

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/85973845354?pwd=Q2ZabjlwZG9lK2FEZWRmMUVGQ2NLdz09>

Meeting ID: 859 7384 5354

Passcode: 168055

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

One William Moffett Place
Goleta, California 93117

December 19, 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 December 5, 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. REQUEST FOR CONSIDERATION OF APPROVAL OF A SHARED LATERAL AGREEMENT FOR PROPERTY AT 195 NOGAL DRIVE IN CONJUNCTION WITH A PROPOSED LOT SPLIT (APN 061-081-022)
(Board may take action on this item.)
2. CONSIDERATION AND ADOPTION RESOLUTION APPROVING REVISED BEREAVEMENT LEAVE POLICY
(Board may take action on this item.)
3. DISCUSSION AND PRESENTATION OF THE DISTRICT’S AUDIT REPORT AND FINANCIAL STATUS AS OF JUNE 30, 2022
(Board may take action on this item.)

4. CONSIDERATION AND ADOPTION OF RESOLUTION APPROVING PRELIMINARY ENVIRONMENTAL REVIEW FORM, ADOPTING FINDINGS, AND AUTHORIZING FILING OF NOTICE OF EXEMPTION UNDER CEQA FOR OUT-OF-AGENCY SERVICE AGREEMENT FOR 1330 SAN ANTONIO CREEK ROAD (APN 059-040-008)
(Board may take action on this item.)
5. APPROVAL OF OUT-OF-AGENCY SERVICE AGREEMENT FOR THE DIAZ-RIOS PROPERTY AT 1330 SAN ANTONIO CREEK ROAD (APN 059-440-008)
(Board may take action on this item.)
6. GENERAL MANAGER'S REPORT
7. LEGAL COUNSEL'S REPORT
8. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
9. PRESIDENT'S REPORT
10. ITEMS FOR FUTURE MEETINGS
11. CORRESPONDENCE
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
12. 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

December 5, 2022

Prior to the Call to Order, the oath of office was taken by Steven T. Majoewsky and Jerry D. Smith as the newly appointed members of the District Governing Board. Rob Mangus, as Board Secretary, administered the oath.

CALL TO ORDER:

President Majoewsky called the meeting to order at 6:33 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 (via Zoom), 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
Craig Geyer, Director, Goleta West Sanitary District

APPROVAL OF MINUTES:

Director Rose made a motion, seconded by Director Fuller, to approve the minutes of the Regular Board meeting of 11/21/22. The motion carried by the following vote:

(22/12/2284)

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. REQUEST FOR CONSIDERATION OF APPROVAL OF A SHARED LATERAL AGREEMENT FOR PROPERTY AT 195 NOGAL DRIVE IN CONJUNCTION WITH A PROPOSED LOT SPLIT

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

Director Fuller made a motion, seconded by Director Smith to approve the agreement in concept and request staff to bring back a final draft of the Shared Lateral Agreement for the property at 195 Nogal Drive for Board consideration.

The motion carried by the following vote:

(22/12/2285)

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

2. DISCUSSION AND CONSIDERATION OF APPROVAL FOR INTERIM OUT OF AGENCY SERVICE AGREEMENT FOR THE DIAZ-RIOS PROPERTY AT 1330 SAN ANTONIO CREEK ROAD

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

Director Smith made a motion, seconded by Director Fuller to approve the agreement in concept and request staff to bring back a final draft of the Out of Agency Service Agreement for the property at 1330 San Antonio Creek Road for Board consideration.

The motion carried by the following vote:

(22/12/2286)

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

3. STATUS REPORT ON ANNUAL PRE-WINTER STORM EMERGENCY PREPAREDNESS ACTIVITIES

Mr. Wagner gave the staff status report. No Board action was taken.

4. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

5. LEGAL COUNSEL'S REPORT

Mr. Battles reported on 2022 Brown Act updates and distributed a handout to the Board covering AB 2449, AB 2647 and SB 1100.

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

Director Smith – No report.

Director Fuller – Reported he attended the Santa Barbara Local Chapter CSDA meeting.

Director Emerson – Reported he attended the Santa Barbara Local Chapter CSDA meeting.

Director Rose – No report.

7. PRESIDENT'S REPORT

President Majoewsky – No report.

8. ITEMS FOR FUTURE MEETINGS

No Board action was taken to return with an item.

9. CORRESPONDENCE

The correspondence to and the District was covered in agenda items 1 and 2.

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

Director Smith made a motion, seconded by Director Rose, to ratify and approve the claims, for the period 11/22/22 to 12/05/22 as follows:

Running Expense Fund #4640	\$ 286,295.93
Capital Reserve Fund #4650	\$ 303.60
Depreciation Replacement Reserve Fund #4655	\$ 12,837.38
Retiree Health Insurance Sinking Fund #4660	\$ 11,487.52

The motion carried by the following vote:

(22/12/2287)

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

ABSTAIN: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:13 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: DECEMBER 19, 2022

I. NATURE OF ITEM

Request for Consideration of Approval of a Shared Lateral Agreement for Property at 195 Nogal Drive in Conjunction with a Proposed Lot Split (APN 061-081-022)

II. BACKGROUND INFORMATION

The District has received a request for consideration of a Shared Lateral Agreement from the agent of the property owner, Steve Koop, for the Koop residence at the above-referenced property on Nogal Drive near Hollister Avenue, APN 061-081-022. The owner is in the process of subdividing this parcel into two lots. The front portion of the parcel contains a single-family residence, the rear portion contains a guest house currently occupied by the owner's son. The District issued a Sewer Service Availability Letter on August 23, 2022 for this proposed lot split. The terms and conditions of the letter spelled out that each property must have its own sewer connection in accordance with District Ordinance 92 and District Standard Specifications. The owner is requesting consideration of a Shared Lateral Agreement to allow the continued use of the existing 4-inch sewer lateral for both lots as a shared lateral rather than installing a new 4-inch sewer lateral from the proposed back lot to the sewer main located on Nogal Drive. The owner states that the existing sewer lateral is located in a landscaped area and that the costs to install the new sewer lateral and to repair the landscaping and existing driveway will exceed \$55,000. The Shared Lateral Agreement will allow the property owners to maintain the existing 4-inch sewer lateral to serve both properties instead of installing a new 4-inch sewer lateral for the back lot. The Agreement will be recorded and stipulates that sewer lateral maintenance, repair and replacement costs shall be borne by the property owners. The Board has previously approved shared lateral agreements for similar situations where construction concerns can be minimized and cost savings can be realized with the utilization of a single pipe.

III. COMMENTS AND RECOMMENDATIONS

The Board reviewed this request at their meeting on December 5, 2022 and directed staff to bring this item back for further consideration once further revisions from legal staff had been incorporated. Attached is the revised draft Shared Lateral Agreement that has been reviewed by legal counsel. Staff recommends that the Board approve the draft Shared Lateral Agreement and direct the General Manager to sign said agreement, pending any changes the Board may wish to make.

IV. REFERENCE MATERIAL

Letter dated November 18, 2022 Requesting Shared Lateral

Revised Draft Shared Lateral Agreement

Map of Proposed Lot Split Showing Location of Existing Sewer Lateral



Providing Excellence in Engineering
Helping property owners create
value for over 40 years

November 18, 2022

Dear Goleta Sanitary District,

Our client, Steve Koop, is in the process of performing an urban lot split under the new California law, SB-9. Their current address is 195 Nogal Drive in Santa Barbara, and they are part of the Goleta Sanitary District. There are already two existing residences on the current property, and there will be no future development or building on the two parcels. The only change is that the two houses will be on their own separate parcels. The main house is occupied by the senior Koop's while the back house is occupied by Chase Koop, the son.

Both residences are already hooked up to public sewer. There will be no modifications to the water or sewer systems due to this lot split. The son's house is connected to the sewer lateral serving the main house near the front of the main house. If another sewer lateral were required, it would involve tearing up the existing driveway as well as destroying trees and landscaping. This would cost a minimum of \$55,000 to repair these damages. Additionally, adding another sewer lateral would conflict with the existing waterline and create even more challenges.

We herewith request approval of an agreement to share the existing common sewer lateral serving the 2 residences. Since there is no physical change due to the SB9 lot split, there is no physical need to construct a parallel sewer lateral. The resulting 2 properties will enter into a Use and Maintenance agreement which will spell out the maintenance responsibility of the sewer lateral.

Please let us know if you need any additional information from us. We look forward to hearing back from you.

Sincerely,

Peter Riechers, PE
President and Civil Engineer, Riechers Engineering

RECORDING REQUESTED BY
AND
WHEN RECORDED MAIL TO:

GOLETA SANITARY DISTRICT
One William Moffett Place
Goleta, CA 93117

No fee per Government
Code Section 6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SHARED SEWER LATERAL AGREEMENT

THIS SHARED SEWER LATERAL AGREEMENT (this "Agreement"), dated for reference purposes as of _____, is entered into by and between the **GOLETA SANITARY DISTRICT** (the "District") and **STEVEN J. KOOP AND PAMELA L. KOOP, HUSBAND AND WIFE, AS TRUSTEES, AND THE SUBSEQUENT TRUSTEES OF THE KOOP FAMILY TRUST DATED MAY 5, 1999** (the "Applicant").

Recitals

A. The Applicant seeks approval from the District to utilize the existing privately owned sewer lateral located at 195 Noyal Drive, Santa Barbara, California (the "Property"), for sewer service for both of the two (2) parcels to be created by the proposed lot split of the Property pursuant to tentative parcel map **XXXX** (the "Lot Split"). The Property is more particularly described in Exhibit "A" attached hereto and made a part hereof by this reference.

B. Sewer service to the existing single-family residence and guest house on the Property is currently provided by a single privately owned lateral pursuant to Goleta Sanitary District permit numbers 265 dated December 17, 1958 and 4398 dated September 12, 2011 (the "Lateral"). The Lateral is depicted on Exhibit "B" attached hereto and made a part hereof by this reference.

C. Following the proposed Lot Split, the existing single-family residence will be located on one of the two parcels and the existing guest house will be located on the second parcel.

NOW, THEREFORE, the parties hereby agree as follows:

- 1.** The Applicant acknowledges, understands, and agrees that the Lateral is not part of the District's facilities, but is a private sewer line.
- 2.** The Applicant (i) assumes full responsibility for the repair, replacement, maintenance, and operation of the Lateral at no cost to the District, (ii) shall be solely responsible for any adverse conditions arising in connection with the Lateral, including but not limited to sewage back ups, spills, and the cleanup thereof, and (iii) shall immediately report to the District all sewage spills or backups originating from the Lateral.
- 3.** The District shall have no obligations relating to (i) the repair, replacement,

maintenance, or operation of the Lateral, (ii) sewage spills or backups originating from the Lateral or damages relating thereto, or (iii) damage caused by the owner one of the parcels created by the Lot Split to the owner of the other parcel. The Applicant shall not involve the District in any questions or disputes regarding such obligations.

4. The Applicant shall indemnify, defend and hold harmless the District and its officers, directors, employees, and agents from and against all claims, liabilities, fines, penalties, damages, costs, and expenses, including attorneys' fees, arising out of the ownership, repair, replacement, maintenance, or operation of the Lateral.

5. This Agreement shall run with the Property and shall be binding upon and accrue to the benefit of (i) the Applicant and all future owners of the Property, the parcels created by the proposed Lot Split, or any interest therein, (ii) the District, and (iii) the respective assigns and successors in interest of the foregoing parties.

6. Should any litigation or arbitration be commenced between the parties to this Agreement concerning the enforcement or interpretation of any rights or obligations hereunder, the prevailing party shall be entitled to recover attorneys' fees in addition to such other relief as may be granted.

7. This Agreement shall be executed in recordable form and shall be recorded in the Official Records of Santa Barbara County promptly following execution by the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date(s) set forth below.

"DISTRICT"

GOLETA SANITARY DISTRICT

By: _____
Steve D. Wagner, P.E.
General Manager/District Engineer

Date: _____

"APPLICANT"

STEVEN J. KOOP AND PAMELA L. KOOP,
HUSBAND AND WIFE, AS TRUSTEES, AND
THE SUBSEQUENT TRUSTEES OF THE KOOP
FAMILY TRUST DATED MAY 5, 1999

By: _____
Steven J. Koop, Trustee

By: _____
Pamela L. Koop, Trustee

Date: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Santa Barbara)

On _____, before me, _____, Notary Public
(here insert name and title of the officer)

personally appeared STEVEN J. KOOP, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Santa Barbara)

On _____, before me, _____, Notary Public
(here insert name and title of the officer)

personally appeared PAMELA L. KOOP, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of Santa Barbara)

On _____, before me, _____, Notary Public
(here insert name and title of the officer)
personally appeared STEVE D. WAGNER, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

Legal Description

LOT "A" IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN AND DESIGNATED ON PARCEL MAP NUMBER 12,327, FILED IN BOOK 16, PAGE 61 OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"
Depiction of Lateral

[Attached]

LEGENDS:

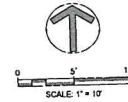
- AC --- ASPHALT/CONCRETE
 - BFPP --- BACK FLOW PREVENTER
 - CL --- CENTERLINE
 - CB --- CATCH BASIN
 - EP --- EDGE OF PAVEMENT
 - PH --- POWER POLE
 - FP --- FIRE HYDRANT
 - R --- ROCK OUT CROPPING
 - SDMH --- STORM DRAIN MANHOLE
 - SI --- STORM INLET
 - SSMH --- SEWER MANHOLE
 - WM --- WATER METER
 - WV --- WATER VALVE
-
- BOUNDARY LINE
 - - - PROPOSED DIVIDING LINE
 - / - DENIED ACCESS
 - x - FENCE LINE
 - E --- ELECTRICITY LINE
 - OH --- OVERHEAD LINE
 - G --- GAS LINE
 - SS --- SANITARY SEWER LINE
 - SD --- STORM DRAIN LINE
 - T --- TELEPHONE LINE
 - W --- WATER LINE

NOTES:

1. THE PARCELS DO NOT HAVE SIDEWALK
2. THERE ARE SIGNIFICANT TREES ON THE PROPERTY
3. OWNER:
STEVEN J. KOOP
195 NOGAL DRIVE,
SANTA BARBARA, CA, 93110
4. EXISTING DRIVEWAY
5. EXISTING CURB & GUTTER

TENTATIVE PARCEL MAP

195 NOGAL DRIVE, SANTA BARBARA, CALIFORNIA
 APN 061-082-022
 22,134 SQ. FT.
 SCALE: 1" = 10'



General Notes

OWNER:
STEVEN J. KOOP
195 NOGAL DRIVE,
SANTA BARBARA, CA, 93110

ENGINEER:
RIECHERS ENGINEERING
572 GATEWAY DRIVE
MSPA, CA 94555



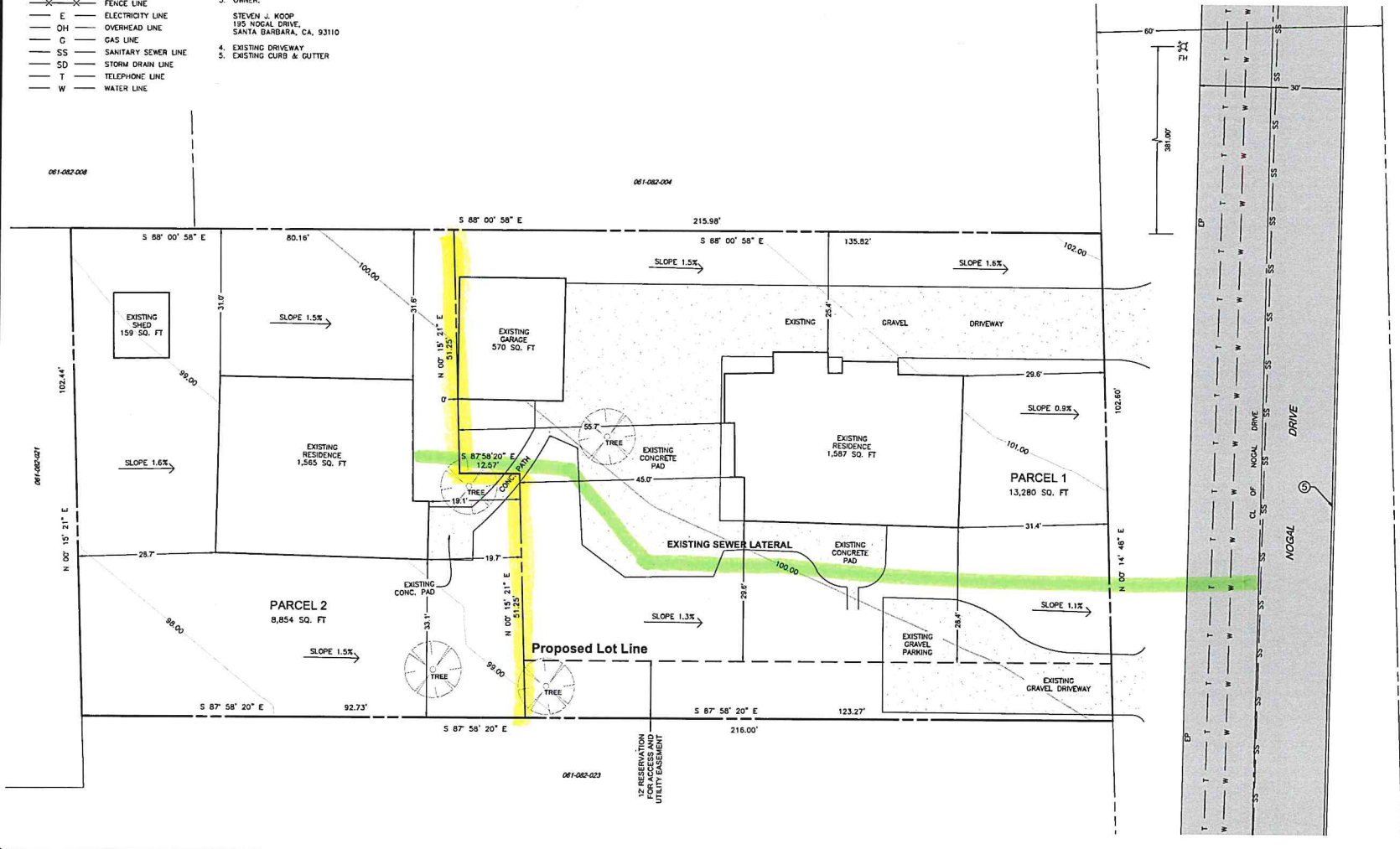
PREPARED UNDER THE DIRECTION OF:
 PETER RIECHERS REG. 33483 EXP. 6-30-24

No.	Revision/Issue	Date

Sheet Name:
**TENTATIVE
 PARCEL MAP**

Project Name and Address:
 KOOP TPM
 195 NOGAL DRIVE,
 SANTA BARBARA, CA, 93110

Project: 2022-____-SAN	Sheet: 1
Date: AUGUST 23 2022	
Scale: 1" = 10'	



AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: December 19, 2022

I. NATURE OF ITEM

Consideration and Adoption Resolution Approving Revised Bereavement Leave Policy

II. BACKGROUND INFORMATION

The District's current bereavement leave policy is set forth under Policy #304 of the District's Human Resources Procedure and Policy Manual. The current policy provides that, in the event of a death in the immediate family of an employee, the employee may request a paid leave of absence, up to three working days per incident, to be charged to the employee's accrued sick leave. If more time is needed, the employee may use other accrued leave. The current policy also (i) defines "immediate family", (ii) provides that bereavement leave in the case of death of other persons may be granted at the discretion of the District, and if granted, may be charged to the employee's available accrued leave, and (iii) specifies the required notification prior to taking bereavement leave.

A new law addressing bereavement leave, Assembly Bill 1949 (AB 1949), goes into effect on January 1, 2023. Among other things, AB 1949 requires employers with five or more employees to grant eligible employees the opportunity to take up to five days of bereavement leave upon the death of a family member. A copy of the full text of AB 1949 and a summary of the Bill are included with this agenda report.

III. COMMENTS AND RECOMMENDATIONS

To comply with AB 1949, the District's legal counsel has prepared a resolution that approves a revised bereavement leave policy. That resolution is included with this agenda report. As required by AB 1949, the revised policy allows employees to take up to five days of bereavement leave. The revised policy is consistent with the District's current policy in that it provides that only three days of bereavement leave will be paid (unless the employee also uses accrued, unused vacation or sick leave). The revised policy also includes a revised definition for family members that are covered by the policy, as well as other provisions to comply with AB 1949.

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

IV. REFERENCE MATERIAL

Resolution Approving Revised Bereavement Leave Policy

Assembly Bill 1949

Summary of AB 1949 Prepared by Littler Mendelson

RESOLUTION NO. 22-697

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA
SANITARY DISTRICT APPROVING REVISED BEREAVEMENT LEAVE
POLICY UNDER HUMAN RESOURCES PROCEDURE AND POLICY MANUAL**

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

WHEREAS, Section 2 (Bereavement Leave) under Policy #304 (Leaves of Absence) of Section III (Benefits) of the HR Manual describes the District’s bereavement leave policy; and

WHEREAS, the Governing Board of the District desires to adopt a revised bereavement leave policy to comply with Assembly Bill 1949, which becomes effective as January 1, 2023.

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

1. Amendment of Bereavement Leave Policy. Effective as of January 1, 2023, Section 2 under Policy #304 of Section III of the HR Manual is deleted in its entirety and is replaced with the revised Section 2 attached hereto as Exhibit “A” and incorporated herein by this reference.

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

PASSED AND ADOPTED this 19th day of December 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Steven T. Majoewsky,
President of the Governing Board

COUNTERSIGNED

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

EXHIBIT “A”

Revised Bereavement Leave Policy

2. Bereavement Leave

Upon the death of a covered family member (as defined below), employees who have been employed with the District for at least thirty (30) days are eligible to take up to five (5) days of bereavement leave. The leave must be completed within three (3) months of the date of death and does not have to be taken on consecutive days.

The District will pay up to three (3) working days for bereavement leave per incident, to be charged to the employee's accrued sick leave, and the remainder of the leave will be unpaid, except that an employee may use any accrued, unused vacation or sick leave during the unpaid portion of the bereavement leave.

For purposes of this policy, a “covered family member,” includes an employee’s spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law, as those terms are defined in Government Code Section 12945.2.

If requested by the District, the employee shall, within thirty (30) days of the first day of the bereavement leave, provide documentation of the death of the covered family member for whom the leave is taken. Such documentation may include, but is not limited to, a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or government agency.

The District shall maintain the confidentiality of any employee requesting leave under this policy. Any documentation provided to the District relating to (i) the death of a covered family member, or (ii) an inquiry or proceeding related to the rights provided under this policy shall be maintained as confidential and shall not be disclosed except to internal District personnel or counsel, as necessary, or as required by law.

The District shall not refuse to hire, or discharge, demote, fine, suspend, expel, or discriminate against an employee because of (i) the exercise of the employee’s right to bereavement leave as provided under this policy, or (ii) an employee’s giving information or testimony as to the employee’s own bereavement leave, or another person’s bereavement leave, in an inquiry or proceeding related to the rights provided under this policy. The District shall not interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this policy.

The employee must notify his/her Department Head as soon as practical prior to taking bereavement leave and note the leave on the employee’s time sheet upon return to work.

Bereavement leave, as provided under this policy is separate and distinct from any rights provided pursuant to the California Family Rights Act under the California Fair Employment and Housing Act.



Assembly Bill No. 1949

CHAPTER 767

An act to amend Sections 12945.21 and 19859.3 of, and to add Section 12945.7 to, the Government Code, relating to employment.

[Approved by Governor September 29, 2022. Filed with Secretary of State September 29, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1949, Low. Employees: bereavement leave.

Existing law, commonly known as the California Family Rights Act, which is a part of the California Fair Employment and Housing Act, makes it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take up to 12 workweeks of unpaid protected leave during any 12-month period for family care and medical leave, as specified.

This bill would additionally make it an unlawful employment practice for an employer to refuse to grant a request by an eligible employee to take up to 5 days of bereavement leave upon the death of a family member, as defined. The bill would require that leave be completed within 3 months of the date of death. The bill would require that leave be taken pursuant to any existing bereavement leave policy of the employer. Under the bill, in the absence of an existing policy, the bereavement leave may be unpaid. However, the bill would authorize an employee to use certain other leave balances otherwise available to the employee, including accrued and available paid sick leave.

This bill would require, if an existing leave policy provides for less than 5 days of bereavement leave, a total of at least 5 days of bereavement leave for the employee, as prescribed. The bill would make it an unlawful employment practice for an employer to engage in specified acts of discrimination, interference, or retaliation relating to an individual's exercise of rights under the bill. The bill would require the employer to maintain employee confidentiality relating to bereavement leave, as specified. The bill would not apply to an employee who is covered by a valid collective bargaining agreement that provides for prescribed bereavement leave and other specified working conditions.

Existing law requires the Department of Fair Employment and Housing to create a small employer family leave mediation pilot program for alleged violations of specified family care and medical leave provisions, applicable to employers with between 5 and 19 employees.

This bill would require the Department of Fair Employment and Housing to expand the program to include mediation for alleged violations of these provisions.

Existing law grants specified permanent employees of the state up to 3 days of bereavement leave, with up to 2 additional days of bereavement leave upon request if the death is out of state. Existing law specifies that these 2 additional days are to be without pay or are to be charged against existing sick leave credits.

This bill would recast those provisions to specify that the first 3 days of bereavement leave are to be paid leave, and to remove the condition that the death be out of state for the additional 2 days.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

DIGEST KEY

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1.

Section 12945.7 is added to the Government Code, to read:

12945.7.

(a) As used in this section:

(1) (A) "Employee" means a person employed by the employer for at least 30 days prior to the commencement of the leave.

(B) "Employee" does not include a person who is covered by Section 19859.3.

(2) "Employer" means either of the following:

(A) A person who employs five or more persons to perform services for a wage or salary.

(B) The state and any political or civil subdivision of the state, including, but not limited to, cities and counties.

(3) "Family member" means a spouse or a child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law as defined in Section 12945.2.

(b) It shall be an unlawful employment practice for an employer to refuse to grant a request by any employee to take up to five days of bereavement leave upon the death of a family member.

(c) The days of bereavement leave need not be consecutive.

(d) The bereavement leave shall be completed within three months of the date of death of the family member.

(e) (1) The bereavement leave shall be taken pursuant to any existing bereavement leave policy of the employer.

(2) If there is no existing bereavement leave policy, the bereavement leave may be unpaid, except that an employee may use vacation, personal leave, accrued and available sick leave, or compensatory time off that is otherwise available to the employee.

(3) If an existing leave policy provides for less than five days of paid bereavement leave, the employee shall be entitled to no less than a total of five days of bereavement leave, consisting of the number of

days of paid leave under the existing policy, and the remainder of days of leave may be unpaid, except that an employee may use vacation, personal leave, accrued and available sick leave, or compensatory time off that is otherwise available to the employee.

(4) If an existing leave policy provides for less than five days of unpaid bereavement leave, the employee shall be entitled to no less than five days of unpaid bereavement leave, except that an employee may use vacation, personal leave, accrued and available sick leave, or compensatory time off that is otherwise available to the employee.

(f) The employee, if requested by the employer, within 30 days of the first day of the leave, shall provide documentation of the death of the family member. As used in this subdivision, "documentation" includes, but is not limited to, a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency.

(g) It shall be an unlawful employment practice for an employer to refuse to hire, or to discharge, demote, fine, suspend, expel, or discriminate against, an individual because of either of the following:

(1) An individual's exercise of the right to bereavement leave provided by subdivision (b).

(2) An individual's giving information or testimony as to their own bereavement leave, or another person's bereavement leave, in an inquiry or proceeding related to rights guaranteed under this section.

(h) It shall be an unlawful employment practice for an employer to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right provided under this section.

(i) The employer shall maintain the confidentiality of any employee requesting leave under this section. Any documentation provided to the employer pursuant to subdivision (f) or subdivision (g) shall be maintained as confidential and shall not be disclosed except to internal personnel or counsel, as necessary, or as required by law.

(j) An employee's right to leave under this section shall be construed as separate and distinct from any right under Section 12945.2.

(k) The section does not apply to an employee who is covered by a valid collective bargaining agreement if the agreement expressly provides for bereavement leave equivalent to that required by this section and for the wages, hours of work, and working conditions of the employees, and if the agreement provides premium wage rates for all overtime hours worked, where applicable, and a regular hourly rate of pay for those employees of not less than 30 percent above the state minimum wage.

SEC. 2.

Section 12945.21 of the Government Code is amended to read:

12945.21.

(a) The department shall create a small employer family leave mediation pilot program for employers with between 5 and 19 employees. Under the pilot program, when an employee requests an immediate right to sue alleging a violation of Section 12945.2 or Section 12945.7 by an employer having between 5 and 19 employees, the department shall notify the employee in writing of the requirement for mediation prior to filing a civil action if mediation is requested by the employer or employee. The employee shall contact the department's dispute resolution division prior to filing a civil action.

(b) (1) Under the pilot program, the employee shall contact the department's dispute resolution division prior to filing a civil action in the manner specified by the department. The employee shall also indicate whether they are requesting mediation.

(2) Upon contacting the dispute resolution division regarding the intent to pursue a legal action for a violation of Section 12945.2 or Section 12945.7 by an employer having between 5 and 19 employees, the department shall notify all named respondents of the alleged violation and the requirement for mediation, if mediation is requested by the employee or employer, in writing.

(3) The department shall terminate its activity if neither the employee nor the employer requests mediation within 30 days of receipt by all named respondents of the notification specified in paragraph (2).

(4) If the department receives a request for mediation from the employee or employer within 30 days of receipt by all named respondents of the notification specified in paragraph (2), the department shall initiate the mediation within 60 days of the department's receipt of the request or the receipt of the notification by all named respondents, whichever is later.

(5) Once the mediation has been initiated, no later than seven days before the mediation date, the mediator shall notify the employee of their right to request information pursuant to Sections 226 and 1198.5 of the Labor Code. The mediator shall also help facilitate any other reasonable requests for information that may be necessary for either party to present their claim in mediation.

(c) (1) The employee shall not pursue any civil action under Section 12945.2 or Section 12945.7 unless the mediation is not initiated by the department within the time period specified in subdivision (b) or until the mediation is complete or the mediation is deemed unsuccessful.

(2) The statute of limitations applicable to the employee's claim, including for all related claims under Section 12945.2 or Section 12945.7 and not under Section 12945.2 or Section 12945.7, shall be tolled from the date the employee contacts the department's dispute resolution division regarding the intent to pursue a legal action until the mediation is complete or the mediation is deemed unsuccessful.

(d) (1) For purposes of this section, the following shall apply:

(2) A mediation is deemed complete when any of the following occur:

(A) Neither the employee nor the employer requests the mediation within 30 days of receipt by all named respondents of the notification or both parties agree not to participate in the mediation.

(B) The employer fails to respond to the notification or mediation request within 30 days of receipt.

(C) The department fails to initiate the mediation within 60 days of the department's receipt of the request for mediation or the receipt by all named respondents of the notification, whichever is later.

(D) The department notifies the parties that it has determined that further mediation would be fruitless, both parties agree that further mediation would be fruitless, one of the parties failed to submit information requested by the other party and deemed by the mediator to be reasonably necessary or fair for the other party to obtain, or the mediator determines that the core facts of the employee's complaint are unrelated to Section 12945.2 or Section 12945.7.

(3) A mediation is unsuccessful if the claim is not resolved within 30 days of the department's initiation of mediation, unless the department notifies the parties that it has determined more time is needed to make the mediation successful.

(e) A respondent or defendant in a civil action that did not receive a notification pursuant to subdivision (b) as a result of the employee's failure to contact the department's alternative dispute resolution division prior to filing a civil action, and who had between 5 and 19 employees at the time that the alleged violation occurred, shall, upon a timely request, be entitled to a stay of any pending civil action or arbitration until mediation is complete or is deemed unsuccessful.

(f) If a request for an immediate right to sue includes other alleged violations under this part, this section shall only apply to the claim alleging a violation of Section 12945.2 or Section 12945.7. Notwithstanding this subdivision, nothing in this section prohibits the parties from voluntarily choosing to mediate all alleged violations.

(g) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

SEC. 3.

Section 19859.3 of the Government Code is amended to read:

19859.3.

(a) Any permanent employee who is either excluded from the definition of state employee in subdivision (c) of Section 3513, or is a nonelected officer or employee of the executive branch of government who is not a member of the civil service, shall be granted bereavement leave with pay for the death of a person related by blood, adoption, or marriage, or any person residing in the immediate household of the employee at the time of death. The employee shall give advance notice to the employee's immediate supervisor and shall provide substantiation to support the request.

(b) For any one occurrence, the bereavement leave shall not exceed three days with pay. However, a request for two additional days of bereavement leave shall be granted, at the option of the employee, as either without pay or as a charge against any accrued sick leave credit.

(c) If additional bereavement leave is necessary, the employee may use accrued vacation, compensating time off, or take an authorized leave without pay, subject to the approval of the appointing power.

SEC. 4.

The Legislature finds and declares that Section 1 of this act, which adds Section 12945.7 to the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

The confidentiality provisions set forth in Section 1 further the need to protect the privacy rights of employees regarding the passing of a family member, and to protect the enforcement process related to violations of the bereavement provisions. These limitations are needed in order to strike the proper balance between the privacy interests of the employee and the employee's family, and the public's right to access.

California Creates Bereavement Leave Requirement

By Kyra A. Buch and Michelle Barrett Falconer on October 10, 2022

On September 29, 2022, Governor Newsom signed AB 1949, which creates protected bereavement leave under the California Family Rights Act (CFRA). As of January 1, 2023, AB 1949 makes it unlawful for an employer to refuse to grant an eligible employee the opportunity to take up to five days of bereavement leave upon the death of a family member. As does CFRA, this new requirement applies to employers with five or more employees.

What Are The Basics of AB 1949?

AB 1949 provides eligible employees with up to five days of bereavement leave upon the death of a qualifying family member. The five days of bereavement leave provided under AB 1949 are separate and distinct from the 12 weeks of leave permitted under CFRA – it is an *additional* form of protected leave.

Eligible Employees and Qualifying Family Members

An employee is eligible for bereavement leave once they have been employed for at least 30 days prior to the commencement of leave. A qualifying family member includes a spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law as defined in CFRA. The employee can use bereavement leave under AB 1949 for each qualifying occurrence, meaning each death of a qualifying member. There does not appear to be a limit for how many times an employee can be eligible for AB 1949 bereavement leave.

When and how must the bereavement leave be taken?

The five days of bereavement leave do not need to be taken consecutively; they can be intermittent. The employee must *complete* the bereavement leave within three months of the family member's date of death, however. Whether the five days of bereavement leave are to be paid or unpaid depends on the employer's existing bereavement leave policy, discussed further below.

Can the employer require documentation?

The employer may require that the employee provide documentation of the death of the family member including a death certificate, published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency. The documentation, if requested by the employer, must be provided within 30 days of the first day of bereavement leave. The employer must maintain the confidentiality of an employee who requests bereavement leave under AB 1949 and all related documentation must be maintained as confidential, disclosed only as required by law.

What employer actions are made unlawful by AB 1949?

As with CFRA, it is unlawful for the employer to refuse to hire, discharge, demote, fine, suspend, expel, or discriminate against an employee who exercises their right to bereavement leave or an employee who gives information or testimony as to their own bereavement leave or another person's bereavement leave, in any inquiry or proceeding related to the rights granted under AB 1949. Additionally, it is unlawful for an employer to interfere with, restrain, or deny the exercise of, or attempt to exercise an employee's rights under AB 1949.

What If We Already Have A Bereavement Leave Policy?

AB 1949 requires that bereavement leave be taken pursuant to an employer's existing bereavement leave policy. If an employer does not have an existing bereavement leave policy, the five days of leave permitted under AB 1949 may be unpaid; however, the employee may use accrued paid leave to which they are otherwise entitled to provide pay during the bereavement leave.

If the employer's existing leave policy provides for less than five days of *paid* bereavement leave, the employee is entitled to receive pay for the number of days provided in the existing policy. The remaining days – up to a five day maximum per leave event – do not need to be paid; however, the employee may use accrued paid leave otherwise available to the employee for the unpaid days. For example, if the employer's existing bereavement policy allows for three days of paid leave, the employee is entitled to use three days of paid leave and also is entitled to two additional days of unpaid bereavement leave.

If the employer's existing leave policy provides for less five days of *unpaid* bereavement leave, the employee is entitled to at least five days of unpaid leave; however, the employee may use accrued paid leave otherwise available to the employee for the unpaid days.

Additional Information

Employees covered by a valid collective bargaining agreement will not be covered by AB 1949 if the agreement expressly provides for: (1) bereavement leave equivalent to AB 1949's requirements; (2) the wages, hours of work, and working conditions of the employees; (3) premium wage rates for all overtime hours worked; and (4) a regular hourly rate of pay for those employees that is at least 30 percent above the state minimum wage.

Employers with 5-19 employees are subject to the California Civil Rights Department's (formerly DFEH) mediation pilot program, just as they would be for an alleged violation of CFRA.

Current law already permits certain state employees up to three days of paid bereavement leave, with an additional two days permitted if the death is out of state. These two additional days are either unpaid or may be charged against an accrued sick leave credit, at the employee's option. AB 1949 amends this provision to clarify that three days of paid bereavement leave is provided for each "occurrence." Further, the two additional days, granted at the employee's option, apply to any bereavement situation, not just those occurring outside the state. Just as before, the two additional days may be unpaid or the employee can use accrued paid leave that is otherwise available to the employee for the unpaid days.

Practice Pointer

Employers should promptly take a look at their existing bereavement leave policies, if any, and take steps to ensure compliance with AB 1949. Alternatively, if there currently is no leave policy that addresses bereavement leave, now is a good time for employers to consider if they wish to adopt such a policy.

Information contained in this publication is intended for informational purposes only and does not constitute legal advice or opinion, nor is it a substitute for the professional judgment of an attorney.

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: December 19, 2022

I. NATURE OF ITEM

Discussion and Presentation of the District's Audit Report and Financial Status as of June 30, 2022

II. BACKGROUND INFORMATION

The District's auditors, Moss, Levy & Hartzheim, LLP, have completed their review of the District's financial records, and have prepared the annual financial statements and audit report for Fiscal Year 2021-22 (FY 2021-22). The report is enclosed in this agenda item for review and comments.

III. COMMENTS AND RECOMMENDATIONS

Overall, this is a clean audit report with no findings. The District's total revenues for FY 2021-22 exceeded expenses, before capital contributions, by approximately \$1,585,568. With capital contributions, the District's net financial position as of June 30, 2022 was \$98,986,335 which is an increase of \$1,923,953 over the prior year balance.

The District's auditor will provide a recorded message discussing the enclosed audit report to the Board on Monday, December 19, 2022. Also enclosed are copies of the auditor's report on compliance and internal control over financial reporting.

With the auditor's assistance, the District will submit its State Controller's Report, before the due date January 31, 2023, as mandated by State requirements.

The Finance Committee reviewed the draft financial statements on Friday, December 16, 2022, and recommends acceptance of the FY 2021-22 audit. As such, staff recommends the Board accept the report and direct submission to the State Controller as required prior to January 31, 2023.

IV. REFERENCE MATERIALS

Independent Auditor's Annual Audit Report for FY 2021-22

Audit Term Sheet

GOLETA SANITARY DISTRICT

FINANCIAL STATEMENTS

June 30, 2022

Draft

Draft

GOLETA SANITARY DISTRICT
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June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Goleta Sanitary District
Goleta, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Goleta Sanitary District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Goleta Sanitary District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Goleta Sanitary District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Goleta Sanitary District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Goleta Sanitary District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Goleta Sanitary District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Goleta Sanitary District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited the Goleta Sanitary District's 2021 financial statements, and our report dated November 2, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of the Goleta Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Maria, California
December 5, 2022

**Goleta Sanitary District
Management's Discussion and Analysis
For the Year Ended June 30, 2022**

As management of the Goleta Sanitary District, we offer readers of the Goleta Sanitary District's financial statements this narrative overview and analysis of the financial activities of the Goleta Sanitary District for the fiscal year ending June 30, 2022. We encourage readers to consider the information presented here in conjunction with the audit report.

Financial Highlights

- The assets and deferred outflows of resources of the Goleta Sanitary District exceeded its liabilities and deferred inflows of resources by \$98,986,335 and \$97,062,382 at the close of the June 30, 2022 and 2021 fiscal year, respectively.
- The District's total net position increased by \$1,923,953 as of June 30, 2022 and increased by \$921,733 as of June 30, 2021.
- The combination of operating and non-operating revenues, less operating expenses results in net income in the amount of \$1,585,568 as of June 30, 2022 and net income in the amount of \$522,054 as of June 30, 2021.
- Capital contributions were made to the District in the amount of \$338,385 and \$399,679 as of June 30, 2022 and 2021, respectively.
- The District borrowed Capital Improvement funds and is now carrying debt in the amount of \$14,135,000. These funds are for the construction of the Biosolids & Energy Strategic Plan Improvements.

Overview of the Financial Statements

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

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

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

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

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

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Goleta Sanitary District, like other state and local

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Goleta Sanitary District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$98,986,335 and \$97,062,382 at the close of June 30, 2022 and 2021, respectively.

By far the largest portion of the Goleta Sanitary District’s net position, \$54,175,003 (54.7 percent) and \$70,039,084 (72.2 percent) as of June 30, 2022 and 2021, respectively, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Goleta Sanitary District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Goleta Sanitary District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOLETA SANITARY DISTRICT’S NET POSITION

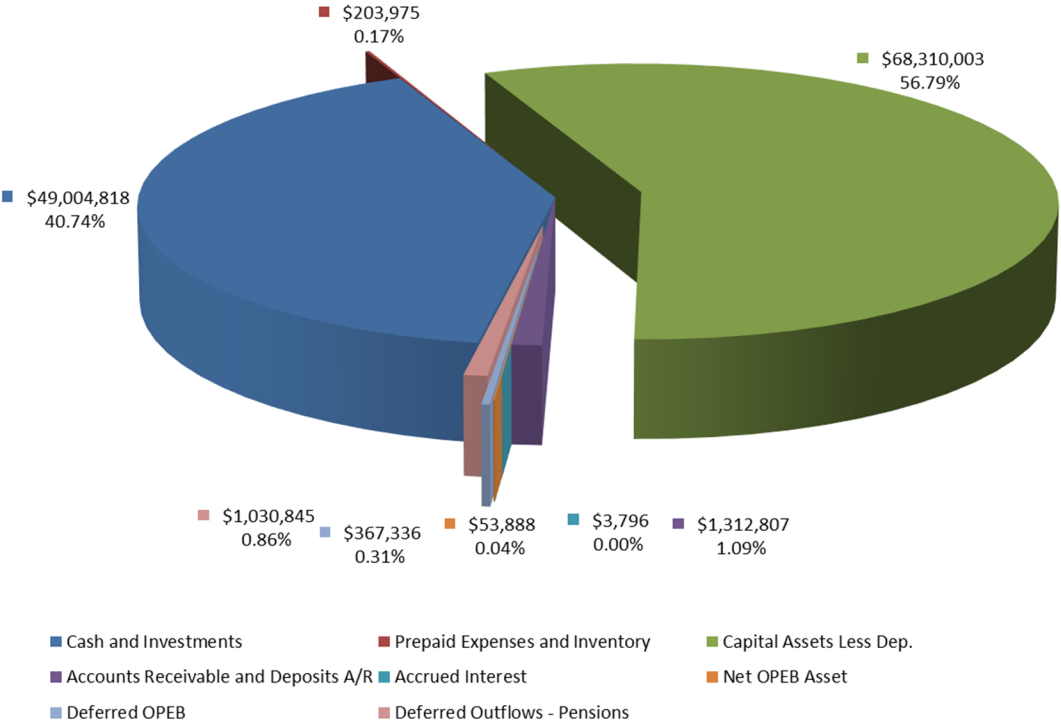
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current Assets	\$ 31,604,984	\$ 28,113,236
Noncurrent Assets	<u>87,284,303</u>	<u>74,861,932</u>
Total Assets	<u>\$ 118,889,287</u>	<u>\$ 102,975,168</u>
Deferred Outflows of Resources	\$ 1,398,181	\$ 1,576,493
Current Liabilities	\$ 1,247,863	\$ 797,626
Noncurrent Liabilities	<u>16,550,146</u>	<u>5,716,036</u>
Total Liabilities	<u>\$ 17,798,009</u>	<u>\$ 6,513,662</u>
Deferred Inflows of Resources	\$ 3,503,124	\$ 975,617
Net Position:		
Net Investment in Capital Assets	\$ 54,175,003	\$ 70,039,084
Restricted	4,907,458	4,957,999
Restricted for Construction	14,012,954	0
Unrestricted	<u>25,890,920</u>	<u>22,065,299</u>
Total Net Position	<u>\$ 98,986,335</u>	<u>\$ 97,062,382</u>

Additional portions of the Goleta Sanitary District’s net position, \$4,907,458 (5.0%) and \$4,957,999 (5.1%) as of June 30, 2022 and 2021, respectively, represents resources that are subject to external restrictions on how they may be used. The other restricted resource is the construction loan proceeds, \$14,012,954 (14.2%) of the net position. The remaining balance of unrestricted net position, \$25,890,920 and \$22,065,299 as of June 30, 2022 and 2021, respectively, may be used to meet the government’s ongoing obligations to citizens and creditors.

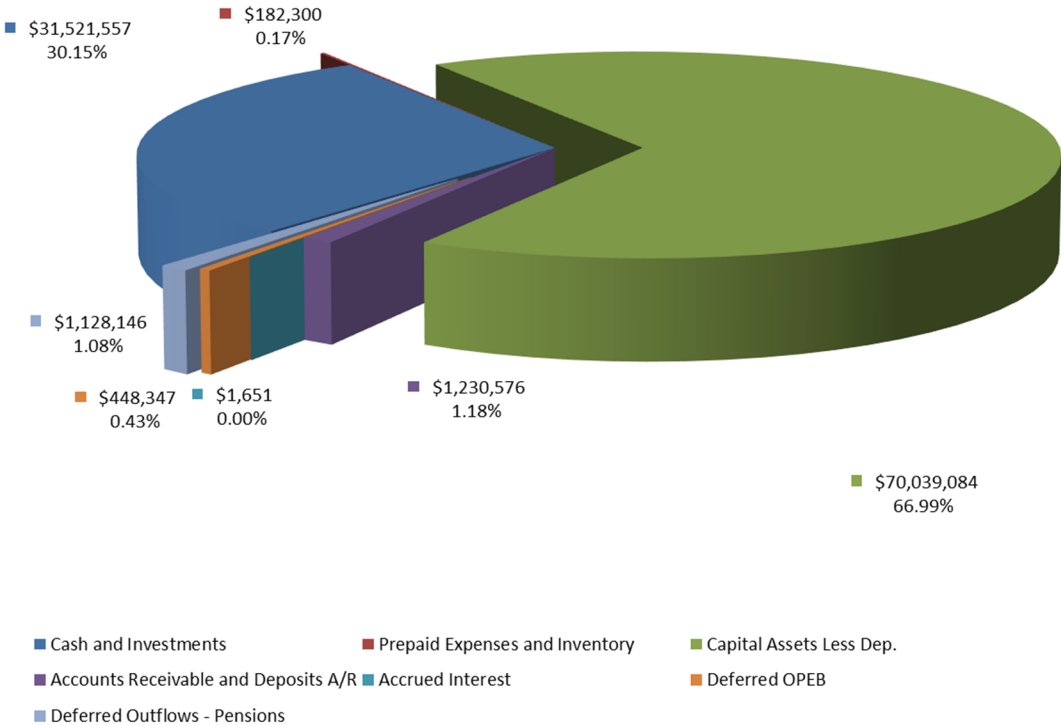
At the end of the current fiscal year, the Goleta Sanitary District is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

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

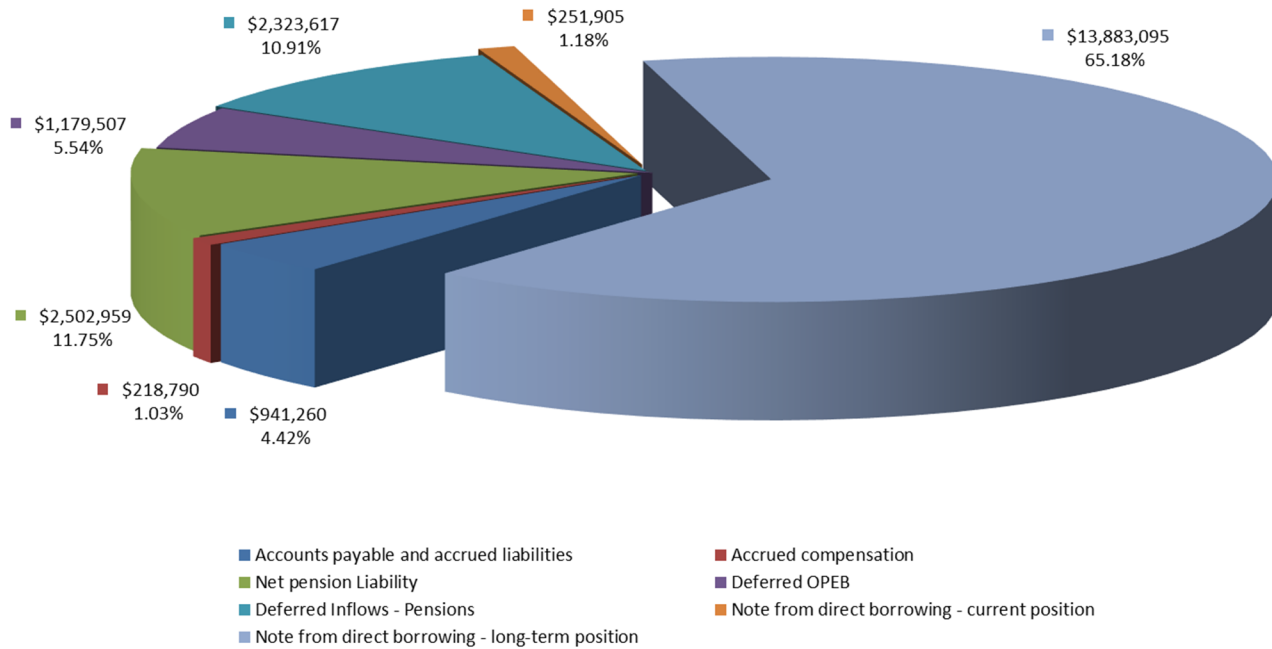
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 21-22



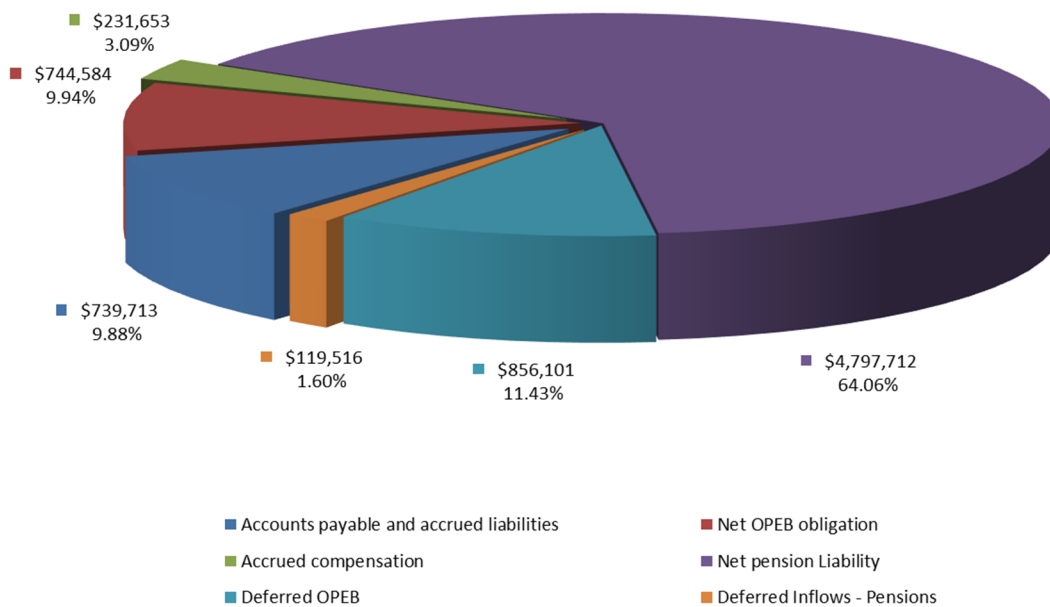
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 20-21



LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 21-22



LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 20-21

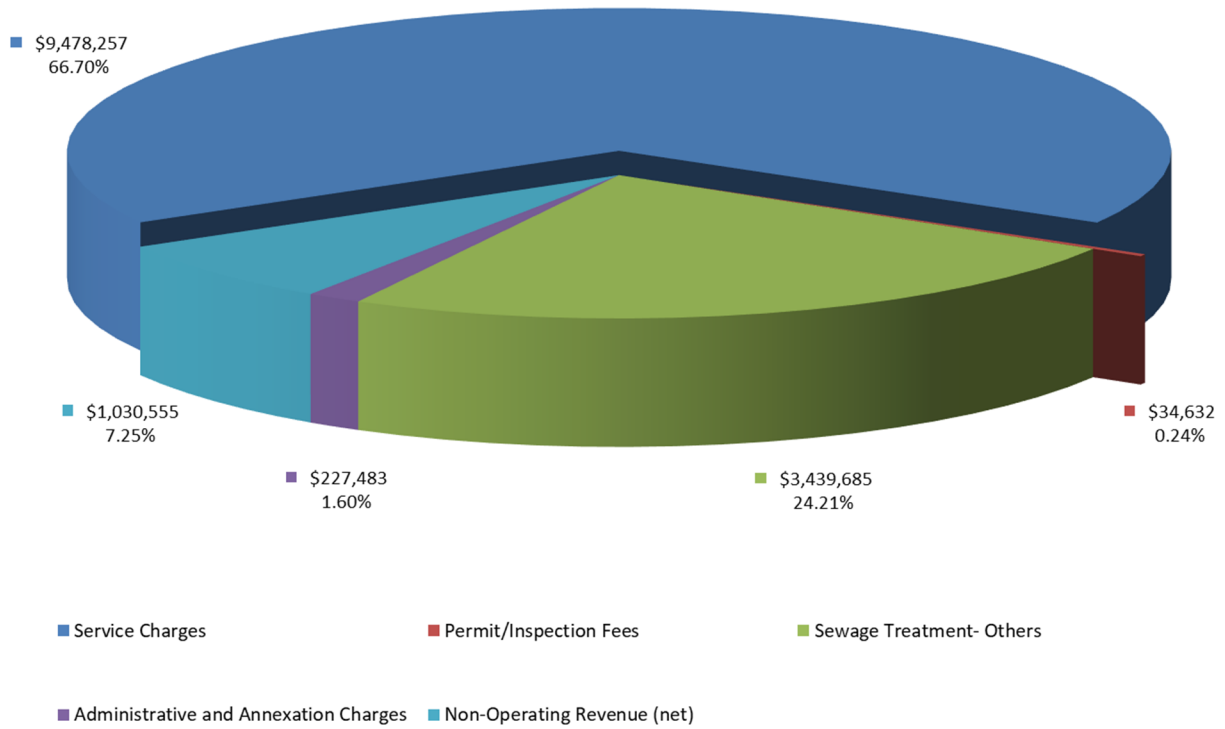


Business-type activities. The business-type activities increased the Goleta Sanitary District’s net position by \$1,923,953 and \$921,733 as of June 30, 2022 and 2021, respectively. The key elements are as follows: operating and nonoperating revenues exceeded operating and nonoperating expenses by \$1,585,568 as of June 30, 2022 whereas operating and nonoperating revenues exceeded operating and nonoperating expenses by \$522,054 as of June 30, 2021. Capital contributions to the District’s system totaled \$338,385 and \$399,679 as of June 30, 2022 and 2021, respectively. This is a net decrease of \$61,294 in Capital contributions as of June 30, 2022. The total revenues and capital contributions exceeded expenses during the 2021-2022 fiscal year. The District’s construction in progress value of \$4,423,717 has been recorded as capitalized amounts as detailed in Note 4 on page 25.

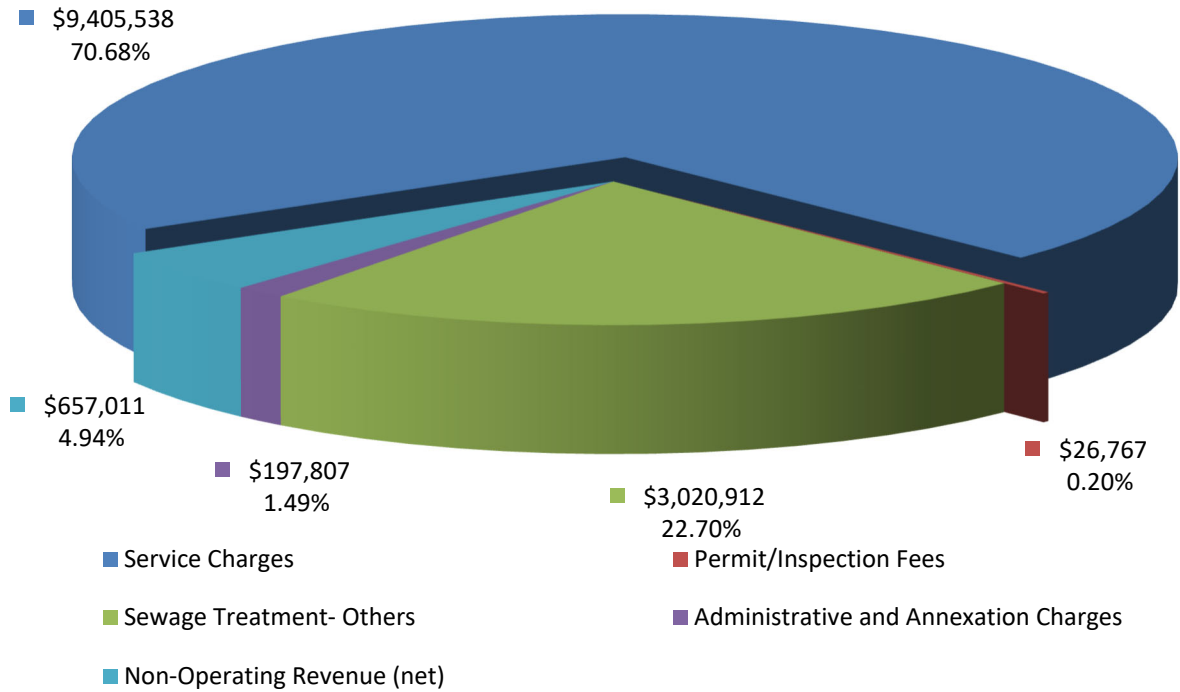
GOLETA SANITARY DISTRICT’S CHANGE IN NET POSITION

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Revenues:		
Service Charges	\$ 9,478,257	\$ 9,405,538
Other Operating	3,701,800	3,245,486
Non-operating	<u>1,030,555</u>	<u>657,011</u>
Sub-total:	\$ 14,210,612	\$ 13,308,035
Expenses:		
Sewage Collection	\$ 2,346,204	\$ 2,377,282
Sewage Treatment	7,850,391	7,997,399
Plant Pump Station	215,504	192,783
Sewage Disposal	120,311	116,682
Administrative	1,131,009	1,246,124
Wastewater Reclamation	<u>961,625</u>	<u>855,711</u>
Total Expenses:	\$ 12,625,044	\$ 12,785,981
Net Income/(Loss) Before Capital Contributions:	\$ 1,585,568	\$ 522,054
Capital Contributions	<u>338,385</u>	<u>399,679</u>
Increase in Net Position	\$ 1,923,953	\$ 921,733
Net Position – Beginning of Year	\$ 97,062,382	\$ 96,140,649
Prior Period Adjustment	<u>0</u>	<u>0</u>
Net Position – End of Year	<u>\$ 98,986,335</u>	<u>\$ 97,062,382</u>

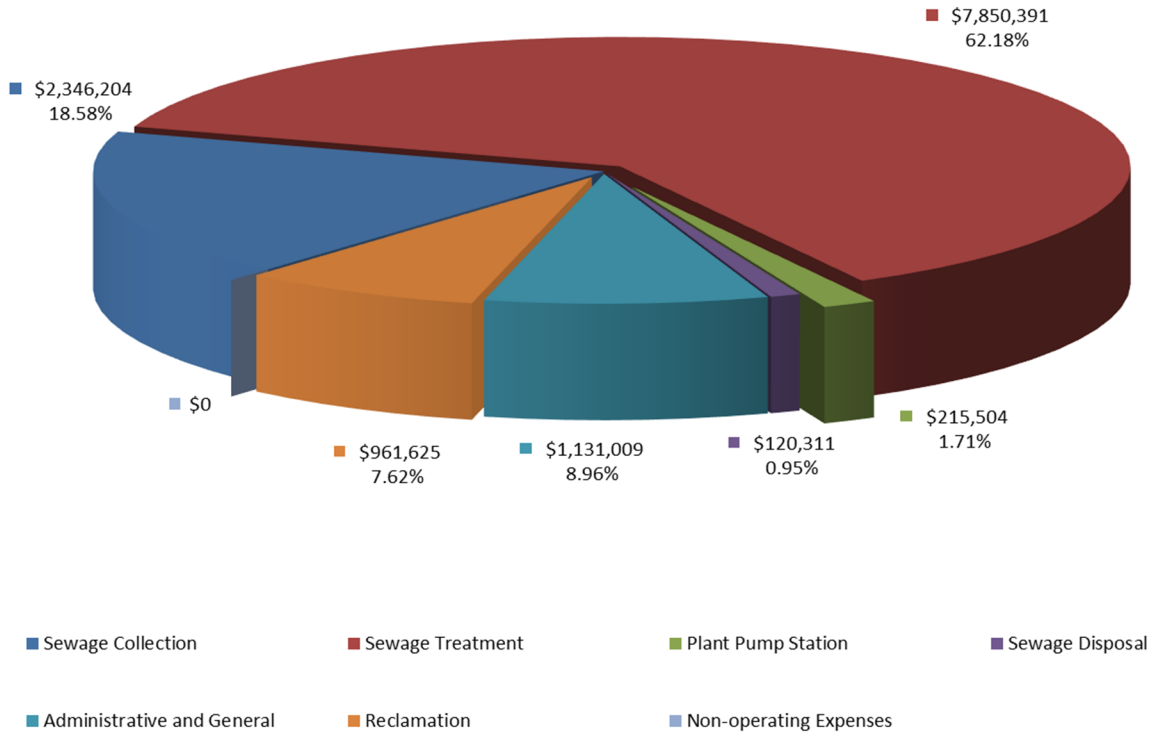
REVENUES FY 21-22



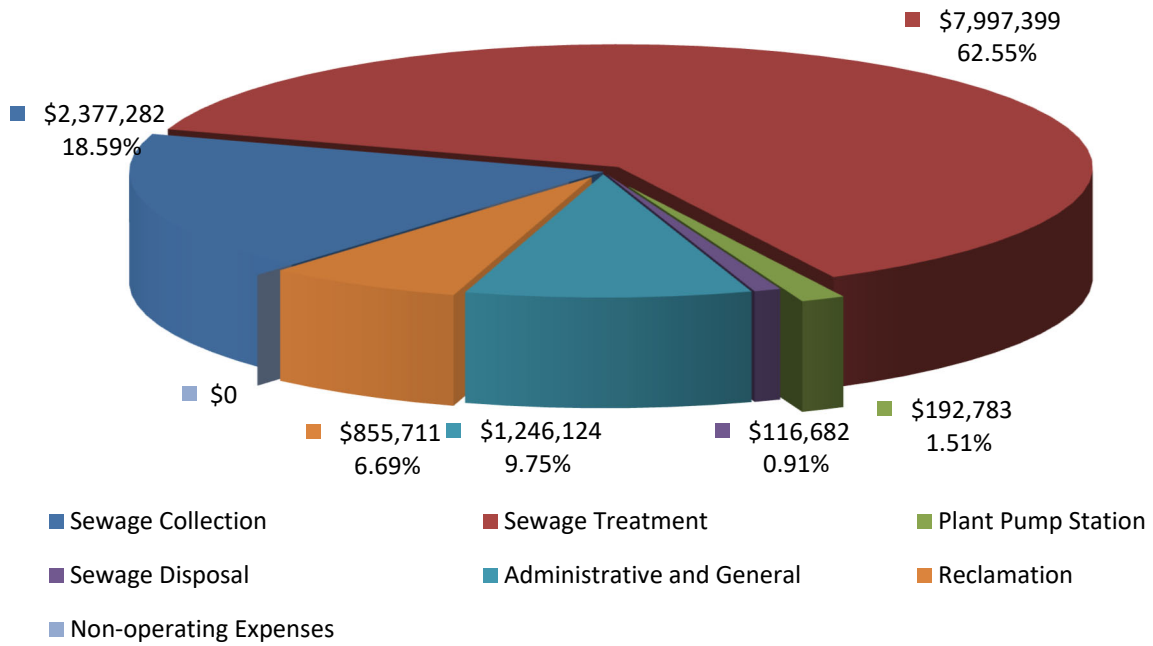
REVENUES FY 20-21



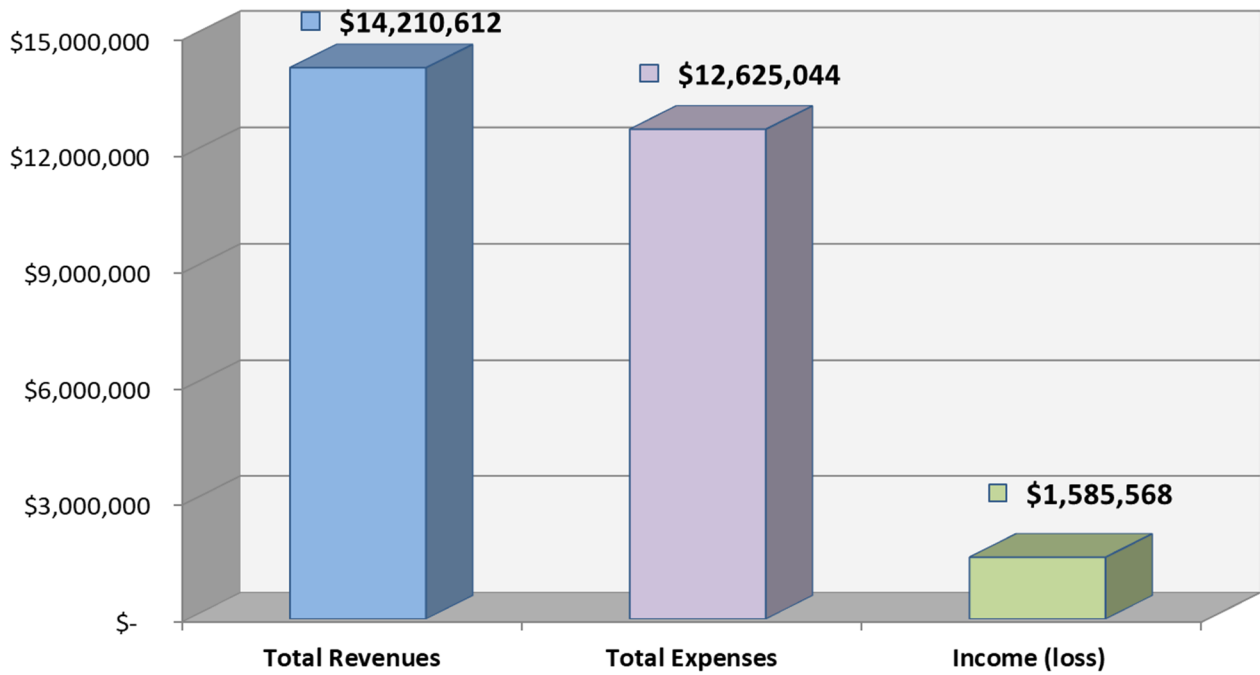
EXPENSES FY 21-22



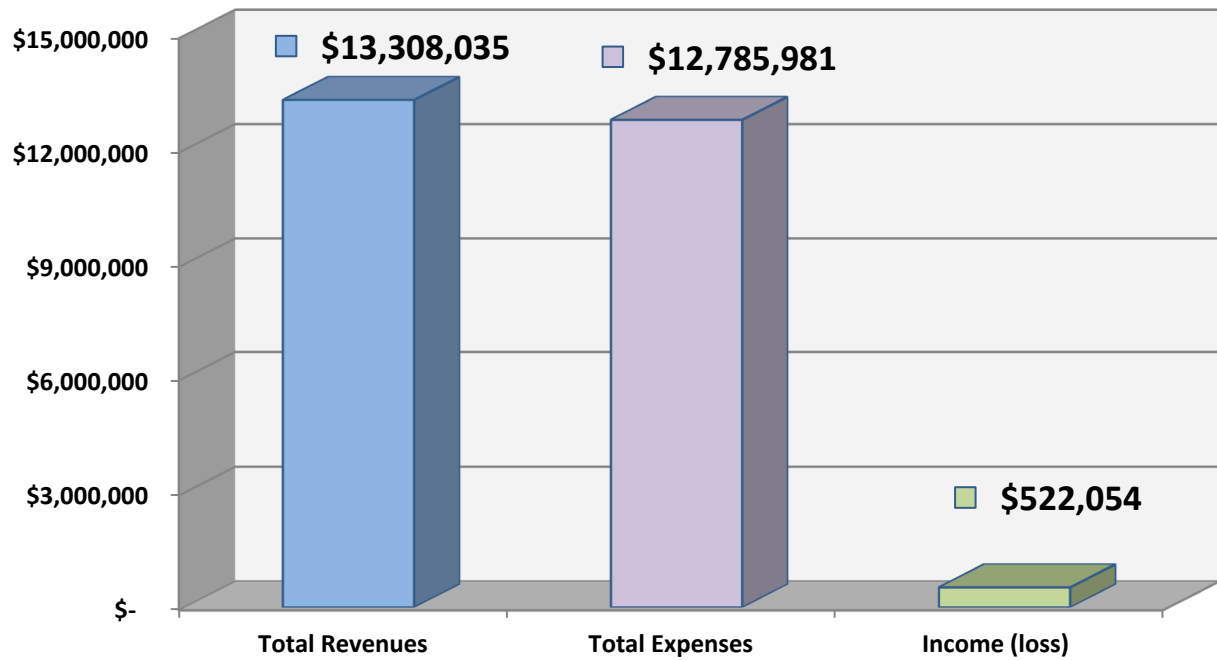
EXPENSES FY 20-21



REVENUES AND EXPENSES FY 21-22



REVENUES AND EXPENSES FY 20-21



Capital Asset and Debt Administration

Capital Assets. The Goleta Sanitary District’s investment in capital assets for its business-type activities as of June 30, 2022 and June 30, 2021 amounts to \$68,310,003 and \$70,039,084 (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, improvements, machinery and equipment.

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

The Collections department installed Armorock Manhole and Smart Covers, the continuation of manhole raising, and hired contracted sewer spot repairs during the fiscal year.

Treatment plant projects included: continued work on stainless steel valves at the headworks; plant communications upgrade projects; the cart storage and charge facility was completed; the lab replaced a one of seven samplers that tend to have a seven-year life. In addition the Administration building office space remodel was completed.

The Reclamation Facility also had capital asset events: Panel P upgrade and backwash pump check valves projects were completed. The PID control and sodium hypochlorite feed piping projects are ongoing as is the filter PLC and controls project.

Construction in progress projects include asset management and capital asset projects for both the Collections and the Treatment Plant. The treatment plant has ongoing projects related to biosolids handling and biosolids to energy projects; The lift station rehab project is underway and parts and supplies are arriving.

GOLETA SANITARY DISTRICT’S CAPITAL ASSETS

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Land	\$ 327,243	\$ 327,243	\$ 327,243
Construction in Progress	4,423,717	2,968,658	2,498,532
Collection Facilities	29,738,208	29,560,933	28,174,076
Treatment Facilities	70,046,257	69,866,434	70,041,905
Disposal Facilities	3,743,731	3,743,731	3,743,731
Admin Facilities and all vehicles	3,325,619	3,285,357	3,285,357
Wastewater Reclamation	<u>15,629,405</u>	<u>15,590,906</u>	<u>15,543,279</u>
 Total	 <u>\$ 127,234,180</u>	 <u>\$ 125,343,262</u>	 <u>\$ 123,614,123</u>
 Less Accumulated Depreciation	 <u>\$ (58,924,177)</u>	 <u>\$ (55,304,178)</u>	 <u>\$ (52,002,183)</u>
 Net Capital Assets	 <u>\$ 68,310,003</u>	 <u>\$ 70,039,084</u>	 <u>\$ 71,611,940</u>

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

Long-term liabilities. At the fiscal year-end, June 30, 2022, the Goleta Sanitary District held current and long-term liabilities related to the BEBP project loan. Information on long-term liabilities can be found in Note 5 on page 26 and the discussion in Note 10 on page 35 of this report.

Economic Factors and Next Year's Budgets and Rates

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

Other Post-Employment Benefits

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2009, the District joined the CalPERS medical program. An actuarial was performed during the 2021-2022 fiscal year to complete a valuation of the District's postemployment medical program with a measurement date of June 30, 2021, compliant under GASB Statement No. 75. The purpose of the valuation is to determine the value of the expected postretirement benefits for current and future retirees and the net OPEB benefit cost of the fiscal year ending June 30, 2022. GASB Statement No. 75 has many accounts and features that are similar to GASB Statement No. 68 related to pensions. The actuarial report prepared during Fiscal Year 2021-2022 noted that the plan net OPEB was a surplus of \$53,888. Actual cash contributions to CERBT for Plan year 21-22 came to \$359,425 in the form of direct payments to CERBT, reimbursements to retirees, and direct premium payments to CalPERS. Details can be found in Note 9 beginning on page 32 of this report.

Requests for Information

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

GOLETA SANITARY DISTRICT
STATEMENT OF NET POSITION - ENTERPRISE FUND
June 30, 2022
With Comparative Totals for June 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current:		
Cash and investments	\$ 30,270,839	\$ 26,698,709
Receivables:		
Accounts	1,126,374	1,230,576
Accrued interest	3,796	1,651
Inventories	91,174	96,542
Prepaid expenses	112,801	85,758
Total Current Assets	<u>31,604,984</u>	<u>28,113,236</u>
Noncurrent:		
Restricted:		
Cash and investments	18,733,979	4,822,848
Accounts receivable	186,433	
Net OPEB Asset	53,888	
Capital assets - net	68,310,003	70,039,084
Total Noncurrent Assets	<u>87,284,303</u>	<u>74,861,932</u>
Total Assets	<u>118,889,287</u>	<u>102,975,168</u>
Deferred Outflows of Resources		
Deferred OPEB	367,336	448,347
Deferred pensions	1,030,845	1,128,146
Total Deferred Outflows of Resources	<u>1,398,181</u>	<u>1,576,493</u>
Liabilities		
Current:		
Accounts payable and accrued liabilities	941,260	739,713
Current portion of accrued compensated leave	54,698	57,913
Note from direct borrowing - current portion	251,905	
Total Current Liabilities	<u>1,247,863</u>	<u>797,626</u>
Noncurrent:		
Accrued compensated leave	164,092	173,740
Note from direct borrowing - long-term portion	13,883,095	
Net OPEB liability		744,584
Net pension liability	2,502,959	4,797,712
Total Noncurrent Liabilities	<u>16,550,146</u>	<u>5,716,036</u>
Total Liabilities	<u>17,798,009</u>	<u>6,513,662</u>
Deferred Inflows of Resources		
Deferred OPEB	1,179,507	856,101
Deferred pensions	2,323,617	119,516
Total Deferred Inflows of Resources	<u>3,503,124</u>	<u>975,617</u>
Net Position		
Net investment in capital assets	68,144,919	70,039,084
Restricted for capital expansion	4,907,458	4,957,999
Restricted for construction	14,012,954	
Unrestricted	11,921,004	22,065,299
Total Net Position	<u>\$ 98,986,335</u>	<u>\$ 97,062,382</u>

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

GOLETA SANITARY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues:		
Service charges	\$ 9,478,257	\$ 9,405,538
Permit and inspection fees	34,632	26,767
Sewage treatment - other agencies	3,439,685	3,020,912
Administrative charges	227,483	197,807
	<hr/>	<hr/>
Total operating revenues	13,180,057	12,651,024
	<hr/>	<hr/>
Operating Expenses:		
Sewage collection	2,346,204	2,377,282
Sewage treatment	7,850,391	7,997,399
Plant pump station	215,504	192,783
Sewage disposal	120,311	116,682
Administrative and general	1,131,009	1,246,124
Wastewater reclamation	961,625	855,711
	<hr/>	<hr/>
Total operating expenses	12,625,044	12,785,981
	<hr/>	<hr/>
Operating income (loss)	555,013	(134,957)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses):		
Property tax	202,085	188,638
Intergovernmental	768	774
Investment earnings	82,871	186,551
Annexation charges	11,895	
Reimbursements from participating agencies	5,076	5,124
Other	729,916	288,718
Loss on disposal of capital assets	(2,056)	(12,794)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	1,030,555	657,011
	<hr/>	<hr/>
Income before capital contributions	1,585,568	522,054
	<hr/>	<hr/>
Capital contributions	338,385	399,679
	<hr/>	<hr/>
Change in net position	1,923,953	921,733
	<hr/>	<hr/>
Net position, beginning of fiscal year	97,062,382	96,140,649
	<hr/>	<hr/>
Net position, end of fiscal year	<u>\$ 98,986,335</u>	<u>\$ 97,062,382</u>

Draft

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

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Fiscal Year Ended June 30, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 13,097,826	\$ 12,945,532
Payments to suppliers	(3,747,375)	(3,955,295)
Payments to employees	(5,478,067)	(5,480,415)
	<u>3,872,384</u>	<u>3,509,822</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	202,085	188,638
Intergovernmental	768	774
Reimbursements from other governments	5,076	5,124
Annexation charges	11,895	
Other revenue	729,916	288,718
	<u>949,740</u>	<u>483,254</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	338,385	399,679
Acquisition and construction of capital assets	(1,892,974)	(2,035,767)
Proceeds from issuance of note from direct borrowing	14,135,000	
	<u>12,580,411</u>	<u>(1,636,088)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	80,726	185,299
	<u>80,726</u>	<u>185,299</u>
Net increase in cash and cash equivalents	17,483,261	2,542,287
Cash and cash equivalents, July 1,	<u>31,521,557</u>	<u>28,979,270</u>
Cash and cash equivalents, June 30	<u>\$ 49,004,818</u>	<u>\$ 31,521,557</u>
Reconciliation to Statement of Net Position:		
Cash and investments	\$ 30,270,839	\$ 26,698,709
Restricted cash and investments	18,733,979	4,822,848
	<u>\$ 49,004,818</u>	<u>\$ 31,521,557</u>

(Continued)

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

GOLETA SANITARY DISTRICT
STATEMENT OF CASH FLOWS - ENTERPRISE FUND (Continued)
For the Fiscal Year Ended June 30, 2022
With Comparative Totals for the Fiscal Year Ended June 30, 2021

	<u>2022</u>	<u>2021</u>
Reconciliation to reconcile operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 555,013	\$ (134,957)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	3,619,999	3,595,829
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Accounts receivable	(82,231)	294,508
Inventory	5,368	(2,496)
Prepaid expenses	(27,043)	(7,156)
Deferred outflows	178,312	9,841
Accounts payables	201,547	(371,747)
Net OPEB obligation	(798,472)	(334,381)
Compensated absences	(12,863)	12,429
Net pension liability	(2,294,753)	355,084
Deferred inflows	2,527,507	92,868
	<u>2,527,507</u>	<u>92,868</u>
Net cash provided by operating activities	<u>\$ 3,872,384</u>	<u>\$ 3,509,822</u>

Draft

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

NOTE 1 - REPORTING ENTITY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

B. Plant Capacity Rights

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Procedures

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

D. Deposits and Investments

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

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

E. Prepaid Costs

Payments to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items. The District utilizes the consumption method of accounting for purchases, and accounts for prepaid costs in the period that the benefit was received and recognizes expenses as consumed.

F. Inventories

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

G. Capital Assets

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences Liability

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

In accordance with accounting principles generally accepted in the United States of America, the liability is reflected on the Statement of Net Position and the current fiscal year allocation has been expensed. The balance at June 30, 2022 and 2021 was \$218,790 and \$231,653 respectively.

I. Restricted Assets

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

J. Capital Contributions

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

K. Uncollectible Accounts

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

L. Property Taxes

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

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

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

The District does not receive a substantial amount of property taxes. For the fiscal years ended June 30, 2022 and 2021, the District received \$202,085 and \$188,638, respectively. The District does not receive property tax from every parcel in its service area, only those parcels for which the property taxes were negotiated at the time it was annexed.

M. Use of Estimates

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

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

P. Deferred Outflows and Inflows of Resources

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

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

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

Q. Net Position

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Future Accounting Pronouncements

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

Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

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S. Comparative Data/Totals Only

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

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

	2022	2021
Cash on hand	\$ 500	\$ 500
Deposits with financial institutions	47,002,561	29,498,671
Investments	2,001,757	2,022,386
	<u>\$ 49,004,818</u>	<u>\$ 31,521,557</u>

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

	2022	2021
Cash and investments	\$ 30,270,839	\$ 26,698,709
Restricted cash and investments	18,733,979	4,822,848
Total cash and investments	<u>\$ 49,004,818</u>	<u>\$ 31,521,557</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had no investments measured under Levels 1, 2, or 3.

Investments Authorized by the District's Investment Policy

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

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

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	2022				
	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	\$ 2,001,757	\$ 2,001,757	\$ -	\$ -	\$ -
	\$ 2,001,757	\$ 2,001,757	\$ -	\$ -	\$ -

Investment Type	2021				
	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	\$ 2,022,386	\$ 2,022,386	\$ -	\$ -	\$ -
	\$ 2,022,386	\$ 2,022,386	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Carrying Amount	Minimum Legal Rating	2022			
			Rating as of Fiscal Year End			
			AAA	A+	Baa	Not Rated
State investment pool (LAIF)	\$ 2,001,757	N/A	\$ -	\$ -	\$ -	\$ 2,001,757
	\$ 2,001,757		\$ -	\$ -	\$ -	\$ 2,001,757

Investment Type	Carrying Amount	Minimum Legal Rating	2021			
			Rating as of Fiscal Year End			
			AAA	A+	Baa	Not Rated
State investment pool (LAIF)	\$ 2,022,386	N/A	\$ -	\$ -	\$ -	\$ 2,022,386
	\$ 2,022,386		\$ -	\$ -	\$ -	\$ 2,022,386

NOTE 3 - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

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

As of June 30, 2022, \$47,176,172 of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Collateral for Deposits

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

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

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

Investment in State Investment Pool

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

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

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

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 and June 30, 2021 was as follows:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 327,243	\$ -	\$ -	\$ -	\$ 327,243
Construction in progress	2,968,658	1,803,754	(2,056)	(346,639)	4,423,717
Total capital assets not being depreciated	\$ 3,295,901	\$ 1,803,754	\$ (2,056)	\$ (346,639)	\$ 4,750,960
Capital assets being depreciated:					
Collection facilities	\$ 29,560,933	\$ -	\$ -	\$ 177,275	\$ 29,738,208
Treatment facilities	69,866,434	83,476		96,347	70,046,257
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,285,357			40,262	3,325,619
Wastewater reclamation facility	15,590,906	5,744		32,755	15,629,405
	122,047,361	89,220		346,639	122,483,220
Less accumulated depreciation	55,304,178	3,619,999			58,924,177
Total capital assets being depreciated, net	\$ 66,743,183	\$ (3,530,779)	\$ -	\$ 346,639	\$ 63,559,043
Net capital assets	\$ 70,039,084	\$ (1,727,025)	\$ (2,056)	\$ -	\$ 68,310,003
	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 327,243	\$ -	\$ -	\$ -	\$ 327,243
Construction in progress	2,498,532	1,938,775		(1,468,649)	2,968,658
Total capital assets not being depreciated	\$ 2,825,775	\$ 1,938,775	\$ -	\$ (1,468,649)	\$ 3,295,901
Capital assets being depreciated:					
Collection facilities	\$ 28,174,076	\$ 11,555	\$ -	\$ 1,375,302	\$ 29,560,933
Treatment facilities	70,041,905	85,437	(306,628)	45,720	69,866,434
Disposal facilities	3,743,731				3,743,731
General administrative facilities	3,285,357				3,285,357
Wastewater reclamation facility	15,543,279			47,627	15,590,906
	120,788,348	96,992	(306,628)	1,468,649	122,047,361
Less accumulated depreciation	52,002,183	3,595,829	(293,834)		55,304,178
Total capital assets being depreciated, net	\$ 68,786,165	\$ (3,498,837)	\$ (12,794)	\$ 1,468,649	\$ 66,743,183
Net capital assets	\$ 71,611,940	\$ (1,560,062)	\$ (12,794)	\$ -	\$ 70,039,084

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 5 – LONG-TERM LIABILITIES

The following table summarizes the changes in long-term liabilities for the fiscal years ended June 30, 2022 and June 30, 2021:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Compensated absences	\$ 231,653	\$ 206,478	\$ 219,341	\$ 218,790	\$ 54,698
Note from direct borrowing		14,135,000		14,135,000	251,905
Net OPEB liability (asset)	744,584	294,152	1,092,624	(53,888)	
Net pension liability	4,797,712	1,074,382	3,369,135	2,502,959	
Total long-term liabilities	\$ 5,773,949	\$ 15,710,012	\$ 4,681,100	\$ 16,802,861	\$ 306,603

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

NOTE 6 – NET POSITION

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

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

The following is included in Restricted Net Position:

Reserve for Plant Capacity Expansion

This restricted reserve is related to that portion of the District's net position attributable to capacity expansion connection fees. Such fees can only be used for plant expansion. At June 30, 2022 and 2021, this restricted amount was \$4,907,458 and \$4,957,999, respectively.

Restricted for Biosolids and Energy Strategic Plan

This portion of the District's net position is the unspent portion of the installment sale note from direct borrowing and is only for use in the Biosolids and Energy Strategic Plan project. At June 30, 2022, this restricted net position was \$14,012,954.

NOTE 7 – RISK MANAGEMENT

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

A. Description of Joint Powers Authority

The Authority is comprised of 59 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance and risk management for the pooling of self-insured losses and to purchase excess insurance coverage.

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

NOTE 7 – RISK MANAGEMENT (Continued)

B. Self-Insurance Programs of the Authority

General Liability Insurance

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

Workers Compensation Insurance

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

Property Protection

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

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

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NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2021 (the Measurement Date), are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to</u>	<u>On or after</u>
Hire Date	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	11.60% + \$352,667	7.73% + \$2,719

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$658,862 for the fiscal year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$2,502,959 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2021, the District's proportion share of net pension liability was as follows:

Proportion-June 30, 2020	0.11374%
Proportion-June 30, 2021	<u>0.13182%</u>
Change-increase(decrease)	<u>0.01808%</u>

NOTE 8 – PENSION PLAN (Continued)

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

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$665,512. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experience	280,680	
Net difference between projected and actual earnings on retirement plan investments		2,184,951
Difference in proportions	91,303	
Differences in actual contributions and proportionate share of contributions		138,666
District contributions subsequent to the measurement date	658,862	
	<u>\$ 1,030,845</u>	<u>\$ 2,323,617</u>

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

\$658,862 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (407,276)
2024	(441,188)
2025	(499,363)
2026	(603,807)
	<u>\$ (1,951,634)</u>

NOTE 8 – PENSION PLAN (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% Net Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter

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

Discount Rate

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

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

NOTE 8 – PENSION PLAN (Continued)

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

Discount Rate (Continued)

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

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

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

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

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

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

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

	<u>1% Decrease 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>1% Increase 8.15%</u>
District's proportionate share of the net pension plan liability	\$5,315,511	\$ 2,502,959	\$ 177,863

Pension Plan Fiduciary Net Position

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

C. Payable to Pension Plan

At June 30, 2022, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2022.

NOTE 9 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

Funding Policy

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

Employees Covered

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

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

Draft

Contributions

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

Net OPEB Liability

The District's Net OPEB Liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2020.

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

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

Assumption Changes: The average per capita claims cost was updated to reflect actual 2021 and 2022 premiums.

GOLETA SANITARY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

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

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

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

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

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Discount Rate	7.28%	7.28%
Bond buyer 20-Bond GO Index	2.21%	2.21%

Changes in the OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020-Measurement Date	\$ 3,931,784	\$ 3,187,200	\$ 744,584
Changes recognized for the measurement period:			
Service cost	141,331		141,331
Interest	291,378		291,378
Difference between expected and actual experience	5,306		5,306
Contributions - employer		356,984	(356,984)
Net investment income		880,716	(880,716)
Benefit payments	(143,863)	(143,863)	
Administrative expense		(1,213)	1,213
Net Changes	<u>294,152</u>	<u>1,092,624</u>	<u>(798,472)</u>
Balance at June 30, 2021-Measurement Date	<u>\$ 4,225,936</u>	<u>\$ 4,279,824</u>	<u>\$ (53,888)</u>

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

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

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Liability	\$ 584,814	\$ (53,888)	\$ (576,657)

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

	1% Decrease (6.15% decreasing to 4.00%)	Trend Rate (7.15% decreasing to 5.00%)	1% Increase (8.15% decreasing to 6.00%)
Net OPEB Liability	\$ (641,680)	\$ (53,888)	\$ 679,711

Investments

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

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

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

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of (\$34,003). As of the fiscal year ended June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 359,425	\$ -
Change in assumptions		591,560
Difference between expected and actual experience	7,911	147,601
Net difference between projected and actual earnings on retirement plan investments		440,346
	<u>\$ 367,336</u>	<u>\$ 1,179,507</u>

\$359,425 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

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

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

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

Fiscal year Ending June 30,	Amount
2023	\$ (218,359)
2024	(217,449)
2025	(223,823)
2026	(244,188)
2027	(115,966)
Thereafter	(151,811)
	<u>\$ (1,171,596)</u>

NOTE 10 – NOTE FROM DIRECT BORROWING

On June 23, 2022, the District entered into an installment sale agreement for direct borrowing with the Banc of America Public Capital Corporation, a Kansas corporation to issue private financing note of \$14,135,000 to be repaid in semiannual installment payments of about \$472,024 each at a contract interest rate of 2.982 per annum for 20 years through June 2042. The financing is to be used for implementation of the District’s Biosolids and Energy Strategic Plan (BESP) projects including a new 550,000 gallon digester with a 160kW generator to convert biogas to electricity and other improvements in the Plan. The note is secured by the net revenues of the District. In the event of a default, all remaining installment payments become immediately due and payable, the seller may retake possession of all equipment or require return of the equipment, and the seller may terminate the escrow agreement and apply proceeds in the escrow account to the installment payments. The installment payment schedule is as follows:

<u>Fiscal year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 251,905	\$ 220,120	\$ 472,025
2024	534,006	410,042	944,048
2025	550,049	393,999	944,048
2026	566,573	377,475	944,048
2027	583,595	360,453	944,048
2028-2032	3,191,736	1,528,506	4,720,242
2033-2037	3,700,857	1,019,385	4,720,242
2038-2042	4,756,279	434,832	5,191,111
Total	<u>\$ 14,135,000</u>	<u>\$ 4,744,812</u>	<u>\$ 18,879,812</u>

NOTE 11 – WASTEWATER RECLAMATION PROJECT

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

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

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

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

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Land Purchase Restrictions

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

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REQUIRED SUPPLEMENTARY INFORMATION

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GOLETA SANITARY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	0.04628%	0.04409%	0.04336%	0.04244%
Proportionate share of the net pension liability	\$ 2,502,959	\$ 4,797,712	\$ 4,442,628	\$ 4,090,003
Covered-payroll	\$ 3,080,465	\$ 2,962,731	\$ 2,711,945	\$ 2,995,198
Proportionate share of the net pension liability as percentage of covered payroll	81.25%	161.94%	163.82%	136.55%
Plan's total pension liability	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489	\$ 38,944,855,364
Plan's fiduciary net position	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067	\$ 29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.04260%	0.04215%	0.03991%	0.04434%
Proportionate share of the net pension liability	\$ 4,224,332	\$ 3,647,366	\$ 2,739,101	\$ 2,759,210
Covered-payroll	\$ 2,609,634	\$ 2,526,857	\$ 2,378,509	\$ 2,309,232
Proportionate share of the net pension liability as percentage of covered payroll	161.87%	144.34%	115.16%	119.49%
Plan's total pension liability	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631
Plan's fiduciary net position	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

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Note to Schedule:

Changes in assumptions

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

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

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

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

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

GOLETA SANITARY DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2022

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

	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 658,862	\$ 615,256	\$ 619,908	\$ 529,842
Contribution in relation to the actuarially determined contributions	(658,862)	(615,256)	(619,908)	(529,842)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-payroll	\$ 3,037,759	\$ 3,080,465	\$ 2,962,731	\$ 2,711,945
Contributions as a percentage of covered payroll	21.69%	19.97%	20.92%	19.54%
	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 545,176	\$ 429,773	\$ 392,036	\$ 398,321
Contribution in relation to the actuarially determined contributions	(545,176)	(429,773)	(392,036)	(398,321)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-payroll	\$ 2,995,198	\$ 2,609,634	\$ 2,526,857	\$ 2,378,509
Contributions as a percentage of covered payroll	18.20%	16.47%	15.51%	16.75%

Notes to Schedule

Valuation Date:

6/30/2019

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

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

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

GOLETA SANITARY DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2022

Measurement Period	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 141,331	\$ 149,735	\$ 142,604	\$ 155,373
Interest on the total OPEB liability	291,378	293,274	271,402	306,910
Actual and expected experience difference	5,306	(5,469)	3,998	(240,756)
Changes in assumptions		(325,191)		(564,625)
Changes in benefit terms				
Benefit payments	(143,863)	(116,597)	(132,500)	(131,291)
Net change in total OPEB Liability	<u>294,152</u>	<u>(4,248)</u>	<u>285,504</u>	<u>(474,389)</u>
Total OPEB liability- beginning	3,931,784	3,936,032	3,650,528	4,124,917
Total OPEB liability- ending (a)	<u>\$ 4,225,936</u>	<u>\$ 3,931,784</u>	<u>\$ 3,936,032</u>	<u>\$ 3,650,528</u>
Plan Fiduciary Net Position				
Contribution - employer	\$ 356,984	\$ 334,190	\$ 356,618	\$ 357,543
Net investment income	880,716	113,954	157,288	164,504
Benefit payments	(143,863)	(116,597)	(132,500)	(131,291)
Administrative expense	(1,213)	(1,414)	(540)	(1,130)
Net change in plan fiduciary net position	<u>1,092,624</u>	<u>330,133</u>	<u>380,866</u>	<u>389,626</u>
Plan fiduciary net position- beginning	3,187,200	2,857,067	2,476,201	2,086,575
Plan fiduciary net position- ending (b)	<u>\$ 4,279,824</u>	<u>\$ 3,187,200</u>	<u>\$ 2,857,067</u>	<u>\$ 2,476,201</u>
Net OPEB liability - ending (a)-(b)	<u>\$ (53,888)</u>	<u>\$ 744,584</u>	<u>\$ 1,078,965</u>	<u>\$ 1,174,327</u>
Plan fiduciary net position as a percentage of the total OPEB liability	101.28%	81.06%	72.59%	67.83%
Measurement Period	2017			
Total OPEB Liability				
Service cost	\$ 147,974			
Interest on the total OPEB liability	284,763			
Actual and expected experience difference	1,341			
Changes in assumptions				
Changes in benefit terms				
Benefit payments	(143,019)			
Net change in total OPEB Liability	<u>291,059</u>			
Total OPEB liability- beginning	3,833,858			
Total OPEB liability- ending (a)	<u>\$ 4,124,917</u>			
Plan Fiduciary Net Position				
Contribution - employer	\$ 336,291			
Net investment income	181,510			
Benefit payments	(143,019)			
Administrative expense	(926)			
Net change in plan fiduciary net position	<u>373,856</u>			
Plan fiduciary net position- beginning	1,712,719			
Plan fiduciary net position- ending (b)	<u>\$ 2,086,575</u>			
Net OPEB liability - ending (a)-(b)	<u>\$ 2,038,342</u>			
Plan fiduciary net position as a percentage of the total OPEB liability	50.58%			

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

GOLETA SANITARY DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially Determined Contribution (ADC)	\$ 209,674	\$ 248,434	\$ 238,643	\$ 238,643
Contributions in relation to the ADC	<u>(359,425)</u>	<u>(356,387)</u>	<u>(344,190)</u>	<u>(356,618)</u>
Contribution deficiency (excess)	<u>\$ (149,751)</u>	<u>\$ (107,953)</u>	<u>\$ (105,547)</u>	<u>\$ (117,975)</u>
Covered payroll	\$ 3,230,223	\$ 3,031,111	\$ 2,867,993	\$ 2,711,945
Contributions as a percentage of covered payroll	11.13%	11.76%	12.00%	13.15%
	<u>2018</u>			
Actuarially Determined Contribution (ADC)	\$ 321,290			
Contributions in relation to the ADC	<u>(357,543)</u>			
Contribution deficiency (excess)	<u>\$ (36,253)</u>			
Covered payroll	\$ 2,995,198			
Contributions as a percentage of covered payroll	11.94%			

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Notes to Schedule

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

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

Audit Term Sheet

Accrual -	The recognition of an expense or revenue item that has occurred but not yet been recorded. The attempt to record the financial effects of these transactions and other events in the periods in which those transactions or events occur rather than only in the periods in which cash is received or paid by the business.
Asset –	A resource with an economic value. An asset is a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide a future benefit.
Current -	represent all the assets or liabilities of a company that are expected to be utilized or exhausted through the standard business operations, over the next one year period.
Non-Current -	represent all the assets or liabilities of a company that are expected to be utilized or exhausted through the standard business operations, in future years, beyond the next one year period.
Liability -	DEBTS or OBLIGATIONS owed by one entity (Debtor) to another entity (Creditor) payable in money, goods, or services.
CERBT -	The California Employers' Retiree Benefit Trust Fund is a Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.
Depreciation -	Expense allowance made for wear and tear on an ASSET over its estimated useful life.
Discount Rate -	The rate used to determine the current value, or present value, of an Asset or income stream.
Restricted Fund -	Fund established to account for assets whose income must be used for purposes established by donors or grantors of such ASSETS.
Un-Restricted Fund -	Resources of a government entity that have no restrictions as to use or purpose.
Deferral -	The postponement of the date that an expense already paid or incurred, or of a revenue already received, is entered in the ledger.
Deferred Inflow -	Deferred inflow of resources is defined as “an acquisition of net assets by the government that is applicable to a future reporting period.”
Deferred Outflow -	Deferred outflow of resources is defined as “a consumption of net assets by the government that is applicable to a future reporting period.”
OPEB –	Other Post Employment Benefit(s) All post-retirement benefits other than pensions, provided by employers to employees.
GASB –	Government Accounting Standards Board. A non-government private organization that sets GAAP (Generally Accepted Accounting Principles) in the United States for non-federal governmental entities.
Capital Contribution -	The treatment plant entity partners are billed their share, based upon contracted plant or outfall capacity, of Capital purchases. Those contributions, payments, are the contributions.

Revenues

- Operating -** Is comprised of the Sewer Service Charges to the District's rate payors, Permit and Inspection Fees, Cost reimbursement from the Entity Partners for treatment and Disposal, and Administrative charges billed to the Entity Partners.
- Non-Operating -** Is comprised of Property Taxes, Grants, Intergovernmental payments, Annexation charges, Investment earnings and Other Income that includes CalCard incentive rebates, CSRMA dividends, and scrap recycling payments.

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

AGENDA ITEM #4

AGENDA ITEM: 4

MEETING DATE: December 19, 2022

I. NATURE OF ITEM

Consideration and Adoption of Resolution Approving Preliminary Environmental Review Form, Adopting Findings, and Authorizing Filing of Notice of Exemption under CEQA for Out-of-Agency Service Agreement for 1330 San Antonio Creek Road (APN 059-040-008)

II. BACKGROUND INFORMATION

The Governing Board of the Goleta Sanitary District is proposing to adopt a resolution approving an out-of-agency service agreement (OASA) for the property referenced above. The District's Environmental Committee has conducted a preliminary review of the OASA in accordance with the District's local guidelines for implementing the California Environmental Quality Act ("CEQA") and has concluded that the OASA is categorically exempt under CEQA Guidelines Section 15301 because it relates to (i) the continued operation of a private structure (i.e., the existing single family residence located on the subject property), and (ii) the minor alteration and continued operation of existing public facilities (i.e., the District's wastewater collection system), involving no expansion of existing use. This conclusion is set forth in the Preliminary Environmental Review form prepared by the Environmental Committee. Under CEQA, the District is required to make various findings prior to approving the OASA. These findings are set forth in the proposed resolution which has been prepared by District staff. CEQA also requires the District to file a Notice of Exemption following the approval of the OASA. District staff has prepared a proposed Notice of Exemption for this purpose.

III. COMMENTS AND RECOMMENDATIONS

It is recommended that the Board adopt the proposed resolution to (i) approve the Preliminary Environmental Review form, (ii) adopt the findings required by CEQA, and (iii) authorize the filing of a Notice of Exemption.

IV. REFERENCE MATERIAL

Resolution No. 22-698

Preliminary Environmental Review Form

Notice of Exemption

RESOLUTION NO. 22-698

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA
SANITARY DISTRICT APPROVING PRELIMINARY ENVIRONMENTAL REVIEW
FORM, ADOPTING FINDINGS, AND
AUTHORIZING PREPARATION AND FILING OF NOTICE OF EXEMPTION
UNDER CEQA FOR OUT-OF-AGENCY SERVICE AGREEMENT FOR THE
DIAZ-RIOS PROPERTY AT 1330 SAN ANTONIO CREEK ROAD**

WHEREAS, the District’s Environmental Committee has conducted a preliminary review of the Diaz-Rios Out-of-Agency Service Agreement (the “Agreement”) and has concluded that this activity is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to Section 15301 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 is attached hereto as Exhibit “A”.

WHEREAS, the District’s Governing Board desires to approve the Preliminary Environmental Review form, set forth its findings that the Agreement is exempt from environmental review under CEQA, and authorize the filing of a Notice of Exemption.

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

1. The Governing Board hereby approves the Preliminary Environmental Review form attached hereto as Exhibit “A” and finds that the Agreement is exempt from environmental review under Section 15301 of the CEQA Guidelines.

2. In accordance with Section 15062 of the CEQA Guidelines, the Governing Board hereby authorizes and directs the Secretary of the District to prepare and file a Notice of Exemption with the Santa Barbara County Clerk following final approval of the Agreement by the Governing Board.

PASSED AND ADOPTED this 19th day of December 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven T. Majoewsky, Governing Board President

ATTEST:

Robert O. Mangus, Jr., Governing Board Secretary

PRELIMINARY ENVIRONMENTAL REVIEW
GOLETA SANITARY DISTRICT

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

Name of Project: Out-of-Agency Service Agreement for 1330 San Antonio Creek Road
Location: 1330 San Antonio Creek Road, Santa Barbara, CA 93111 (APN 059-440-008)

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 the CEQA Guidelines Section 15378 or is statutorily exempt.

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 Categorical Exempt under CEQA Guidelines Sections 15301 (Existing Facilities).

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: Diaz-Rios Out-of-Agency Service Agreement

Project Location – Specific: 1330 San Antonio Creek Road, Santa Barbara, CA 93111

Project Location – City: Unincorporated area

Project Location – County: Santa Barbara

Description of Project: Agreement to provide sewer service.

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));
 Categorical Exemption. State type and section number: Section 15301 (Existing facilities).
 Statutory Exemptions. State code number: _____

Reason why project is exempt: The project is exempt under Section 15301 because it involves (i) the continued operation of a private structure (i.e., an existing single-family residence), (ii) the minor alteration and continued operation of existing public facilities (i.e., the District's wastewater collection system), and (iii) no expansion of existing use. There is no substantial evidence in the record before the District that the agreement will have a significant effect on the environment.

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

AGENDA ITEM #5

AGENDA ITEM: 5

MEETING DATE: DECEMBER 19, 2022

I. NATURE OF ITEM

Approval of Out-of-Agency Service Agreement for the Diaz-Rios Property at 1330 San Antonio Creek Road (APN 059-440-008)

II. BACKGROUND INFORMATION

The property owner, Edmundo Diaz-Rios, has requested to enter into an out-of-agency service agreement with the District to allow the sewer connection of his property while the annexation of this property to the District is completed through the Santa Barbara Local Agency Formation Commission (LAFCO). At the December 5, 2022 Governing Board meeting, the Board conceptually approved this request and directed staff to prepare an out-of-agency service agreement (“Agreement”) and related documents for Board approval. Upon Board approval, the Agreement will be forward to LAFCO for review and approval. The documents have been reviewed by District staff and legal counsel. The property owner has informed District staff that the failing septic system at this property is being pumped on a monthly basis. Out-of-agency service agreements with private property owners require LAFCO approval. The Agreement is contingent upon approval by LAFCO.

III. COMMENTS

Upon approval by the Board, staff will forward the Agreement and related documents to LAFCO. Upon LAFCO approval of the Agreement, staff will collect appropriate fees and issue a sewer connection permit to the property owner. Staff will continue to work with the property owner through the annexation process.

IV. REFERENCE MATERIAL

Diaz-Rios Wastewater Service Agreement

Resolution 22-699 Approving Out-of-Agency Service Agreement for Property at 1330 San Antonio Creek Road

WASTEWATER SERVICE AGREEMENT

THIS WASTEWATER SERVICE AGREEMENT (this “Agreement”), dated as of _____ (the “Effective Date”), is made and entered into by and between the **GOLETA SANITARY DISTRICT**, a public agency organized and existing under Part I of Division 6 of the California Health and Safety Code (the “District”), and **LENIN EDMUNDO DIAZ-RIOS and JOSEFA RIOS** (collectively, “Owner”), as follows:

Recitals

A. Owner owns the real property located at 1330 San Antonio Creek Road, Santa Barbara, California 93110 and designated as Santa Barbara County Assessor’s Parcel Number 059-440-008 (the “Property”). Improvements on the Property consist of a single-family residence (the “Residence”).

B. The Property is located within the District’s sphere of influence but has not been annexed to the District. Owner has submitted all required application materials for the annexation of the Property to the Santa Barbara Local Agency Formation Commission (“LAFCO”), but LAFCO approval of the annexation is not anticipated for several months.

C. In order to provide for the connection of the Residence to the District’s wastewater system pending LAFCO’s approval of the annexation, Owner has requested that the District enter into this Agreement for the collection, treatment and disposal of wastewater from the Residence under an out-of-agency service arrangement pursuant to Government Code Section 56133.

D. The District and Owner desire to set forth herein their agreement pertaining to the provision of wastewater service to the Property by the District pending LAFCO approval of the annexation.

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

1. Service by District. The District agrees to issue such permits as may be necessary and to provide wastewater service to the Property consistent with Owner’s capacity entitlement, subject to the terms and limitations hereof. Nothing contained in this Agreement shall be interpreted as giving Owner or its successors or assigns the right to connect additional facilities, structures or buildings, other than the Residence, whether located on the Property or elsewhere, to the District’s wastewater system.

2. In Lieu Annexation Fees. In order to fund Owner’s equitable share of the cost of maintaining facilities previously acquired and/or constructed by the District, and because the Property will initially receive wastewater service without being annexed to the District boundaries, within five (5) days after the Effective Date, Owner shall pay the District an in lieu annexation fee in the amount of \$2,422 and an in lieu annexation processing fee of \$200, which fees have been calculated in accordance with the District’s Ordinance No. 88.

3. **Capacity Fee.** In order to fund a portion of the cost of expanding the sanitation and wastewater facilities of the District to provide additional capacity required as a result of the utilization of capacity by Owner pursuant to this Agreement, within five (5) days after the Effective Date, Owner shall pay the District a capacity fee in the amount of \$2,421, which is the District's standard capacity fee for a single-family residence under Ordinance No. 87, as amended.

4. **Service Charges.** In order to fund the Property's share of the cost of operating, maintaining, repairing and replacing the District's wastewater collection, treatment and disposal facilities, Owner shall pay the District a service charge calculated in accordance with the District's Ordinance No. 79, and/or under such other ordinances of the District by which Ordinance No. 79 has been or may be amended, replaced or superseded in the future. The initial service charge shall be calculated from the date the Residence is connected to the District's wastewater collection system to the District's next fiscal year end (June 30) and shall be payable by Owner within thirty (30) days thereafter. Subsequent service charges shall be calculated and collected to the annual Santa Barbara County property tax roll in accordance with standard District billing practices and procedures. Owner hereby consents to and waives the right to protest or object to (a) the collection of such service charges on the County tax roll, and (b) the imposition of a lien against the Property to secure the payment of the service charges.

5. **Plan Check, Permit and Inspection Fees.** As required by the District's Ordinance No. 73, Owner shall pay a permit fee of \$199, and an inspection fee of \$199 in connection with the approval by the District of the connection of the Residence to the District's wastewater collection system.

6. **Administrative Fee.** Within five (5) days after the Effective Date, Owner shall pay the District an administrative fee of \$1,000 to cover a portion of the costs of the District's staff and legal counsel in connection with the preparation of this Agreement.

7. **Plans and Specifications.** Owner shall submit to the District plans and specifications showing the facilities which Owner proposes to construct to connect the Residence to District's wastewater collection system (the "Wastewater Connection"). Said plans and specifications shall be subject to review and approval by the District.

8. **Construction of Wastewater Facilities.** The Wastewater Connection shall be constructed and installed (a) in accordance with the plans and specifications approved pursuant to Section 7, above, (b) in a good and workmanlike manner, (c) in compliance with all Applicable Requirements (as defined in Section 10 below), and (d) at Owner's sole cost and expense. Upon completion, the Wastewater Connection shall belong to Owner and Owner shall be responsible for the repair and maintenance thereof.

9. **Inspection.** Owner shall give the District written notice not less than forty-eight (48) hours prior to commencement of construction of the Wastewater Connection, excluding Saturdays, Sundays and holidays. Owner agrees to provide the District and its employees and agents the right to inspect the Wastewater Connection and the work thereon at all reasonable times before, during, and after construction. Owner further agrees to coordinate and cooperate with the District's employees and agents to facilitate such inspections. Promptly upon

completion of construction, Owner shall notify the District so that the District may make any final inspections and tests that the District may deem necessary or appropriate.

10. Compliance with Applicable Requirements. Owner shall comply with (a) all ordinances, regulations, resolutions, policies, procedures and administrative provisions of the District to the same extent as if the Property had been annexed to the District, and (b) all statutes, rules and regulations of agencies of the United States of America, the State of California, the County of Santa Barbara and other governmental and regulatory agencies having jurisdiction over the collection, treatment and/or disposal of wastewater and wastes, including but not limited to (a) requirements applicable to the construction, use, repair and maintenance of the Wastewater Connection, (b) requirements addressing the type, contents and strength of wastes permitted to be discharged into wastewater collection systems, and (c) the District's Ordinance No. 92 (collectively, "Applicable Requirements"), as said Applicable Requirements may be amended or superseded from time to time. Owner shall further comply with the terms and conditions set forth in Exhibit "A" attached hereto.

11. LAFCO Approval. This Agreement is contingent upon LAFCO's approval of the out-of-agency service arrangement set forth herein pursuant to Government Code Section 56133. This Agreement shall be of no force or effect unless and until LAFCO has granted such approval.

12. Termination. This Agreement may be terminated by the District upon thirty (30) days written notice to Owner in the event Owner violates any of terms hereof, including but not limited to any terms relating to the payment of fees or charges to the District. Owner may terminate this Agreement upon thirty (30) days written notice to the District in the event Owner is able to obtain wastewater service for the Residence from an alternative provider. This Agreement shall automatically terminate in the event LAFCO has not granted its approval of the annexation of the Property to the District within one (1) year after the Effective Date. Upon termination, (a) the District may plug or disconnect from the District's wastewater collection system all lines serving the Residence, and all costs of plugging or disconnecting such lines shall be paid promptly by Owner to the District, (b) no further amounts shall be due to the District from Owner, except any unpaid service charges, and (c) the District shall not be required to refund any part of the fees and charges paid by Owner hereunder. This Agreement shall automatically terminate upon the effective date of the annexation of the Property to the District, in which event all fees and charges paid by Owner hereunder shall be credited to the fees and charges payable by Owner in connection with the annexation.

13. Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto. The rights granted to Owner herein relating to the provision of wastewater service to the Residence shall run with the land and shall be appurtenant to the Property and to any parcels into which the Property may hereafter be legally divided.

14. Entire Agreement/Modification. 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 be modified only by a written instrument signed by all parties in interest at the time of the amendment.

15. Attorneys' Fees. In the event that either party brings an action to interpret or enforce the terms of this Agreement or declare rights hereunder, the prevailing party in such action, on trial or appeal, shall be entitled to all reasonable attorneys' fees and costs incurred therein.

16. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, 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 held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any breach of any covenant or provision herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. 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.

18. Construction. Headings at the beginning of each section are solely for the convenience of the parties and are not a part of this Agreement. Unless otherwise indicated, all references to sections are to this Agreement. All exhibits attached to this Agreement are incorporated herein by reference and are made a part hereof.

19. 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 by email transmission, the email copies and the signatures thereon shall for all purposes be treated as originals.

20. Authority. Each individual executing this Agreement on behalf of a party hereto represents and warrants that he or she has the authority to execute this Agreement on behalf of such party.

21. 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 email transmission using the contact information set forth below for such party:

DISTRICT:

Goleta Sanitary District
One William Moffett Place
Goleta, California 93117
Attn: General Manager
Email: swagner@goletasanitary.org

OWNER:

Mundo Diaz-Rios
1330 San Antonio Creek Road
Santa Barbara, CA 93110
Email: mundodr88@gmail.com

Any party may change its contact information for notice purposes by giving notice of such change in the manner set forth above.

22. Assignment. Owner may not assign any of its rights or delegate any of its obligations under this Agreement, in whole or in part, without the prior written consent of the District, which consent shall not be unreasonably withheld.

23. Further Assurances. The parties each agree to take such actions and execute such documents as may be reasonably required to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the District and Owner have executed this Agreement as of the date(s) set forth below.

“District”

GOLETA SANITARY DISTRICT

By: _____
Steven T Majoewsky,
Governing Board President

COUNTERSIGNED:

By: _____
Robert O. Mangus, Jr.,
Governing Board Secretary

Dated: _____

“Owner”

Lenin Edmundo Diaz-Rios

Josefa Rios

Dated: _____

EXHIBIT "A"

Terms and Conditions

PLANS AND SPECIFICATIONS

The plans and specifications submitted by Owner shall include:

- Site plan
- Plumbing plans
- Proposed Wastewater Connection facilities
- Structure elevation and rim elevation of the upstream manhole in relation to the proposed connection to the Residence
- Any facilities included as part of the Residence which are listed below

ADDITIONAL FACILITIES

If an injector pump system is required because wastewater from the Residence cannot flow by gravity to the District's wastewater collection facilities, the design of the injector pump system shall be submitted to and shall be approved by the Santa Barbara County Building and Safety Division prior to connection of the Residence to the District's wastewater collection facilities. The design shall include dual pumps and an alarm system.

If the elevation of the Residence is lower than the rim elevation of the District's upstream manhole, a backflow preventer encased in a concrete vault with a metal lid, embossed with "sewer" or "clean-out", must be installed within the Property.

If required by the District after its review of the plans and specifications, a sampling manhole, per District standards, shall be installed at the Property line or within the Property.

SEPARATE LATERALS

In the event the Property is split or subdivided in the future, each parcel shall be served by a separate sewer lateral connecting the buildings located thereon to the public sewer.

RESOLUTION NO. 22-699

RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA SANITARY DISTRICT APPROVING OUT-OF-AGENCY SERVICE AGREEMENT FOR DIAZ-RIOS PROPERTY AT 1330 SAN ANTONIO CREEK ROAD

WHEREAS, on December 5, 2022, the Governing Board of the Goleta Sanitary District (the “District”) conceptually approved the request of Edmundo Diaz-Rios (“Owner”) to enter into an out-of-agency agreement for sewer service for Owner’s property located at 1330 San Antonio Creek Road, Santa Barbara, California, and designated as Santa Barbara County Assessor’s Parcel No. 059-440-008 (the “Property”).

WHEREAS, Owner has submitted all required application materials for annexation of the Property to the Santa Barbara Local Agency Formation Commission (“LAFCO”), but LAFCO approval of the annexation is not anticipated for several months.

WHEREAS, the District’s Governing Board desires to set forth herein its approval of an agreement with Owner for out-of-agency service.

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

1. The Governing Board hereby approves the Wastewater Service Agreement between the District and Owner in the form presented to the Board, which Agreement provides for the collection, treatment and disposal of wastewater from the Property under an out-of-agency service arrangement pursuant to Government Code Section 56133.

PASSED AND ADOPTED this 19th day of December, 2022, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven T. Majoewsky,
Governing Board President

ATTEST:

Robert O. Mangus, Jr.,
Governing Board Secretary

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from December 6, 2022, through December 19, 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 has been conducting priority areas lines cleaning in various areas throughout the District which require traffic control and three-man crews.

CCTV INSPECTION

Staff continues with routine Closed-Circuit Television (CCTV) inspections in the area of N. Fairview Avenue and Cathedral Oaks Road.

REPAIR AND MAINTENANCE

The back-up CCTV camera was repaired for leaking seals. It has been returned to service. Tierra Contracting, Inc. completed the manhole raising program for this year. Santa Barbara County crews had recently paved La Gama Way and Torero Road near N. Turnpike Road. Seven manholes were raised in this project.

WINTER STORM PREPARATIONS

Staff continues with cleaning of lines which are access-restricted during and immediately after rain storms. All other preparations have been completed.

COMPETENCY BASED TRAINING

Staff continues to work with DKF Solutions to complete the three (3) remaining items of the Collection System Competency Based Training (CBT) Program.

COLLECTION SYSTEM MAINTENANCE TECHNICIAN I POSITION

The District has completed the pre-employment vetting process for Fabian Torres. He is scheduled to begin employment after the New Year.

STATE WATER BOARD WASTE DISCHARGE REQUIREMENTS (WDR) UPDATE

Staff will provide an update in January, 2023 to the Board on the State Water Board WDR adopted on December 6, 2022 as a separate agenda item.

UNIFORM PUBLIC CONSTRUCTION COSTS ACCOUNTING ACT (UPCCAA) UPDATE

Staff has completed the annual update of the District's list of contractors as part of the UPCCAA (the Act) requirements.

GOLETA HOLIDAY PARADE

The 5th annual Old Town Goleta Holiday Parade was cancelled due to rain.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT

Plant flows increased to an average of 4.1 million gallons per day (MGD). The demand for reclaimed water continues to decrease due to cooler temperatures and rain events. Also, due to the recent rain events we did not have the peracetic acid on long enough to get enough information to determine if it would be helpful. High concentrations and loadings during the weekends continue to cause intermittent challenges and various levels of plant interference.

We sent off plant-wide sampling to an outside lab to get a better baseline on what is happening with the quaternary ammonia compounds (QACs) and surfactants. We have taken the Nanobubblers offline for the second phase of the sampling study. We will be collecting the next sampling event starting on the 26th of December. Afterward we will bring the Nanobubblers back online.

The Influent Pump Station Rehabilitation project submittal and procurement process is coming to an end. The construction of the project may start the first phase with the knife gate replacement on the effluent side of the pump station in the first week of January, 2023.

Francisco (Paco) Lemus, Treatment Plant Operator III is leaving the District, his last day will be December 17, 2022. Paco has worked at the District since September, 2012. We have started an active recruitment for his replacement.

Maintenance staff continue repairing the heat loop leaks and air valves at the lift station, installing the air compressor for the weld shop, and performing general plant maintenance.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of December 19, 2022 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 548,955
Investment Accounts:	\$ 32,581,651
Total District Funds:	\$ 33,130,606

The following transactions are reported herein for the period 12/06/22 – 12/19/22

Regular, Overtime, Cash-outs and Net Payroll:	\$ 117,828
Claims:	\$ 161,120
Total Expenditures:	\$ 278,948
Total Deposits:	\$ 77,708

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 – Previously submitted.

LAIF Quarterly Report – Previously submitted.

PMIA/LAIF Performance – November, 2022

PMIA Effective Yield – November, 2022

Community West Bank (CWB)

CWB Money Market Account – Previously submitted.

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – November, 2022

Lincoln 457 Deferred Compensation Plan – Previously submitted.

Personnel

A verbal update will be provided at the meeting.



PMIA/LAIF Performance Report as of 12/07/22



PMIA Average Monthly Effective Yields⁽¹⁾

November	2.007
October	1.772
September	1.513

Quarterly Performance Quarter Ended 09/30/22

LAIF Apportionment Rate ⁽²⁾ :	1.35
LAIF Earnings Ratio ⁽²⁾ :	0.00003699565555327
LAIF Fair Value Factor ⁽¹⁾ :	0.980760962
PMIA Daily ⁽¹⁾ :	1.63%
PMIA Quarter to Date ⁽¹⁾ :	1.29%
PMIA Average Life ⁽¹⁾ :	304

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 10/31/22 \$215.3 billion

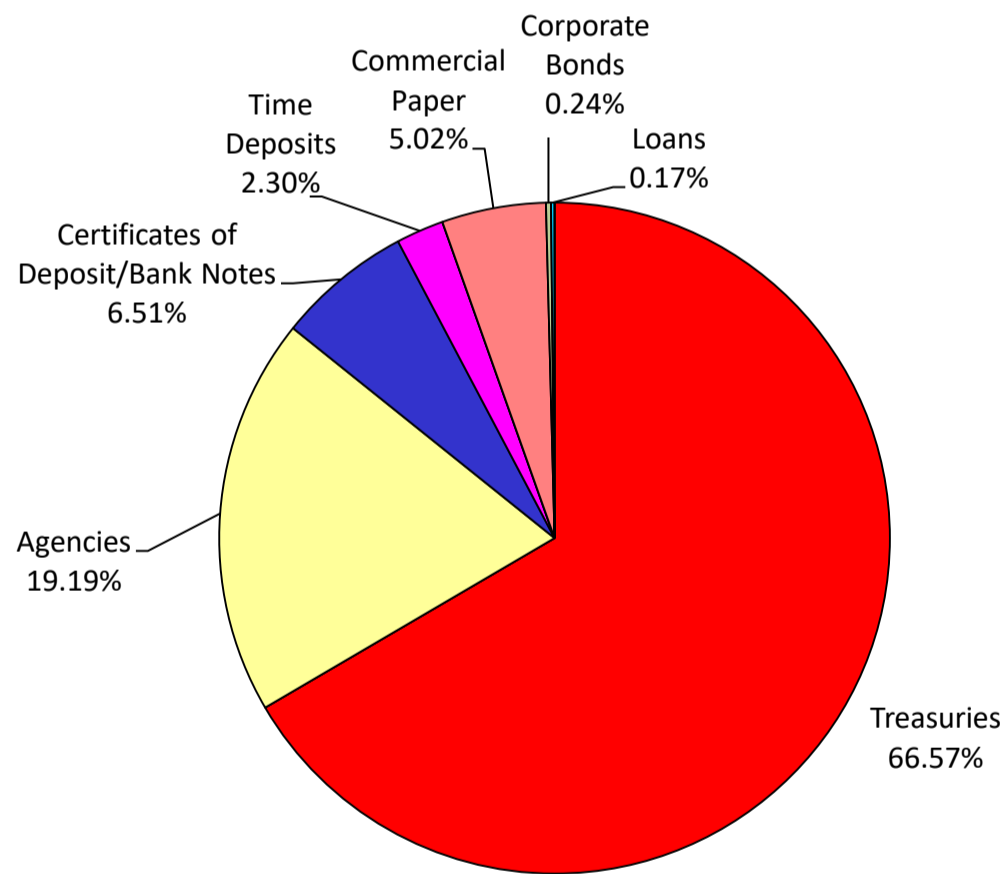


Chart does not include \$3,715,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

12/08/22

Max: 12.844

Min: 0.203

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	

CalPERS 457 Plan

November 30, 2022

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

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

Voya Financial
Attn: CalPERS 457 Plan
P.O. Box 389
Hartford, CT 06141
(800) 260-0659

Document Summary

This document has two parts. Part I consists of performance information for the plan investment options. This part shows you how well the investments have performed in the past. Part I also shows the total annual operating expenses of each investment option.

Part II provides additional information concerning Plan administrative fees that may be charged to your individual account.

CalPERS 457 PLAN

Part I. Performance Information For Periods Ended November 30, 2022

<https://calpers.voya.com>

Table 1 focuses on the performance of investment options that do not have a fixed or stated rate of return. Table 1 shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods¹. Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information about an investment option's principal risks is available on the website listed above.

Table 1 also shows the Total Annual Operating Expenses of each investment option. Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option². The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the U.S. Department of Labor's website for an example showing the long-term fees and expenses at <http://www.dol.gov/ebsa>. Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

Table 1 - Variable Net Return Investments								
Name of Fund / Name of Benchmark	Performance		Annualized Performance				Total Annual Operating Expenses ³	
	3 Month	1 Year	5 Years	10 Years	Since Inception	Inception Date	As a %	Per \$1000
Equity Funds								
State Street Russell All Cap Index Fund - Class I	3.25	-10.92	9.99	-	11.27	10/07/13	0.25%	\$2.50
<i>Russell 3000 Index</i>	3.29	-10.80	10.33	-	11.62			
State Street Global All Cap Equity ex-US Index Fund - Class I	4.59	-11.46	1.48	-	3.19	10/07/13	0.26%	\$2.60
<i>MSCI ACWI ex-USA IMI Index (net)</i>	3.21	-12.58	1.44	-	3.26			
Fixed Income								
State Street US ShortTerm Gov't/Credit Bond Index Fund - Class I	-0.59	-4.30	0.50	-	0.44	10/07/13	0.26%	\$2.60
<i>Bloomberg US 1-3 yr Gov't/Credit Bond Index</i>	-0.53	-4.02	0.89	-	0.89			
State Street US Bond Fund Index - Class I	-2.16	-13.06	-0.09	-	1.13	10/07/13	0.25%	\$2.50
<i>Bloomberg US Aggregate Bond Index</i>	-2.09	-12.84	0.21	-	1.42			
Real Assets								
State Street Real Asset Fund - Class A	1.27	11.06	7.08	-	4.03	10/08/13	0.38%	\$3.80
<i>State Street Custom Benchmark⁴</i>	1.08	11.21	7.35	-	4.38			
Cash (Cash Equivalents)								
State Street STIF	0.77	1.17	1.06	-	0.69	09/02/14	0.27%	\$2.70
<i>BofA ML 3-month US T-Bill</i>	0.73	1.10	1.21	-	0.87			
Target Retirement Date Funds⁵								
CalPERS Target Income Fund	0.06	-10.35	2.61	3.04	4.55	12/01/08	0.26%	\$2.60
<i>SIP Income Policy Benchmark⁶</i>	-0.10	-10.35	2.79	3.25	5.02			
CalPERS Target Retirement 2020	0.52	-10.42	3.31	4.21	6.19	12/01/08	0.26%	\$2.60
<i>SIP 2020 Policy Benchmark⁶</i>	0.30	-10.49	3.47	4.42	6.66			
CalPERS Target Retirement 2025	1.24	-10.52	3.99	5.16	7.02	12/01/08	0.26%	\$2.60
<i>SIP 2025 Policy Benchmark⁶</i>	0.96	-10.65	4.13	5.34	7.46			
CalPERS Target Retirement 2030	1.80	-10.55	4.48	5.91	7.82	12/01/08	0.26%	\$2.60
<i>SIP 2030 Policy Benchmark⁶</i>	1.45	-10.76	4.67	6.12	8.26			
CalPERS Target Retirement 2035	2.60	-10.67	5.05	6.68	8.51	12/01/08	0.26%	\$2.60
<i>SIP 2035 Policy Benchmark⁶</i>	2.17	-10.95	5.22	6.88	8.99			
CalPERS Target Retirement 2040	3.25	-10.69	5.57	7.35	9.03	12/01/08	0.26%	\$2.60
<i>SIP 2040 Policy Benchmark⁶</i>	2.76	-11.03	5.74	7.53	9.48			
CalPERS Target Retirement 2045	3.49	-10.48	5.73	7.66	9.22	12/01/08	0.26%	\$2.60
<i>SIP 2045 Policy Benchmark⁶</i>	2.98	-10.85	5.89	7.84	9.70			
CalPERS Target Retirement 2050	3.49	-10.48	5.72	7.65	9.29	12/01/08	0.26%	\$2.60
<i>SIP 2050 Policy Benchmark⁶</i>	2.98	-10.85	5.89	7.84	9.70			
CalPERS Target Retirement 2055	3.49	-10.48	5.73	-	6.43	10/07/13	0.26%	\$2.60
<i>SIP 2055 Policy Benchmark⁶</i>	2.98	-10.85	5.89	-	6.69			
CalPERS Target Retirement 2060	3.49	-10.49	-	-	8.14	11/01/18	0.26%	\$2.60
<i>SIP 2060 Policy Benchmark⁶</i>	2.98	-10.85	-	-	8.26			
CalPERS Target Retirement 2065	-	-	-	-	-	-	0.26%	\$2.60
<i>SIP 2065 Policy Benchmark⁶</i>	-	-	-	-	-	-		
Broad-Based Benchmarks⁷								
<i>Russell 3000 Index</i>	3.29	-10.80	10.33	12.95	-	-	-	-
<i>MSCI ACWI ex-USA IMI Index (net)</i>	3.21	-12.58	1.44	4.41	-	-	-	-
<i>Bloomberg US Aggregate Bond Index</i>	-2.09	-12.84	0.21	1.09	-	-	-	-

Part II. Explanation of CalPERS 457 Plan Expenses

November 30, 2022

<https://calpers.voya.com>

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

Table 2 - Fees and Expenses				
Individual Expenses ⁸				
Service	Fee Amount	Frequency	Who do you pay this fee to?	Description
Loan Origination Fee	\$50	Per loan application	Voya	The charge covers the processing of your loan and applies each time you request a loan from your retirement account. This fee is deducted from your Plan account.
Maintenance Fee (For loans taken on or after April 1, 2020)	\$35 (\$8.75 assessed quarterly)	Annual	Voya	The charge covers the maintenance costs of your loan and applies on a quarterly basis. This fee is deducted from your Plan account.
Self-Managed Account (SMA) Maintenance Fee	\$50	Annual fee deducted monthly on a pro-rata basis	Voya	Schwab Personal Choice Retirement Account is available to you if your Employer has elected it as an option. This fee is deducted pro rata on a monthly basis from your core fund investments ⁹ in your CalPERS 457 account. For more information about SMAs, including a complete list of fees charged by Schwab for different types of investment transactions, please contact Schwab at (888) 393-PCRA (7272). Fees may also be incurred as a result of actual brokerage account trades. Before purchasing or selling any investment through the SMA, you should contact Schwab at (888) 393-PCRA (7272) to inquire about any fees, including any undisclosed fees, associated with the purchase or sale of such investment.
Self-Managed Account (SMA) Plan Administrative Fee	0.23% (\$2.30 per \$1,000)	Annual fee deducted monthly on a pro-rata basis	Voya	The SMA Plan Administrative fee pays for recordkeeping costs for assets in your SMA account. This fee is deducted pro rata on a monthly basis from your core fund investments in your CalPERS 457 account. The SMA Plan Administrative Fee is subject to change based on total Plan assets.

Footnotes for Table 1 and Table 2:

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

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

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

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

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

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

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

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

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

**DISTRICT
CORRESPONDENCE**
Board Meeting of December 19, 2022



Date: **Correspondence Sent To:**

1. 12/05/2022 Schulback Adolph & Myrna Family Trust or Resident
Subject: Roots at Sewer Mainline Connection: 1452 Camino Rio Verde
A.P.N. 069-251-010
Letters also sent to:
 - Hugo FamilyTrust 2/2/22 or Resident
1198 Edward Pl., Santa Barbara, CA
A.P.N. 069-030-012
 - Epperson, Dennis H/Bonnie J or Resident
1453 Camino Rio Verde, Santa Barbara, CA
A.P.N. 069-24-012
 - Donahoe, Patrick/Nancy 2003 Trust 2/12/03 or Resident
1146 N. Fairview Ave., Santa Barbara, CA
A.P.N. 069-030-013
 - Bifano, Ilene or Resident
5493 Hanna Dr., Santa Barbara, CA
A.P.N. 069-530-016
 - Dalton, James S. Living Trust or Resident
260 Merida Dr., Santa Barbara, CA
A.P.N. 069-530-015
 - Wolf State LLC
112 E. De La Guerra St. 8
Santa Barbara, CA
A.P.N. 061-100-022

2. 12/05/2022 Lauris & James Rose
Subject: Sewer Service Availability
Proposed Sewer Service Connection for Nursery Restrooms and Shower
and Possible Future Residential Development
A.P.N. 065-290-026 at 1251 Orchid Dr., Santa Barbara, CA

3. 12/05/2022 Nancy McKinny
Subject: Goleta Sanitary District response to odor complaints at and near
5465 Hanna Drive, Santa Barbara, CA
A.P.N. 069-530-021

4. 12/06/2022 Galileo Florence, LLC
c/o Trudi Carey
Subject: Sewer Service Availability
Sewer Service Connection for 27 Multi-Family Residential Units
A.P.N. 069-525-022 at 5317 Calle Real, Santa Barbara, CA

DISTRICT CORRESPONDENCE

Board Meeting of December 19, 2022

Page 2

5. 12/14/2022 Kalley Ridgway Liehr
Subject: Sewer Service Availability
Sewer Service Connection for One Single-Family Residence and a detached ADU
A.P.N. 065-250-021 at 1475 Anderson Lane, Santa Barbara, CA

6. 12/14/2022 Heidi Jones
Suzanne Elledge Planning and Permitting Services
Subject: Sewer Service Availability
Proposed Sewer Service Connection for proposed subdivision of existing 8.48-acre parcel into 3 lots and construction of new 34,000 SF research & development building and a 14,000 SF office building
A.P.N. 071-140-075 at 5385 Hollister Ave., Goleta CA

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