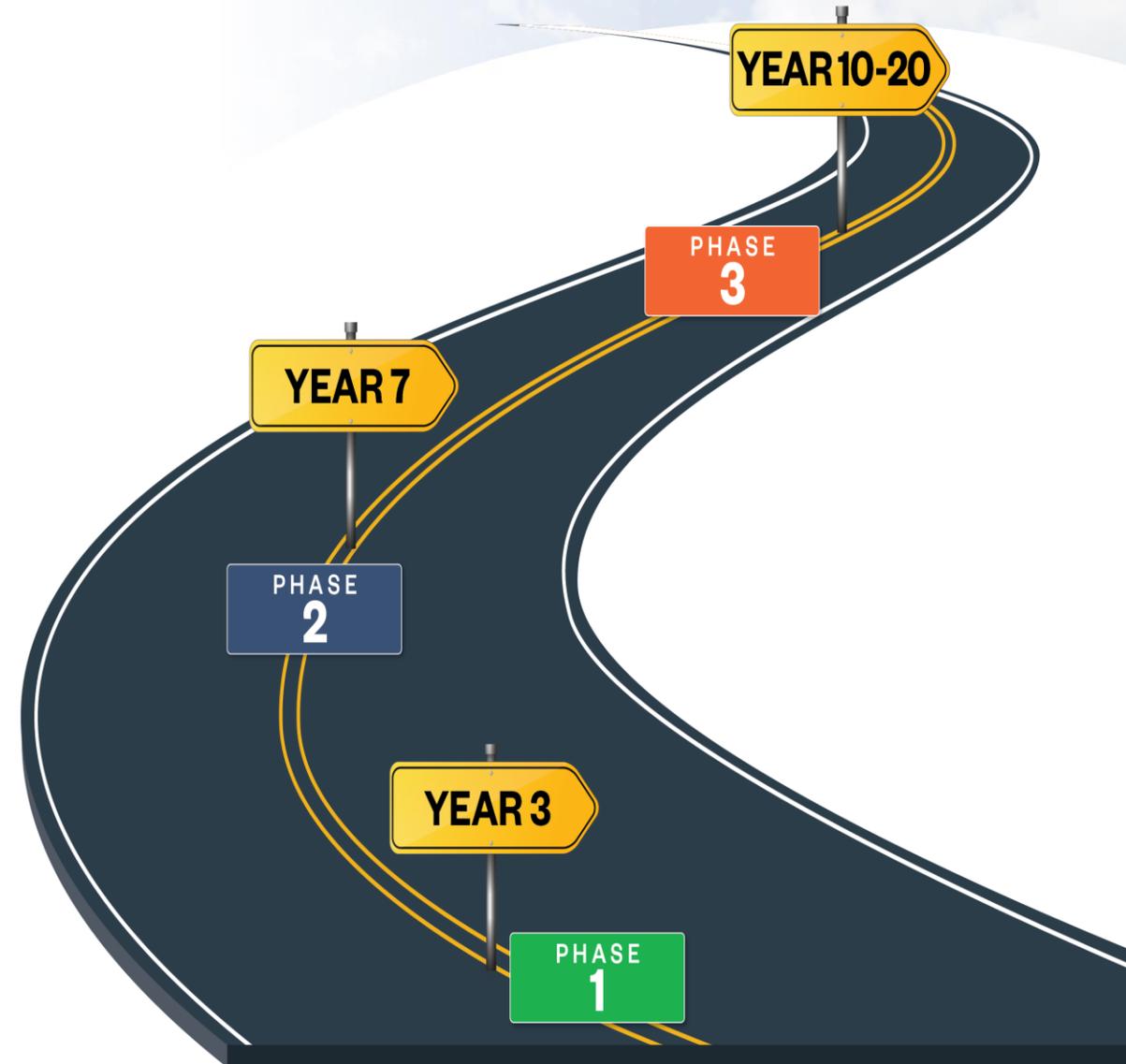
*Accommodate Cash Flow and Produce New Revenue*

- Pursue HSW and FOG
- Implement CoGen Phase 2

### Phase 1

*Provide Flexibility*

- Implement New MAD and CoGen Phase 1



# BESP Project Benefits

- **Phase 1 (New Digester & 160kW CHP Unit)**
  - Conversion of biogas to electricity will improve resiliency during power outages, reduce operating costs and green house gas generation.
- **Phase 2 (HSW Receiving Station & Thermal Dryer)**
  - HSW (FOG and Processed Food Waste) increases biogas/energy production and heat for thermal dryer
  - Thermal dryer produces Class A biosolids product that can be used regionally and significantly reduces hauling costs and green house gas production.

# Hazen



## **Biosolids and Energy Phase 1 Project: California Environmental Quality Act Initial Study/Mitigated Negative Declaration (SCH #2022040242)**

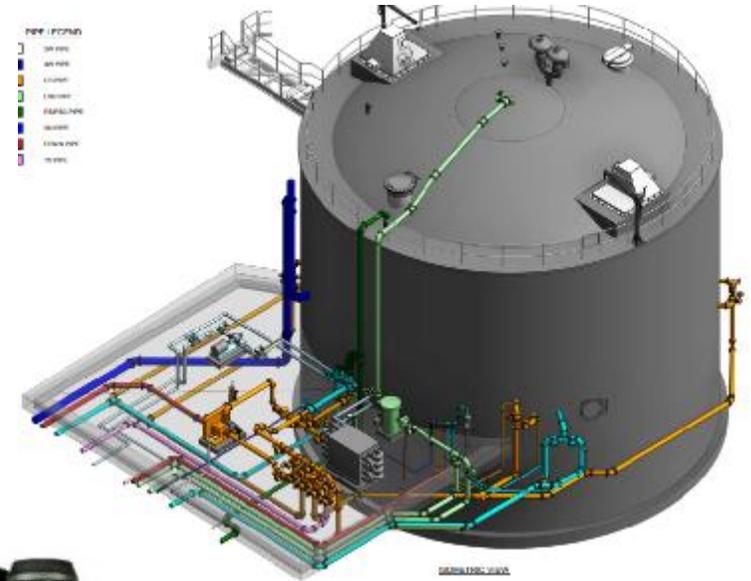
May 2, 2022



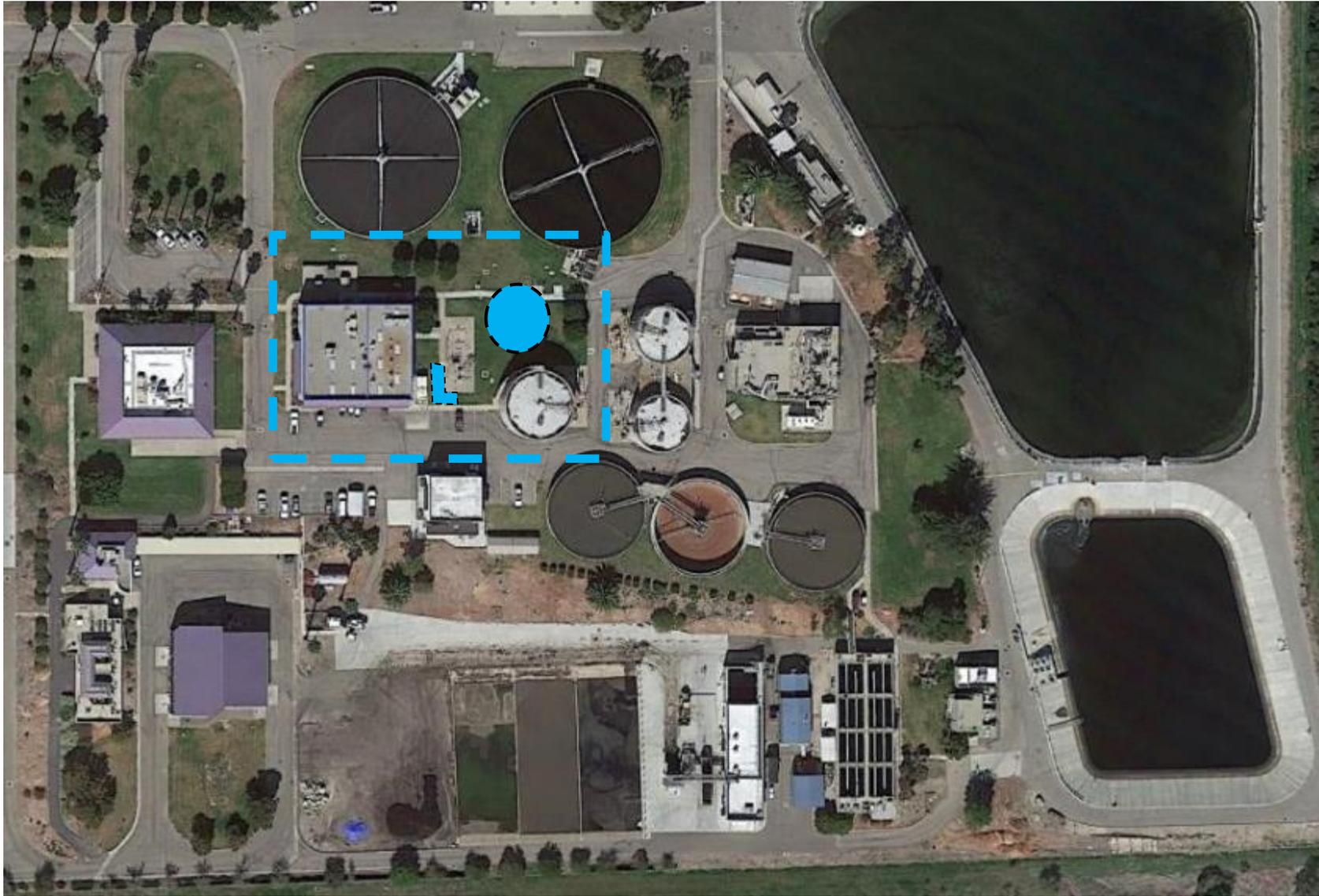
**GOLETA SANITARY**  
Water Resource Recovery District

# BESP Phase 1

- **Project Objectives:** Increase digestion capacity to meet projected flows and loads and self-generate electricity with biogas
- **Project Elements:** Install new 550,000-gallon digester and 160-kW combined heat and power (CHP) unit
- **Estimated Cost: \$12M**



# Project Site

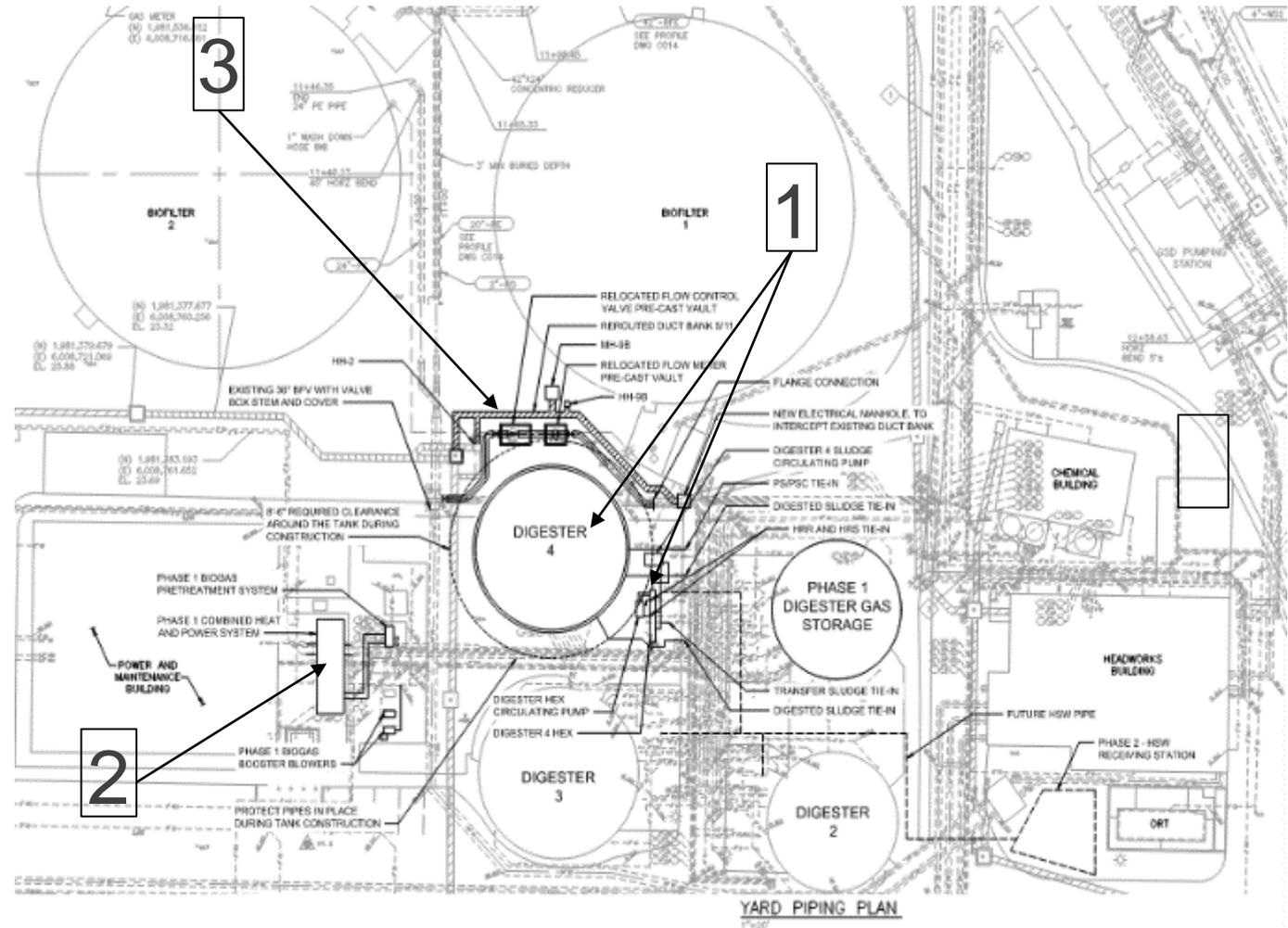


# Location of Digester No. 4 – BESP Phase 1



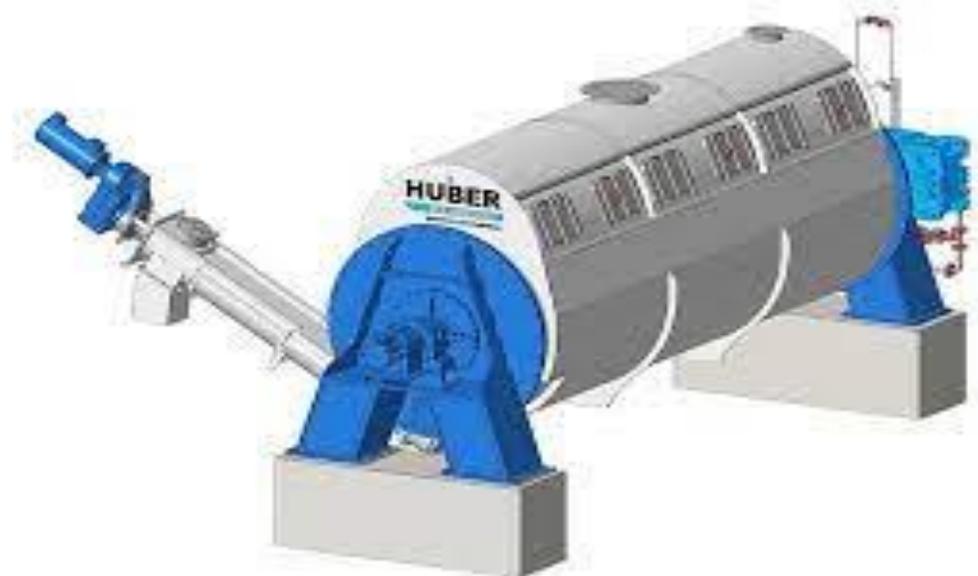
# BESP Phase 1 Project Layout

- 1 New Digester and Ancillary Equipment
- 2 Combined Heat and Power (CHP) System
- 3 Replace Utilities

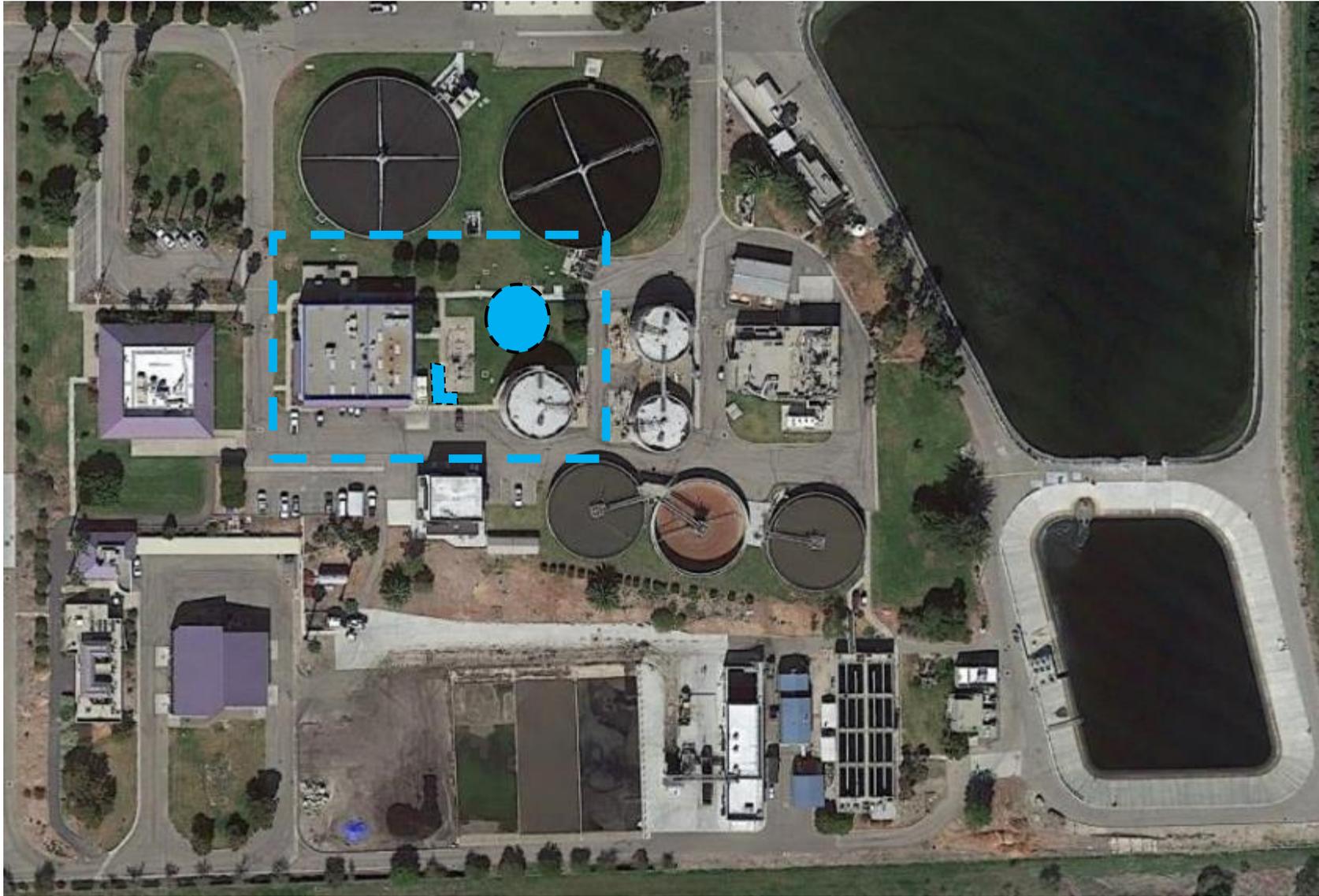


## BESP Phase 2

- **Project Objectives:** Increase biogas production to provide heat for Thermal Dryer. Produce Class A biosolids product for regional needs at lower cost
- **Project Elements:** Install new HSW receiving station for FOG and processed food waste slurry. Construct new solids building for thermal dryer and centrifuge
- **Estimated Cost: \$25M**



# Project Site



# BESP Project Delivery and Finance Options

- **Cashflow Model** - developed to compare costs associated with various project delivery and finance options
- **Pay as You Go vs. Financing** cost of delay greater than interest cost of money. Financing option levels expenditures over time and avoids large construction payments.
- **\$20M Low Interest Loan** from Bank of America Global Energy Services at 2.982%. A total of \$6.8M in interest paid over the life of the loan
- **Project Acceleration savings estimated at \$9M** constructing project sooner reduces increases in project cost due to inflation and reduces operating costs sooner

# Updated Proposed Phased Timeline

## Biosolids Energy Roadmap

### Phase 2

*Accommodate Cash Flow and Produce New Revenue*

- Pursue HSW and FOG

### Phase 3

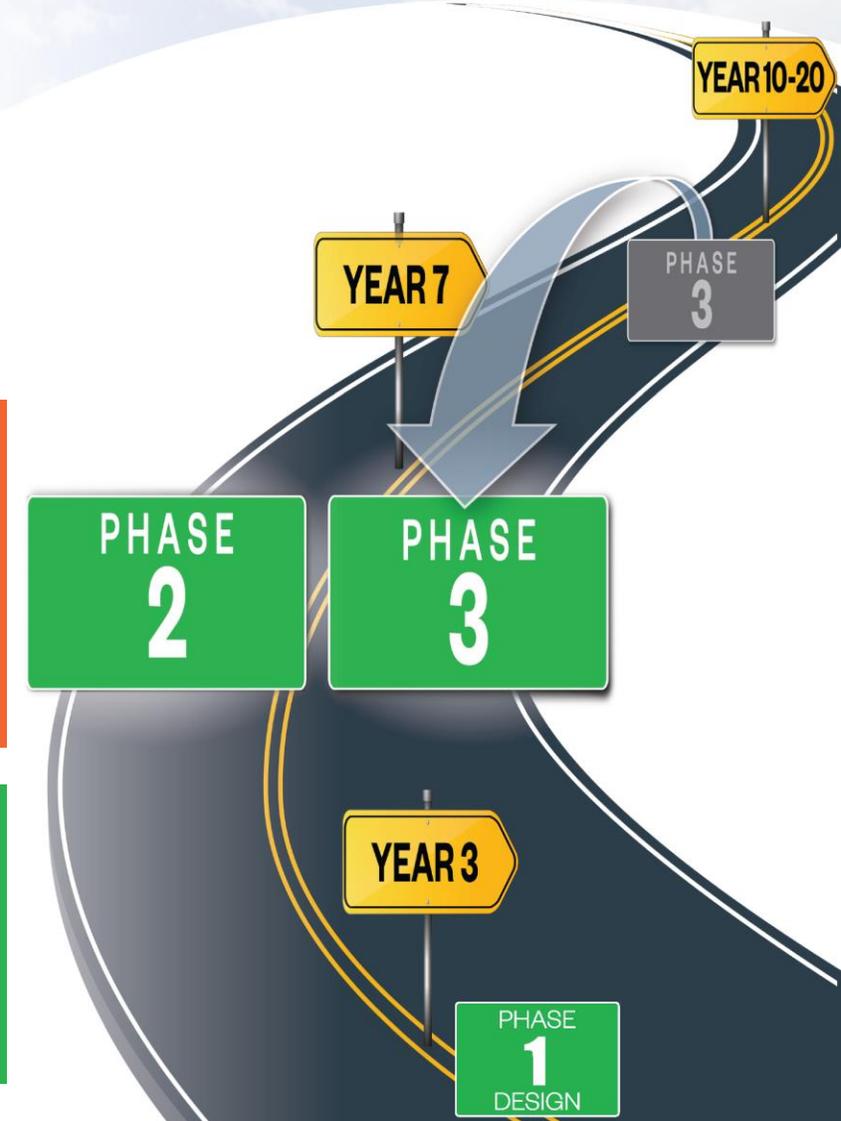
*Triggered by Regulatory Timeline and Increased Hauling Cost*

- Implement Thermal Dryer to Achieve Class A Biosolids

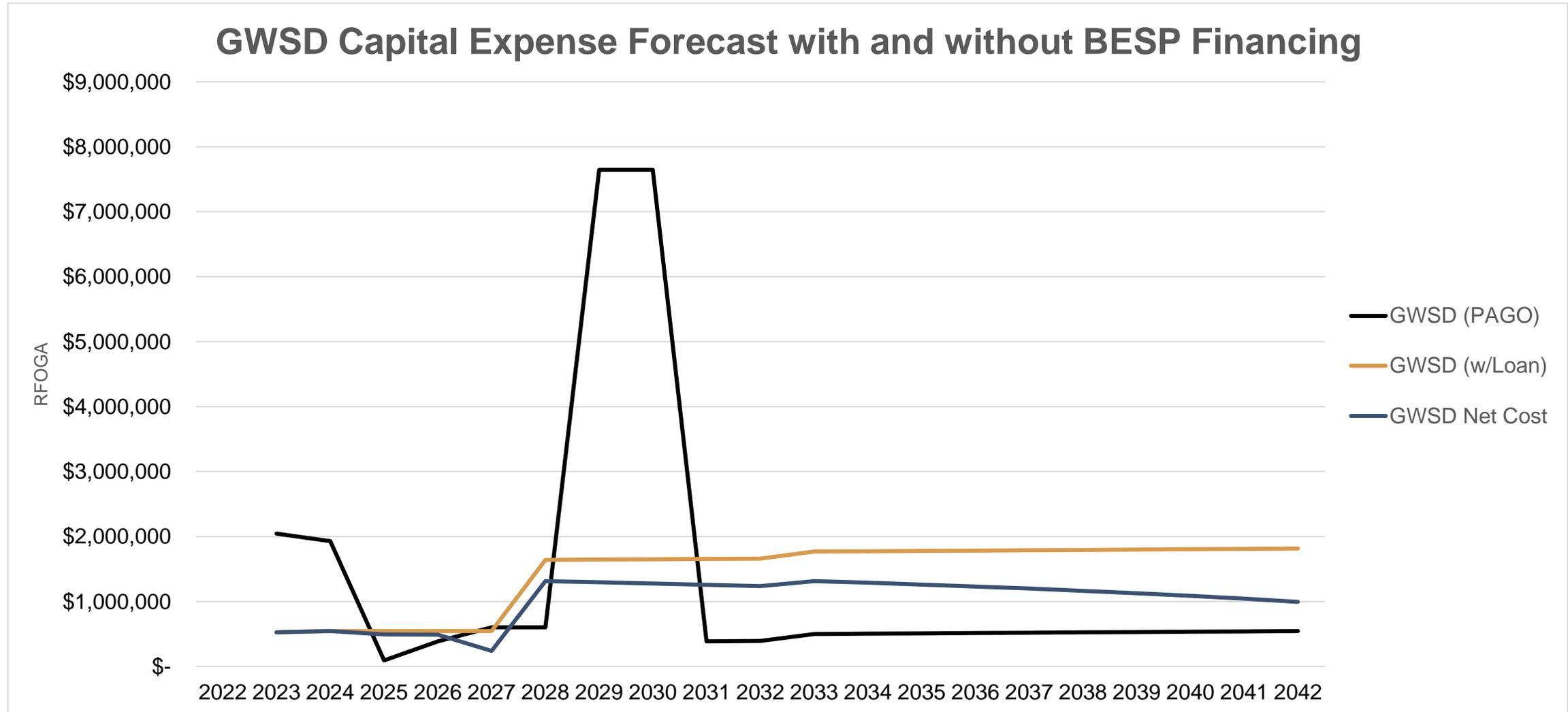
### Phase 1

*Provide Flexibility*

- Implement New MAD and CoGen Phase 1



# GWSD BESP Capital Expense Forecast



# BESP Project Delivery and Financing Proposal

- Use loan proceeds to reduce annual expenditures over 20-year term
- Construct Phase 2 as soon as possible to maximize cost savings



# Questions?



# **AGENDA ITEM #3**

**AGENDA ITEM: 3**

**MEETING DATE: July 6, 2022**

**I. NATURE OF ITEM**

Consideration of Biosolids Disposal Agreement Assignment Request

**II. BACKGROUND INFORMATION**

Liberty Composting, Inc. (Liberty) owns and operates a composting facility in Lost Hills, California. The District has had an agreement with Liberty for biosolids disposal since 2014. The agreement was last amended in February, 2022 for a two-year term. A copy of the current Biosolids Tip Fee agreement is attached to this report. On June 2, 2022 staff received the attached letter stating that Liberty was in the process of selling its business to Synagro West, LLC (Synagro). Synagro is a large scale biosolids processing and disposal company that is fully capable of assuming the roles and responsibilities of Liberty as set forth in the current disposal agreement.

**III. COMMENTS AND RECOMMENDATIONS**

The current agreement with Liberty prohibits the assignment of the agreement in whole and/or part without written consent of the other party (Section 8(i)). As such, Liberty is requesting approval of the contract assignment to Synagro. The Board could elect not to approve the requested assignment to Synagro. However, doing so would likely result in termination of the agreement by Liberty with 30 days written notice as set forth in section seven of the agreement.

Staff has been informed by representatives at Synagro that they intend to honor the provisions of the existing agreement throughout the remaining term if the assignment is approved.

Staff has reviewed this issue with legal counsel and recommends the Board approve Liberty's request to assign the agreement to Synagro and authorize the General Manager to sign the attached assignment request letter.

**IV. REFERENCE MATERIAL**

Biosolids Tip Fee Agreement with Liberty Composting, Inc., Dated February 18, 2022

Liberty Composting Letter Dated June 2, 2022, Requesting Assignment of the Agreement to Synagro West, LLC.

**BIOSOLIDS DISPOSAL  
TIP FEE AGREEMENT**

This Tip Fee Agreement (this "Agreement"), entered into on the 18<sup>th</sup> day of February 2022 by and between the Goleta Sanitary District, a public agency ("Customer"), and Liberty Composting, Inc., a California corporation ("Contractor"), provides as follows:

1. Scope of Work. Contractor shall accept all Class A, B and/or sub-B biosolids provided by Customer and reuse through composting or otherwise dispose of all such biosolids (the "Services").
2. Contractor Representations, Warranties and Requirements. Contractor shall
  - a. meet and remain in compliance at all times during the term of this Agreement with all applicable Federal, State and local laws, permits, and regulations applicable to the Services.
  - b. maintain processing and reuse capacity for Customer's biosolids during the term of this Agreement.
  - c. maintain at all times during the term of this Agreement an accident and emergency spill response plan and provide Customer with a copy upon request.
  - d. maintain complete and accurate records including weight tickets from certified weighmaster scales of biosolids received from Customer and provide Customer with all annual reports sent to the U.S. Environmental Protection Agency and any other reports reasonably requested by Customer relating to the Services.
3. Customer Representations, Warranties and Requirements. Customer shall
  - a. provide Contractor with written and/or verbal notification of the location, quantities, dates and times for the performance of the Services by Contractor.
  - b. provide delivery of the biosolids to Contractor at 12421 Holloway Road, Lost Hills, California 93249, or such other location(s) as Customer and Contractor may agree in writing.
  - c. hereby warrant that all biosolids from Customer delivered to Contractor are non-hazardous as defined by the applicable sections of the California Code of Regulations.
4. Payment for Services. Customer shall pay Contractor a Tip Fee of Thirty Dollars (\$30.00) per wet ton of biosolids from Customer accepted by Contractor (the "Tip Fee"). Customer is responsible for all transportation costs incurred. If the term of this Agreement is extended beyond the initial term of two years, the Tip Fee per wet ton for each succeeding year after the second year shall be subject to increase by the percent increase in the California Consumer Price Index, or as agreed to by the parties in writing. Contractor shall submit to Customer accurate and timely invoices for all biosolids from Customer accepted. Customer shall remit payment to Contractor promptly, no later than thirty (30) days from invoice date. Customer shall pay finance charges on invoices not paid within thirty (30) days from invoice date at the rate of 1.5 percent per month until paid.
5. Insurance. Contractor shall maintain at all times the following minimum insurance coverage:

Comprehensive General Liability	per occurrence	\$1,000,000
	aggregate	\$2,000,000
Commercial Auto & Truck		\$1,000,000

Worker's Compensation  
Umbrella Liability

\$ 500,000  
\$4,000,000

Contractor's Comprehensive General Liability policy, Commercial Auto & Truck policy, and Umbrella Liability policy shall name Customer and its officers, directors, agents and employees as additional insureds. Prior to commencing the Services, Contractor shall furnish Customer with certificates of insurance evidencing the coverage required above. Such certificates shall provide that the insurance carrier will give Customer at least thirty (30) days' prior notice of cancellation or amendment of coverage (ten (10) days for nonpayment of premium). Contractor shall provide Customer with new certificates of insurance evidencing the renewal of coverage prior to the expiration of any policy required hereunder.

Customer's hauler shall provide Contractor with a certificate of insurance indicating Customer's hauler's insurance coverage approximately in the amounts shown above and shall name Contractor and upon request any applicable related parties of Contractor as additional insured.

6. Mutual Indemnification. Contractor indemnifies Customer, its officers, directors, agents, and employees from and against any and all claims, liability, loss, damages, costs, attorneys' fees or other expenses arising in connection with Contractor's or Contractor's subcontractors' performance of the Services. Customer indemnifies Contractor, its officers, directors, agents, and employees from and against any and all claims, liability, loss, damages, costs, attorneys' fees or other expenses arising from Customer's actions during the term of this Agreement.
7. Term and Termination. This Agreement shall be effective for an initial period of two years and may be extended in additional one-year increments subject to any applicable change in pricing as provided in section 4 hereof. Any such extensions must be in writing and signed by both parties. Notwithstanding the term set forth above, either party may terminate this Agreement by giving the other party thirty (30) days written notice.
8. Miscellaneous.
  - a. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance is, to any extent, determined to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is determined to be invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and unenforceable to the fullest extent permitted by law.
  - b. Waivers. No waiver of any breach of any provision herein and no delay in enforcing performance of any obligation hereunder shall be deemed a waiver of any preceding or succeeding breach, or of any other provision herein, and no such waiver or delay shall impair any right, power or remedy relating to the breach. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
  - c. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

- d. Professional Fees. In the event of any action or suit arising in connection with the enforcement or interpretation of any of the covenants or provisions of this Agreement, the prevailing party shall be entitled to recover all costs and expenses of the action or suit, including actual attorneys' fees, accounting fees and any other professional fees incurred in connection therewith.
- e. Entire Agreement/Amendments. This Agreement (including all exhibits attached hereto) is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings and communications with respect thereto. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations hereunder be waived, except by a written instrument signed by the party to be charged. The parties do not intend to confer any benefit hereunder on any person, organization or entity other than the parties hereto. All exhibits attached to this Agreement are incorporated herein by reference.
- f. Construction. Headings at the beginning of each section, subsection, paragraph and subparagraph are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to sections, subsections, paragraphs and subparagraphs are to this Agreement.
- g. Governing Law. The parties agree that (i) this Agreement shall be governed by, interpreted under and enforced in accordance with the laws of the United States of America and the State of California, (ii) in the event of any dispute, the parties shall be subject to the jurisdiction of the courts of the State of California, regardless of their place of residence, and (iii) in any action arising in connection with this Agreement, venue shall be in the County of Santa Barbara, State of California, United States of America.
- h. Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. In the event executed copies of this Agreement are provided by one party to the other(s) by facsimile or email transmission, the original copies shall for all purposes be treated as originals.
- i. Further Assurances. The parties agree to take such actions and execute such documents as may be reasonably required to carry out the intent of this Agreement.
- j. Notices. Any notices permitted or required hereunder shall be in writing and shall be (a) given by personal delivery, (b) mailed by certified or registered mail, postage prepaid, return receipt requested, (c) sent by reputable overnight delivery service (e.g., UPS, Federal Express, DHL or Airborne), or (d) sent by facsimile or email transmission using the contact information set forth below. Either party may change its contact information for notice purposes by giving notice of such change in the manner set forth above.
- k. Assignment. Neither party may assign its rights or delegate its obligations under this Agreement, in whole or in part, without the prior written consent of the other party.

In witness whereof, the parties hereto have executed this Agreement the day and year written below.

Customer  
Goleta Sanitary District  
One William Moffett Place  
Goleta, CA 93117  
Email: [swagner@goletasanitary.org](mailto:swagner@goletasanitary.org)

By:   
Steve Wagner, PE,  
General Manager/District Engineer

Dated: 2/18/22

Contractor  
Liberty Composting, Inc.  
P.O Box 5  
Lost Hills, CA 93249  
Email: [patrickmccarthy@mccarthyfarms.com](mailto:patrickmccarthy@mccarthyfarms.com)

By: **R. Patrick** Digitally signed by  
R. Patrick McCarthy  
Date: 2022.02.11  
15:03:30 -08'00'  
**McCarthy**  
Robert Patrick McCarthy,  
Chief Financial Officer

Dated: 02/11/2022



# LIBERTY COMPOSTING, INC.

12421 Holloway Road, PO Box 5  
Lost Hills, CA 93249  
(661) 797-2914

June 02, 2022

Goleta Sanitary District  
One William Moffett Place  
Goleta, CA 93117

**Re:** Goleta Sanitary District Biosolids Disposal Tip Fee Agreement, dated February 18, 2022, by and between Liberty Composting, Inc. and Goleta Sanitary District (the “**Agreement**”)

Dear Mr. Wagner:

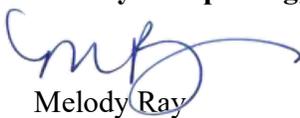
Liberty Composting, Inc. (“**LCI**”) has entered into an agreement to sell its business and related operating assets to Synagro West, LLC (“**Synagro West**”). As part of the assets of LCI to be sold to Synagro West, LCI intends to assign its rights, and have Synagro West assume LCI’s obligations under, the above-noted Agreement. Section 8, subsection “c”, of the Agreement requires Goleta Sanitary District’s consent for such contemplated assignment and assumption of the Agreement. As such, the purpose of this letter is to request such consent of Goleta Sanitary District.

Synagro West is a wholly owned subsidiary of Synagro Technologies, Inc. Founded in 1986, Synagro Technologies, Inc. provides biosolids and organic waste management services to civic and commercial organizations and is the largest recycler of organic by-products in the United States.

If you have any questions about this request, please call me at (661) 742-8267 or email me at [melody@libertyrecyc.com](mailto:melody@libertyrecyc.com). Otherwise, please evidence your consent to such assignment and assumption by emailing a signed PDF copy of this letter to me at [melody@libertyrecyc.com](mailto:melody@libertyrecyc.com) at your earliest convenience.

Sincerely,

**Liberty Composting, Inc.**



Melody Ray

The undersigned hereby consents to the assignment and assumption of the Agreement as described above.

Goleta Sanitary District

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

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

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

# **GENERAL MANAGER'S REPORT**

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

The following summary report describes the District's activities from June 21, 2022 through July 6, 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 lines cleaning through-out the District.

#### **CCTV INSPECTION**

Staff is conducting routine Closed-Circuit Television (CCTV) inspections in the area of N. La Cumbre and Foothill Roads.

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

Staff continues with the annual Grease and Oil inspections.

#### **REPAIR AND MAINTENANCE**

Tierra Contracting completed the point repairs located at Vista De La Mesa near the south end of Puente Drive and at Pozzo Circle in the St. Vincent's complex on Calle Real. Staff await the issuance of a Caltrans encroachment permit for the repair at Foothill Road.

#### **COMPETENCY BASED TRAINING**

Staff continues working with DKF Solutions to update the Firestone Lift Station standard operating procedures (SOPs) into the Smart SOP and Vector Solutions web based programs.

#### **DISTRICT GIS HYDRAULIC FLOW MODEL UPDATE**

Staff continues working with Innovyze, Inc. and the District's GIS consultant ZWorld GIS on the update of the District's hydraulic flow model in the GIS database.

#### **FY 2022-23 TAX ROLL UPDATE FOR SEWER SERVICE CHARGES AND HANDBILLING**

Staff continues updating the sewer service charge information for FY 2022-23 Tax Roll preparation and the invoicing of hand-billing entities for end of FY 2021-22.

#### **PROFESSIONAL DEVELOPMENT**

Staff attended the CWEA Tri-Counties Section training workshop held at Ojai Sanitary District in Ojai, CA on June 30, 2022.

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

Plant flows have decreased to an average of 3.7 million gallons per day (MGD), a loss of 1 MGD over the last two weeks. The demand for reclaimed water has begun to increase due to warmer temperatures. Low 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) has been completed and

we received the Technical Memorandum on June 22, 2022. We will review the results and conclusions to determine what steps should be taken.

Dredging of the centrifuge was completed on June 17, 2022. The centrifuge is cleaned and ready for Eagle Dynamics to pick up once their trailer has been inspected, to make sure the trailer is road-worthy. They have been sent an email that it is ready for pick up.

The next testing phase of Lystek Thickened Waste Activated Sludge (TWAS) pre-treatment pilot project is in process. This time we are running the process to see how much gas is produced with no heat. We believe 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 forward to the Board.

The Influent Pump Station Rehabilitation project submittal and procurement process is coming to an end. Construction of the project may not start for another five to eight months, depending on the completion of the procurement process.

Biosolids and Energy Strategic Plan (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.

The nanobubble project is running, and testing has begun. A proforma will be completed at the end of the pilot period to determine ongoing benefits, costs or potential savings.

Maintenance will be working on the air valves at the lift station. Also, work continues to bring the biogas boiler back online.

### **PUBLIC EDUCATION AND OUTREACH**

The District's summer newsletter has been mailed to District customers and should arrive sometime during the first week of July.

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

### **Financial Report**

The District account balances as of July 6, 2022 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 946,545
Investment Accounts:	\$ 33,810,103
Total District Funds:	\$ 34,756,648

The following transactions are reported herein for the period 06/21/22 – 07/06/22

Regular, Overtime, Cash-outs and Net Payroll:	\$	126,914
Claims:	\$	283,794
Total Expenditures:	\$	410,676
Total Deposits:	\$	970,808

Transfers of funds:

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

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

**Local Agency Investment Fund (LAIF)**

LAIF Monthly Statement – June, 2022

LAIF Quarterly Report – Previously submitted.

PMIA/LAIF Performance – Previously submitted.

PMIA Effective Yield – Previously submitted.

**Community West Bank (CWB)**

CWB Money Market Account – June, 2022

**Deferred Compensation Accounts**

CalPERS 457 Deferred Compensation Plan – Previously submitted.

Lincoln 457 Deferred Compensation Plan – June, 2022

**Personnel**

Interviews for the vacant Senior Operator position are being held on Wednesday, July 6, 2022. Staff has issued an RFQ for recruitment services as we have had little response to our other vacant positions' postings.

California State Treasurer  
**Fiona Ma, CPA**



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

July 01, 2022

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

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GOLETA SANITARY DISTRICT

GENERAL MANAGER  
ONE WILLIAM MOFFETT PLACE  
GOLETA, CA 93117

[Tran Type Definitions](#)

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

June 2022 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	2,027,864.66
Total Withdrawal:	0.00	Ending Balance:	2,027,864.66

RETURN SERVICE REQUESTED

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

### Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC AGENCY-MMDA	XXXXXXXX5554	\$31,782,238.25

### PUBLIC AGENCY-MMDA - XXXXXXXX5554

#### Account Summary

Date	Description	Amount		
06/01/2022	Beginning Balance	\$31,771,536.90	Average Ledger Balance	\$31,771,536.90
	1 Credit(s) This Period	\$10,701.35		
	0 Debit(s) This Period	\$0.00		
06/30/2022	Ending Balance	\$31,782,238.25		

#### Account Activity

Post Date	Description	Debits	Credits	Balance
06/01/2022	Beginning Balance			\$31,771,536.90
06/30/2022	INTEREST AT .4098 %		\$10,701.35	\$31,782,238.25
06/30/2022	Ending Balance			\$31,782,238.25

#### Daily Balances

Date	Amount
06/30/2022	\$31,782,238.25

# 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 06/30/2022	YTD as of 06/30/2022	Average Annual Total Return (%) as of 6/30/2022						Since Incep.	
					1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr		
<b>Risk Managed</b>												
Fidelity® VIP Freedom 2055 Portfolio <sup>SM</sup> - Service Class <sup>5,9</sup>	RM	04/11/2019	-0.65	-20.74	-20.74	-7.99	-14.14	-17.39	5.66	N/A	N/A	6.06
Fidelity® VIP Freedom 2060 Portfolio <sup>SM</sup> - Service Class <sup>5,9</sup>	RM	04/11/2019	-0.65	-20.66	-20.66	-7.89	-14.09	-17.35	5.70	N/A	N/A	6.10
<b>Maximum Capital Appreciation</b>												
DWS Alternative Asset Allocation VIP Portfolio - Class A <sup>1,4,5,6,7</sup>	MCA	02/02/2009	-0.84	-7.38	-7.38	-5.37	-7.70	-4.83	4.01	2.74	2.03	4.02
LVIP Baron Growth Opportunities Fund - Service Class <sup>2,10</sup>	MCA	10/01/1998	-0.43	-31.02	-31.02	-7.59	-19.21	-25.29	4.75	8.37	10.47	9.96
LVIP Delaware SMID Cap Core Fund - Standard Class <sup>2,3,10</sup>	MCA	07/12/1991	-0.78	-19.36	-19.36	-8.60	-15.19	-15.11	4.84	5.83	8.78	8.61
LVIP SSGA Emerging Markets 100 Fund - Standard Class <sup>1,10,22</sup>	MCA	06/18/2008	-0.49	-11.42	-11.42	-7.68	-10.46	-15.23	-0.24	-0.93	0.47	1.60
LVIP SSGA Small-Cap Index Fund - Standard Class <sup>2,10,21</sup>	MCA	04/18/1986	-0.66	-23.96	-23.96	-8.33	-17.49	-26.21	2.75	3.69	7.82	6.43
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Standard Class <sup>2,10</sup>	MCA	02/03/1994	-1.09	-29.40	-29.40	-7.05	-19.09	-26.94	3.59	8.31	10.84	6.25
<b>Long Term Growth</b>												
American Funds Global Growth Fund - Class 2 <sup>1</sup>	LTG	04/30/1997	-1.07	-28.27	-28.27	-7.43	-16.82	-25.54	5.83	7.28	9.87	8.21
American Funds Growth Fund - Class 2	LTG	02/08/1984	-1.35	-30.25	-30.25	-10.12	-23.25	-25.00	12.26	12.47	13.49	11.40
American Funds International Fund - Class 2 <sup>1</sup>	LTG	05/01/1990	-0.86	-23.01	-23.01	-9.43	-14.58	-27.87	-3.37	-0.34	3.89	5.76

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day	YTD as of 06/30/2022	YTD as of 06/30/2022	Average Annual Total Return (%) as of 6/30/2022						Since Incep.
						1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	
Delaware VIP Small Cap Value <sup>2, 3</sup>	LTG	12/27/1993	-0.71	-17.43	-17.43	-11.05	-14.43	-11.24	4.82	3.59	7.95	8.64
Fidelity® VIP Contrafund® Portfolio - Service Class	LTG	01/03/1995	-1.09	-27.50	-27.50	-8.25	-19.54	-19.06	8.80	9.16	10.77	9.73
Fidelity® VIP Growth Portfolio - Service Class	LTG	10/09/1986	-1.13	-23.97	-23.97	-6.61	-18.22	-17.99	13.10	14.06	14.10	9.52
LVIP BlackRock Global Real Estate Fund - Standard Class <sup>1, 2, 9, 10, 13</sup>	LTG	04/30/2007	-0.77	-23.28	-23.28	-9.46	-19.43	-17.07	0.21	2.22	3.72	0.48
LVIP Delaware Mid Cap Value Fund - Standard Class <sup>2, 3, 10</sup>	LTG	12/28/1981	-0.64	-15.57	-15.57	-11.31	-13.83	-7.48	6.08	5.93	9.49	10.00
LVIP Dimensional U.S. Core Equity 1 Fund - Standard Class <sup>10</sup>	LTG	12/28/1981	-0.85	-19.19	-19.19	-8.86	-15.33	-12.42	8.82	9.15	11.10	9.41
LVIP Mondrian International Value Fund - Standard Class <sup>1, 10</sup>	LTG	05/01/1991	-0.89	-11.20	-11.20	-8.30	-8.72	-12.27	-0.51	0.33	3.51	4.82
LVIP SSGA International Index Fund - Standard Class <sup>1, 10, 21, 23</sup>	LTG	04/30/2008	-0.89	-19.65	-19.65	-9.06	-13.49	-18.38	0.03	1.06	4.04	0.44
LVIP SSGA S&P 500 Index Fund - Standard Class <sup>10, 21, 24</sup>	LTG	05/01/2000	-0.86	-20.45	-20.45	-8.36	-16.38	-11.71	9.22	9.93	11.56	5.10
LVIP Vanguard Domestic Equity ETF Fund - Service Class <sup>5, 6</sup>	LTG	04/29/2011	-0.83	-21.24	-21.24	-8.21	-16.62	-14.33	8.18	8.98	10.54	9.24
LVIP Vanguard International Equity ETF Fund - Service Class <sup>1, 5, 6</sup>	LTG	04/29/2011	-0.46	-18.86	-18.86	-8.17	-13.24	-20.41	0.49	1.26	3.80	1.63
MFS® VIT Utilities Series - Initial Class <sup>13</sup>	LTG	01/03/1995	0.24	-4.52	-4.52	-6.92	-7.52	5.20	6.66	7.79	7.86	9.87

### Growth and Income

American Funds Growth-Income Fund - Class 2	GI	02/08/1984	-0.75	-20.18	-20.18	-8.50	-15.36	-13.66	6.04	8.23	10.87	9.64
Fidelity® VIP Freedom 2020 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/26/2005	-0.26	-16.27	-16.27	-5.44	-10.33	-14.37	2.94	3.95	5.55	4.93
Fidelity® VIP Freedom 2025 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/26/2005	-0.29	-17.17	-17.17	-5.81	-11.01	-15.04	3.41	4.39	6.32	5.42
Fidelity® VIP Freedom 2030 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/26/2005	-0.37	-17.99	-17.99	-6.22	-11.63	-15.57	4.05	5.02	7.00	5.66
Fidelity® VIP Freedom 2035 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/08/2009	-0.49	-19.47	-19.47	-7.12	-12.95	-16.59	5.10	5.83	7.87	9.92
Fidelity® VIP Freedom 2040 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/08/2009	-0.66	-20.62	-20.62	-7.88	-14.00	-17.29	5.72	6.20	8.12	10.18

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day	Average Annual Total Return (%) as of 6/30/2022								
				YTD as of 06/30/2022	YTD as of 06/30/2022	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
Fidelity® VIP Freedom 2045 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/08/2009	-0.65	-20.68	-20.68	-7.91	-14.09	-17.34	5.69	6.18	8.20	10.24
Fidelity® VIP Freedom 2050 Portfolio <sup>SM</sup> - Service Class <sup>5, 8</sup>	GI	04/08/2009	-0.67	-20.72	-20.72	-7.94	-14.08	-17.36	5.68	6.17	8.23	10.34
LVIP Delaware REIT Fund - Standard Class <sup>2, 3, 9, 10, 13</sup>	GI	05/04/1998	-0.55	-21.93	-21.93	-7.17	-17.55	-8.24	1.55	2.45	4.90	7.02
LVIP Delaware Value Fund - Standard Class <sup>3, 10</sup>	GI	07/28/1988	-0.38	-10.12	-10.12	-7.37	-10.21	-2.55	5.26	6.45	9.50	7.66
LVIP Delaware Wealth Builder Fund - Standard Class <sup>3, 4, 10</sup>	GI	08/03/1987	-0.14	-13.06	-13.06	-5.45	-9.24	-9.69	1.74	2.41	4.95	5.61
LVIP JPMorgan Retirement Income Fund - Standard Class <sup>3, 4, 10</sup>	GI	04/27/1983	-0.19	-14.07	-14.07	-4.58	-8.73	-12.73	0.39	1.71	3.23	6.09
<b>Income</b>												
LVIP BlackRock Inflation Protected Bond Fund - Standard Class <sup>1, 10, 14</sup>	I	04/30/2010	0.20	-3.77	-3.77	-2.36	-3.29	-1.54	1.63	1.83	0.21	1.45
LVIP Delaware Bond Fund - Standard Class <sup>3, 10, 14</sup>	I	12/28/1981	0.35	-12.02	-12.02	-2.02	-5.81	-12.80	-1.80	-0.04	0.69	6.06
LVIP Delaware Diversified Floating Rate Fund <sup>3, 10, 14, 15, 16</sup>	I	04/30/2010	-0.06	-2.51	-2.51	-0.61	-1.46	-3.03	-0.80	-0.08	-0.03	0.01
LVIP Delaware Diversified Income Fund - Standard Class <sup>3, 10, 14</sup>	I	05/16/2003	0.25	-12.74	-12.74	-2.74	-6.73	-13.37	-1.46	0.10	0.84	3.38
LVIP Delaware High Yield Fund - Standard Class <sup>3, 10, 14, 17</sup>	I	07/28/1988	-0.34	-14.38	-14.38	-6.62	-10.18	-13.48	-0.74	1.03	2.74	5.08
LVIP Global Income Fund - Standard Class <sup>1, 10, 11, 14</sup>	I	05/04/2009	0.73	-13.30	-13.30	-3.21	-7.90	-15.76	-4.55	-1.60	-0.75	0.99
LVIP SSGA Bond Index Fund - Standard Class <sup>10, 14, 21</sup>	I	04/30/2008	0.42	-10.92	-10.92	-1.62	-5.06	-11.58	-2.22	-0.44	0.20	1.46
PIMCO VIT Total Return Portfolio - Administrative Class <sup>14, 22</sup>	I	12/31/1997	0.43	-12.02	-12.02	-2.37	-6.03	-12.52	-2.06	-0.25	0.64	3.51
<b>Risk Managed - Asset Allocation</b>												
LVIP Global Conservative Allocation Managed Risk Fund - Standard Class <sup>1, 4, 5, 10, 19</sup>	RMAA	05/03/2005	0.08	-14.51	-14.51	-3.16	-8.13	-13.01	0.12	1.66	3.14	3.91
LVIP Global Growth Allocation Managed Risk Fund - Standard Class <sup>1, 4, 5, 10, 19</sup>	RMAA	05/03/2005	-0.17	-17.38	-17.38	-4.04	-9.92	-15.01	0.68	1.91	3.50	3.57

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options	Inception Date	Change from Previous Day	YTD as of 06/30/2022	YTD as of 06/30/2022	Average Annual Total Return (%) as of 6/30/2022						Since Incep.	
					1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr		
LVIP Global Moderate Allocation Managed Risk Fund - Standard Class <sup>1, 4, 5, 10, 19</sup>	RMAA 05/03/2005	-0.09	-16.00	-16.00	-3.65	-8.92	-13.92	0.54	1.85	3.32	3.79	
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Standard Class <sup>1, 4, 5, 10, 12</sup>	RMAA 05/03/2005	-0.22	-15.01	-15.01	-6.04	-10.67	-13.18	1.95	2.21	3.20	2.99	
<b>Preservation of Capital</b>												
LVIP Government Money Market Fund - Standard Class <sup>10, 20</sup>	PC 01/07/1982	0.00	-0.41	-0.41	-0.02	-0.16	-0.90	-0.61	-0.24	-0.59	2.63	
<b>Risk Managed - US Large Cap</b>												
LVIP BlackRock Dividend Value Managed Volatility Fund - Standard Class <sup>10, 11, 12</sup>	RMUSL 02/03/1994	-0.76	-7.40	-7.40	-7.82	-9.25	-3.80	6.85	5.66	6.27	6.42	
LVIP Blended Large Cap Growth Managed Volatility Fund - Standard Class <sup>10, 11, 12</sup>	RMUSL 02/03/1994	-0.59	-25.27	-25.27	-3.15	-12.77	-16.12	8.23	8.17	8.38	6.46	
<b>Asset Allocation</b>												
LVIP BlackRock Global Allocation Fund - Standard Class <sup>1, 4, 10</sup>	AsA 04/26/2019	-0.52	-16.48	-16.48	-5.87	-10.38	-16.10	3.64	N/A	N/A	3.85	
LVIP T. Rowe Price 2020 Fund (Standard Class) <sup>5, 8, 10</sup>	AsA 05/01/2007	-0.40	-15.93	-15.93	-5.63	-10.96	-13.97	2.63	3.53	4.10	3.10	
LVIP T. Rowe Price 2030 Fund (Standard Class) <sup>5, 8, 10</sup>	AsA 05/01/2007	-0.55	-18.19	-18.19	-6.61	-12.86	-15.59	3.70	4.15	4.63	3.23	
LVIP T. Rowe Price 2040 Fund (Standard Class) <sup>5, 8, 10</sup>	AsA 05/01/2007	-0.75	-19.90	-19.90	-7.66	-14.54	-16.69	4.63	4.81	5.10	3.11	
LVIP T. Rowe Price 2050 Fund (Standard Class) <sup>5, 8, 10</sup>	AsA 04/29/2011	-0.81	-20.36	-20.36	-7.99	-14.99	-16.95	4.93	5.36	5.65	3.99	
LVIP T. Rowe Price 2060 Fund - Standard Class <sup>5, 8, 10</sup>	AsA 04/30/2020	-0.83	-20.32	-20.32	-8.00	-15.01	-16.89	N/A	N/A	N/A	10.71	
<b>Risk Managed - US Mid Cap</b>												
LVIP Blended Mid Cap Managed Volatility Fund - Standard Class <sup>2, 10, 11, 12</sup>	RMUSM 05/01/2001	-0.30	-24.89	-24.89	-2.14	-11.19	-20.66	3.78	7.75	5.98	3.74	
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Standard Class <sup>2, 10, 11, 12</sup>	RMUSM 05/01/2001	-0.30	-13.47	-13.47	-7.24	-10.49	-7.92	5.41	3.86	5.89	5.61	
<b>Risk Managed - Global/International</b>												

# Performance Update

## Monthly hypothetical performance adjusted for contract fees \*

Investment Options		Inception Date	Change from Previous Day	Average Annual Total Return (%) as of 6/30/2022								
				YTD as of 06/30/2022	YTD as of 06/30/2022	1 Mo	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP Franklin Templeton Global Equity Managed Volatility Fund - Standard Class <sup>1, 10, 11, 12</sup>	RMGI	08/01/1985	-0.59	-16.27	-16.27	-7.11	-12.32	-12.82	4.39	3.46	4.73	6.63
LVIP SSGA International Managed Volatility Fund - Standard Class <sup>1, 5, 10, 12</sup>	RMGI	12/31/2013	-0.65	-21.25	-21.25	-8.62	-13.43	-20.13	-3.54	-1.24	N/A	-1.26
<b>ESG/Socially Conscious</b>												
AB VPS Sustainable Global Thematic Portfolio - Class B <sup>1</sup>	ESC	01/11/1996	-0.71	-30.10	-30.10	-9.84	-17.80	-22.76	7.61	8.38	9.52	5.04
LVIP Delaware Social Awareness Fund - Standard Class <sup>3, 10, 18</sup>	ESC	05/02/1988	-0.90	-22.11	-22.11	-8.27	-17.12	-14.38	8.42	9.35	11.19	9.44

\* 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

## <sup>1</sup> 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.

## <sup>2</sup> 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.

## <sup>3</sup> 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.

## <sup>4</sup> Asset Allocation Portfolios

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

## <sup>5</sup> 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.

## <sup>6</sup> Exchange-traded funds

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

## <sup>7</sup> 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.

## <sup>8</sup> 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.

## <sup>9</sup> 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.

## <sup>10</sup> 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.

## <sup>11</sup> Multimanager

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

## <sup>12</sup> 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.

## <sup>13</sup> Sector Funds

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

## <sup>14</sup> 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.

## <sup>15</sup> Cash Management Funds

An investment in Cash Management Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency. Although this option seeks to preserve the value of your investment, it is not managed to maintain a stable net asset value of \$1 per share and it is

# Performance Update

possible to lose money by investing in this investment option.

## <sup>16</sup> 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.

## <sup>17</sup> 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.

## <sup>18</sup> ESG

An environmental, social, governance (ESG) standards strategy (also referred to as engagement, green, impact, responsible, social aware, sustainable) generally prohibits investment in certain types of companies, industries and segments of the U.S. economy. Thus this strategy may (i) miss opportunities to invest in companies, industries or segments of the U.S. economy that are providing superior performance relative to the market as a whole and (ii) become invested in companies, industries and segments of the U.S. economy that are providing inferior performance relative to the market as a whole.

## <sup>19</sup> Risk Management Strategy

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

## <sup>20</sup> Money Market Funds

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

## <sup>21</sup> Index

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

## <sup>22</sup> Emerging Markets

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

## <sup>23</sup> MSCI

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

## <sup>24</sup> S&P

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

## 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

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# Performance Update

RMGI = Risk Managed -  
Global/International  
ESC = ESG/Socially Conscious

**DISTRICT  
CORRESPONDENCE**  
Board Meeting of July 6, 2022



**Date:                      Correspondence Sent To:**

1. 06/29/2022 Amy Vermillion, Commercial Director  
HASA, Inc.  
**Subject:** Fees for Hypochlorite Under Two (2)-Year Contract
  
2. 07/01/2022 Trish Allen  
Susanne Elledge Planning and Permitting Services  
**Subject:** Sewer Service Availability  
Proposed Sewer Service Connection for One Existing Light Manufacturing Building  
A.P.N. 077-030-006 at 1351 Holiday Hill, Goleta CA

**Date:                      Correspondence Received From:**

1. 06/06/2022 HASA, Inc.  
**Subject:** HASA Bulk and Minibulk Products Price Increase
  
2. 06/21/2022 Goleta Water District  
**Subject:** Statewide Ban on Irrigation of Ornamental Turf for Commercial, Industrial, and Institutional Sectors

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