

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/84628060908?pwd=T0U4dIF1R3BibUk4d294bUJ4aHpHdz09>

Meeting ID: 846 2806 0908

Passcode: 846695

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

August 7, 2023

CALL TO ORDER: 6:30 p.m.

ROLL CALL OF MEMBERS

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

CONSIDERATION OF THE MINUTES OF THE BOARD MEETING

The Board will consider approval of the Minutes of the Regular Meeting of July 17, 2023.

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. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 23-706 IN RECOGNITION AND APPRECIATION OF THE SERVICE OF GEORGE W. EMERSON
(Board may take action on this item.)
2. CONSIDERATION OF TERMINATION OF BIOSOLIDS HAULING AGREEMENT WITH CENTRAL COAST TRANSIT AND APPROVAL OF MATERIALS MANAGEMENT AGREEMENT WITH SYNAGRO WEST, LLC. FOR THE REMOVAL, TRANSPORTATION AND DISPOSAL OF BIOSOLIDS
(Board may take action on this item.)
3. CONSIDERATION OF LYSTEK SYSTEM PURCHASE AGREEMENT
(Board may take action on this item.)

4. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 23-707 REPEALING RESOLUTION NO. 09-489 AND APPROVING REVISED PROVISIONS PERTAINING TO CELLULAR TELEPHONE ALLOWANCE AND REQUIREMENTS FOR CELLULAR TELEPHONE USE BY DESIGNATED EMPLOYEES
(Board may take action on this item.)
5. GENERAL MANAGER'S REPORT
6. LEGAL COUNSEL'S REPORT
7. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
8. PRESIDENT'S REPORT
9. ITEMS FOR FUTURE MEETINGS
10. CORRESPONDENCE
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
11. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT
(The Board will be asked to ratify claims.)

ADJOURNMENT

Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the District's Finance & H.R. Manager at least 3 hours prior to the meeting by telephone at (805) 967-4519 or by email at info@goletasanitary.org.

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

July 17, 2023

CALL TO ORDER: President Rose called the meeting to order at 6:31 p.m.

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

BOARD MEMBERS ABSENT: None

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

OTHERS PRESENT: Tom Evans, Director, Goleta Water District
Craig Geyer, Director, Goleta West Sanitary District

APPROVAL OF MINUTES: Director Smith made a motion, seconded by Director Fuller, to approve the minutes of the Regular Board meeting of 07/03/2023. The motion carried by the following vote:

(23/07/2249)

AYES: 5 Rose, Fuller, Smith, Majoewsky,
Emerson
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. PUBLIC HEARING REGARDING PLACING SEWER SERVICE CHARGES ON THE COUNTY TAX ROLL FOR FISCAL YEAR 2023-2024. CONSIDERATION AND APPROVAL OF RESOLUTION NO. 23-705 OVERRULING OBJECTIONS AND ADOPTING REPORT ON SEWER SERVICE CHARGES TO BE COLLECTED ON THE TAX ROLL FOR FISCAL YEAR 2023-2024.
Mr. Wagner gave the staff report.

President Rose opened the public hearing at 6:43 p.m.
No public, nor comment.
President Rose closed the public hearing at 6:44 p.m.

Director Smith made a motion, seconded by Director Majoewsky, to approve and adopt Resolution No. 23-705 overruling objections and adopting report on sewer service charges to be collected on the tax roll for Fiscal Year 2023-2024.

The motion carried by the following vote:

(23/07/2250)

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

2. CONSIDERATION OF REQUEST TO ENTER INTO A REIMBURSEMENT AGREEMENT FOR THE RIDGWAY SEWER MAIN EXTENSION ON ANDERSON LANE NEAR SHORELINE DRIVE

Mr. Wagner began the staff report and Rich Ridgway and Kalley Ridgway Liehr addressed the Board, and answered questions.

Director Smith made a motion, seconded by Director Fuller, to approve the draft Reimbursement Agreement for the Ridgway sewer main extension on Anderson Lane near Shoreline Drive, with a change in term to 20 years.

The motion carried by the following vote:

(23/07/2251)

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

3. CONSIDERATION OF AMENDMENT NO. 3 TO THE ENGINEERING DESIGN SERVICES AGREEMENT WITH HAZEN AND SAWYER TO INCLUDE NATIVE AMERICAN MONITORING SERVICES ON THE BIOSOLIDS AND ENERGY STRATEGIC PLAN PHASE 1 PROJECT

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

Director Majoewsky made a motion, seconded by Director Fuller, to approve Amendment No. 3 and authorize the General Manager to execute the amendment to the Engineering

Design Services agreement with Hazen and Sawyer to include Native American monitoring services on the Biosolids and Energy Strategic Plan Phase 1 project, increasing the scope by \$33,652.

The motion carried by the following vote:

(23/07/2252)

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

4. UPDATE ON SEARCH FOR NEW LEGAL SERVICES PROVIDER

Mr. Wagner began the staff report and Ad Hoc Committee member Majoewsky reported to the Board.

Director Smith made a motion, seconded by Director Fuller, to accept the Ad Hoc Committee recommendation and to arrange interviews for the three firms recommended.

The motion carried by the following vote:

(23/07/2253)

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

5. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

6. LEGAL COUNSEL'S REPORT

No report.

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

Director Smith – No report.

Director Fuller – No report.

Director Emerson – No report.

Director Majoewsky – No report.

8. PRESIDENT'S REPORT
President Rose – No report.

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

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

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

Director Smith made a motion, seconded by Director Fuller, to ratify and approve the claims, for the period 07/04/2023 to 07/17/2023 as follows:

Running Expense Fund #4640	\$	327,966.69
Capital Reserve Fund #4650	\$	2,271.96
Depreciation Replacement Reserve Fund #4655	\$	14,677.22

The motion carried by the following vote:

(23/07/2254)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:05 p.m.

Sharon Rose
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

Edward Fuller

Jerry D. Smith

Steven T. Majoewsky

George W. Emerson

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: August 7, 2023

I. NATURE OF ITEM

Consideration and Adoption of Resolution No. 23-706 in Recognition and Appreciation of the Service of George W. Emerson

II. BACKGROUND INFORMATION

On July 17, 2023, Director George W. Emerson submitted his resignation after serving the Goleta Sanitary District for twenty-nine years. Director Emerson has offered his thoughtful counsel and professional financial expertise over the course his tenure as a member of the District's board. He has adeptly represented the District on many committees associated with the state and local chapter of the California Special District Association.

A resolution of appreciation summarizing Director Emerson's outstanding service to the District has been prepared and is presented herein for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

Staff recommends that the Board accept Director Emerson's resignation and approve Resolution No. 23-706 recognizing and commemorating the many and varied contributions of George W. Emerson to the Goleta Sanitary District over the last twenty-nine years.

IV. REFERENCE MATERIAL

Resignation letter from Director George Emerson dated July 17, 2023

Resolution No. 23-706 In Recognition and Appreciation of George W. Emerson

July 17, 2023

Goleta Sanitary District
Governing Board Members
1 William Moffett Place
Goleta, CA 93117

RE: Letter of Resignation

Dear Members of the Goleta Sanitary District Governing Board,

After much consideration, I am writing this letter of resignation from the Goleta Sanitary District Board of Directors effective Friday August 11, 2023. It has been an honor to serve the District as a member of the Governing Board with you over the last 29 years. It seems that now is the time for me to pass the torch and give someone else this position as I have many other activities that I need to focus on.

I have thoroughly enjoyed seeing the progress and numerous improvements made to our facilities during my tenure in order to meet our mission to protect public health and the environment. I am very proud of what we have accomplished and wish you all the very best in the future.

Sincerely,



George Emerson

245 Moreton Bay Lane #5

Goleta, CA 93117

RESOLUTION NO. 23-706

**RESOLUTION OF THE GOVERNING BOARD OF THE
GOLETA SANITARY DISTRICT IN RECOGNITION
AND APPRECIATION OF GEORGE W. EMERSON**

WHEREAS, George W. Emerson began serving as a member of the Governing Board of the Goleta Sanitary District in 1994 and served continuously as a Board member for twenty-nine (29) years until August 11, 2023; and,

WHEREAS, Director Emerson served for many years as President of the District's Governing Board and actively participated as a member of numerous District committees, including most recently the Personnel Committee; and,

WHEREAS, During his tenure Director Emerson witnessed a number of major improvement projects including (i) treatment plant upgrading projects, (ii) numerous collection system construction and rehabilitation projects, especially the Nationwide award-winning trenchless construction of the Atascadero Creek Interceptor in 2001; (iii) the Firestone Pumping Station serving the District and the Santa Barbara Municipal Airport in 2012 and (iv) wastewater treatment facilities upgrading project to the full secondary treatment level between 2011 and 2014; and,

WHEREAS, Director Emerson represented the interests of the District, its customers and the residents of the State of California by serving as a Board Member of the California Special District Association (CSDA) from 2006 to 2022, including serving as a member of the State Legislative Committee from 2010-2022, and by serving on the California Special District Finance Corporation for many years, as well as the Fiscal Committee, Professional Development Committee, the Human Resources Team, the Governance, Human Resources & Personnel, Public Works & Contracting, and Revenue Working Groups, Director Emerson also served many years as a Board member of the Santa Barbara County chapter of CSDA, and as a member of the CSDA Finance Corporation Board & Consultants, and served as an Executive Board Member, Finance Committee Member, Workers' Compensation Committee Member and Secretary of the California Sanitary Risk Management Association (CSRMA); and,

WHEREAS, in his over twenty-nine (29) years as a member of the District's Governing Board, Director Emerson faithfully carried out his duties, brought valuable finance experience to his position, provided strong leadership, gave freely of his time and talent and demonstrated an unwavering commitment to the constituents he was elected to serve. Director Emerson met the challenges facing the District in an astute and professional manner, worked cooperatively and constructively with other members of the District's Governing Board, District staff, consultants and members of the community, and was a great asset to the District and the public that the District serves; and,

WHEREAS, by this Resolution, the District's Governing Board desires to recognize the service of Director Emerson as a Board member and to express its appreciation for his contributions and 29 years of service on behalf of the District.

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

1. The District hereby recognizes the achievements that have been made possible through the efforts of Director Emerson and expresses its sincere appreciation and gratitude for Director Emerson's contributions and years of service on behalf of the District.

2. Following the adoption hereof by the Governing Board, the Secretary of the District is hereby authorized and directed to present a copy of this Resolution to Director George W. Emerson.

PASSED AND ADOPTED this 7th day of August, 2023, by the unanimous vote of the Governing Board of the Goleta Sanitary District.

Sharon Rose, President

Steven T. Majoewsky, Director

Ed Fuller, Director

Jerry Smith, Director

ATTEST:

Rob Mangus
Governing Board Secretary

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: August 7, 2023

I. NATURE OF ITEM

Consideration of Termination of Biosolids Hauling Agreement with Central Coast Transit and Approval of Materials Management Agreement with Synagro West, LLC. for the Removal, Transportation and Disposal of Biosolids

II. BACKGROUND INFORMATION

The District owns and operates a Water Resource Recovery Facility (WRRF) that generates approximately 650 wet tons of biosolids each month. These biosolids must be hauled and disposed of at an appropriate facility. Currently the biosolids are transported by Central Coast Trucking (CCT) to Liberty Farms Composting facility (now owned by Synagro West, LLC (Synagro), where they are converted to compost for beneficial reuse pursuant to a separate biosolids disposal agreement.

In May of this year the owner of CCT, John Clift, contacted the District about the termination of the agreement at the end of June 2023 pursuant to his proposal. While the proposal referenced a one-year term ending June 2024, the Biosolids Hauling Contract signed by CCT included a two-year term ending June 2025. The discrepancy between the proposal and contract wasn't caught by CCT until after discussion with District staff in response to their request for termination. CCT has been in the process of winding down its biosolids hauling operations as they are unable to obtain drivers to haul the material. As such they are requesting termination of their hauling agreement with the District. A copy of their letter requesting termination of the agreement is attached to this report.

Since the District's biosolids are already being hauled to the Synagro composting facility, and since Synagro provides biosolids hauling services, staff reached out to Synagro and requested a proposal for the continuation of hauling and disposal of biosolids at their facility.

Synagro provides biosolids hauling and disposal services pursuant to a Material Management Agreement (MMA). An MMA with Synagro has been prepared and reviewed by District legal counsel. Attached is a copy of an MMA with Synagro for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

The proposed MMA provides for the hauling and composting of the biosolids generated by the WRRF from now until June 13, 2025. The agreement and any extensions will automatically renew for successive terms of one year each until

terminated by either party.

The agreement sets the base price per wet ton for hauling and disposing biosolids at \$83.95. The price under our current contract is approximately \$72 per wet ton. This represents a 17% increase in hauling costs per wet ton. The agreement also includes an annual increase based on the Bureau of Labor and Statistics Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim and a fuel surcharge based on the cost of fuel over the base fuel cost when the agreement was approved. While the CPI is expected to increase in the future, the projected amount of the future increases is expected to be back closer to normal levels (around 3%). As far as the fuel surcharge goes, the average diesel fuel cost per gallon is also starting to decrease as it appears it hit its peak last month.

While the proposed MMA with Synagro increases the overall cost of hauling and disposing biosolids, at this time there aren't too many alternatives. Synagro owns the Liberty Composting facility and provides hauling services. Other disposal locations are few and far between and are charging up to \$100 per wet ton. The last time we had to consider other disposal alternatives we were looking at hauling to Arizona.

This increase in biosolids disposal costs wasn't a surprise and is the main reason the District is pursuing improvements to its solids treatment process to produce a dryer and lighter biosolids product. While we had hoped to keep our current hauling contract in place for another year, Synagro had already informed us of a planned increase to the tipping fee at their compost facility. The FY 2023-24 budget amount for biosolids hauling and disposal is \$654,810 which is enough to accommodate the increased hauling cost through the end of the fiscal year.

For these reasons, staff recommends the Board approve the request to terminate the biosolids hauling agreement with Central Coast Transit and authorize the General Manager to execute the attached materials management agreement with Synagro West, LLC in order to continue the hauling and disposal of the District's biosolids to the Synagro composting facility for beneficial reuse.

IV. REFERENCE MATERIAL

Central Coast Transit Letter Dated August 2, 2023 Requesting Termination of the Biosolids Handling Agreement

Proposed Synagro Materials Management Agreement for the Removal, Transportation and Disposal of Biosolids

CENTRAL COAST TRANSPORT

Steve Wagner
Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117

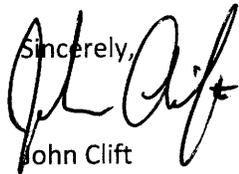
-Biosolids hauling contract termination request

Good Morning Steve,

As you and I have discussed over the previous months, we are requesting termination of our hauling contract.

Some of the reasons:

- Although "Term of Agreement" states 36 months we believe that we have completed our contracted volume period. February 1, 2022 through June 30, 2023.
- Inconsistent and less than projected biosolids volumes
- Wet and hard to transport biosolids.
- With inconsistent biosolids volumes it has been difficult to keep drivers employed.

Sincerely,

John Clift
President



Materials Management Agreement

This Agreement made and entered into as of this 14th day of June 2023 by and between Contractor and Customer.

C U S T O M E R	Customer Legal Name: Goleta Sanitary District			
	Street Address: One William Moffett Place			
	City / Town Goleta	County Santa Barbara	State CA	Zip Code 93117
C O N T R A C T O R	Synagro Legal Name			
	Synagro – West LLC			
	Street Address 435 Williams Court Suite 100			
	City / Town Baltimore	State MD	Zip Code 21120	
T E R M	Commencement Date: June 14, 2023		Expiration Date: June 13, 2025	
	The "Term" of this Agreement shall be from the Commencement Date up to and including the Expiration Date. This Agreement and any extensions will automatically renew for successive terms of one year each - following expiration of the then-current Term, until Contractor or Customer agree on different renewal terms to the Agreement or until Contractor or Customer delivers written notice to the other party at least 30 days prior to the end of the then-current Term stating that the party delivering the notice elects not to renew this Agreement. If Contractor provides Contractor Services to Customer outside of the Term without another written agreement, then such services shall be deemed provided pursuant to the terms of this Agreement (other than the Term) and Customer's request for or acceptance of Contractor Services shall be deemed consent to the terms of this Agreement. No such provision of services by Contractor shall be deemed an agreement to provide any further services or extend the term of this contract for additional periods.			
B I L L I N G	Customer Contact Name: Steve D. Wagner, PE		Telephone # Office: (805)967-4519 Mobile: (805)896-5395	
	Street Number / P.O. Box:		Fax #:	
	Address:		Contact Person: Steve D. Wagner	
	See Above		E-mail Address: swagner@goletasanitary.org	
	City / State:		Zip Code:	
S I G N A T U R E S	FOR CUSTOMER: Steve D. Wagner, PE		Date:	
	Signature:			
	Name and Title: General Manager			
	FOR CONTRACTOR: Robert Ford		Date: 7/14/23	
	Signature: 			
	Name and Title: Sr Business Development Mgr.			

SCOPE OF SERVICES AND PRICING APPENDIX

Scope of Service.

The Source WWTP information is:

Synagro is to receive and transport biosolids from Goleta Sanitary District's wastewater treatment plant ("WWTP") at One William Moffett Place, Goleta, California which will be delivered by Synagro using a Synagro managed hauler to Synagro's permitted composting facilities for beneficial reuse under SB1383

Customer Materials.

Customer Materials shall consist of the following:

WWTP SOLIDS: ~ 600 to 775 WT per month @ ~17 to 19% solids from the facility listed above.

Method of Delivery of Customer Materials.

The Customer Material shall be delivered to Contractor (Synagro) in the following manner:

Synagro contracted trucking service delivering to primary facility at Liberty Compost, Lost Hills CA.

"Customer Facility " shall mean the following locations where Customer Material(s) are generated or stored:

- See Scope of Service above for details

Contractor right to refuse loads.

If trucks or containers are loaded by Customer or its agents, Contractor has the right to refuse loads that are not within legal weight restrictions, are defective, or are not filled to mutually agreed-upon minimums or maximums.

PRICE

The Agreement Price(s) shall be as follows:

RATE	QUANTITY	UNIT	SERVICE
\$83.95	6,200 to 9,300	Wet Ton	Fee for hauled biosolids for beneficial use composting at the specified facility. 24-ton min load applies and will be invoiced at "Rate" for 24 tons should a load be less than the min.
\$1,500.00	As Required	Each	Yard Goat Rental fee per month for more than one at the site (2 weeks' notice if implemented)
\$1,500.00	As Required	Each	Trailer Rental fee per month for more than one at the site (2 weeks' notice if implemented)
\$50.00	Each	Load	Driver self-load charge

CPI. All Agreement Prices shall be adjusted as follows:

All Agreement Prices shall be adjusted annually beginning on June 01, 2024 based on the annual change in Non-Seasonally Adjusted Consumer Price Index established by the United States Bureau of Labor Statistics, for Los Angeles-Long Beach-Anaheim, CA with the CPI for the month immediately preceding the Commencement Date being the base index (*Base CPI) Said adjustment shall apply to all Agreement Prices contained herein, and shall be based on the following formula::

$$\text{New Price} = (\text{Price Adjustment}) \times \text{First Year Agreement Price}$$

$$\text{Price Adjustment} = 1 + \left(\frac{\text{Current CPI} - \text{Base CPI}}{\text{Base CPI}} \right)$$

$$\text{CPI} = \underline{\hspace{2cm}}$$

$$*\text{Base CPI} = \underline{320.514}$$

Once the CPI is available for the month immediately preceding the month of the annual adjustment ("Current CPI"), the price dates specified above for price adjustments or retroactively when applicable. No New Price shall ever be lower than any existing current Agreement Price in effect immediately before the annual adjustment.

Fuel Surcharge Adjustment

All Agreement Prices shall be adjusted monthly for a fuel surcharge ("Fuel Surcharge Adjustment") to reflect any increased change in diesel fuel prices, in accordance with the table below, if the cost of retail on-highway diesel fuel (Department of Energy, Energy Information Administration – **(\$4.74)** is at, or exceeds, **\$4.76** per gallon (Base Price).

The Fuel Surcharge Adjustment will be based on the following chart and the Retail On-Highway Diesel Price – **(\$4.74)** as published by the U.S. Department of Energy's Energy Information Administration for California Retail Price and will be applied to the then current fixed or unit fee, as applicable. The Fuel Surcharge Adjustment will be made no more than once a calendar month beginning with the second calendar month following the Commencement Date and shall be made as of the first day of each month thereafter. Fuel Surcharge Adjustment will then be applied as follows:

:

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
< \$(Base Price)	None
Base Price to Base Price plus \$.049	0.5 %
Base Price plus \$0.05 to Base Price plus \$0.099	1.0 %
Base Price plus \$0.1 to Base Price plus \$.0149	1.5 %

For each \$0.05/gallon increase thereafter add 0.5%

EXAMPLE:

Base Price = \$3.00 / Gallon

Diesel Price \$/Gallon - Note ¹	Fuel Surcharge Adjustment %
≤ \$3.00 (Base Price)	None
\$3.01 - \$3.049	0.5 %
\$3.05 - \$3.099	1.0 %
\$3.10 - \$3.149	1.5 %

Note 1 - Fuel Rate based on DOE EIA monthly retail on-highway diesel prices (May 2023 \$4.74)

GENERAL TERMS AND CONDITIONS

1. **Definitions.** As used in this Agreement:

- A. "Affiliate" shall mean any Person which, directly or indirectly, owns or controls, or is under common ownership or control with, or is owned or controlled by, such Person.
- B. "Agreement" shall mean this agreement, and each and every exhibit, appendix and schedule attached hereto, and by reference made part of this Agreement.
- C. "Agreement Price(s)" shall mean any one or, collectively, all the prices to be paid by the Customer to Contractor for Contractor Services.
- D. "Authorizations" means all authorizations, permits, applications, notices of intent, registrations, variances, and exemptions required for the removal, transportation and land application of Customer Materials in compliance with all Laws.
- E. Agreement shall consist of the following documents which Customer acknowledges receiving copies of:
1. The Agreement
 2. Scope of Service and Pricing Appendix
 3. General Terms and Conditions
- F. "Contractor Facility" shall mean a facility operated or controlled by Contractor or an Affiliate of Contractor.
- G. "Contractor Services" shall be those services described in Scope of Service and Pricing Appendix.
- H. "Customer" shall mean the entity identified as Customer in the first paragraph of this Agreement and its permitted successors and assigns.
- I. "Customer Material(s)" shall mean the materials generated by or stored at the Customer's Facility which are described in Scope of Service and Pricing Appendix and meet(s) the requirements set forth herein.
- J. "Governmental Authority" means any governmental authority including the United States of America and any State, local authority, political subdivision, agency, department, commission, board, bureau, court, tribunal having jurisdiction over this Agreement, Customer Material(s), or Contractor, Customer, or Customer Facility.
- K. "Hazardous Materials" means any "petroleum," "oil," "hazardous waste," "hazardous substance," "toxic substance," and "extremely hazardous substance" as such terms are defined, listed, or regulated under Laws.
- L. "Intended Use" shall mean any use, placement or disposal of Customer Materials pursuant to this Agreement including by example, land application, composting, deposit in landfill, or incineration.
- M. "Laws" means any Authorization and any applicable federal, state, or local law, rule, regulation, ordinance, order, decision, principle of common law, consent decree or order, of any Governmental Authority, now or hereafter in effect.
- N. "Non-Conforming Material(s)" shall mean material(s) which (i) fail(s) to meet the description or characteristics described herein, or (ii) are Hazardous Materials, or (iii) contain a concentration of polychlorinated biphenyls equal to or greater than 50 milligrams per kilogram of total solids (on a dry weight basis).
- O. "Party" shall mean either Customer or Contractor; "Parties" shall mean Customer and Contractor.
- P. "Person" shall mean any partnership, corporation, Governmental Authority, trust or legal entity, as well as a natural person.
- Q. "Term" shall mean the term of this Agreement including any extensions, as provided for in the Agreement.

3. **Services.** Contractor shall provide Contractor Services to Customer.

4. **Price and Adjustments.**

- A. The Agreement Price(s) for Contractor Services is set forth in Scope of Services and Pricing Appendix.
- B. Contractor will have no duty to handle Non-Conforming Materials unless Customer and Contractor mutually agree to terms including cost for the handling of

such Non-Conforming Materials on a case-by-case basis. If Contractor discovers material is Non-Conforming after it takes possession, then Customer shall reimburse all costs and expenses of Contractor in handling such Non-Conforming Material until Customer arranges for removal and transportation of such Non-Conforming Material for appropriate processing and disposal, plus 10% of such costs and expenses.

5. **Ownership of Materials.** Customer shall retain all title to and ownership of the Customer Material and Non-Conforming Materials until placement or disposal of the Materials by Contractor pursuant to this Agreement (e.g., by land application, composting, deposit in landfill, or incineration).

6. **Rejection or Revocation of Acceptance of Materials.**

A. Contractor shall have the right to reject any Non-Conforming Material prior to taking possession or revoke its acceptance after taking possession of any Non-Conforming Material, provided that Contractor notifies Customer by telephone or in writing of such rejection or revocation of acceptance of Non-Conforming Materials promptly upon Contractor's identifying Customer Materials as Non-Conforming. Any such notice of rejection or notice of revocation of acceptance not given initially in writing shall be promptly confirmed in writing to Customer. Contractor shall provide Customer with the documentation used to identify Customer Materials as Non-Conforming, and Customer shall have the right to re-test the Customer Materials.

B. Within twenty-four (24) hours after receipt of notice of revocation of acceptance of Non-Conforming Material (or such longer period as may be reasonably required, provided that Customer is acting with due diligence), Customer shall in accordance with Laws, arrange for and pay all costs associated with the testing, removal and transport of such Non-Conforming Material for appropriate processing and disposal. If Customer fails to remove Non-Conforming Material(s) within 10 business days of the date Customer is notified by Contractor, then Contractor shall have the right, but not the obligation, to remove, store, handle, transport, process and dispose of Non-Conforming Materials and Customer shall reimburse Contractor for all costs and expenses associated therewith, plus 10% of such costs and expenses.

C. Nothing in this section shall be construed to limit Customer's obligation to indemnify Contractor.

7. **Change in Conditions Affecting Quality of Materials.**

Customer shall immediately notify Contractor of changes or irregularities related to the creation, processing or conditions that would reasonably be expected to affect the quality, character or composition of Customer Materials. Customer shall promptly furnish to Contractor any information regarding known or suspected changes in the composition or characteristics of the Customer Materials.

8. **Record Keeping.** Contractor shall maintain records of the Contractor Services to the extent Contractor is required by Law, and further, shall maintain records to the extent specifically set forth in Scope of Services and Pricing Appendix. Customer shall maintain records to the extent Customer is required by Law. Customer shall keep and maintain records showing all data necessary for computation of the invoiced amounts during the term of the Agreement and for eighteen (18) months after the termination of the Agreement. Customer shall, upon reasonable notice from Contractor, allow Contractor to inspect and copy all records reasonably necessary for Contractor to compute the amounts to be invoiced.

9. **Terms of Payment.** Customer shall pay Contractor the full amount due under any invoice within thirty (30) days of the date of the invoice. Any invoice amount not paid in full within thirty (30) days of the date of the invoice shall bear interest at the lesser of: (i) one and one-half percent (1.5%) per month; or (ii) the maximum legally permissible interest rate on any unpaid balance thereof. Interest shall be computed from the date of the invoice.

10. **Default Termination.**

- A. In the event a Party seeks to terminate this Agreement because the other Party has failed to perform one or more of its material obligations hereunder, then the non-defaulting Party shall give a default notice to the defaulting Party. Such default notice shall list with reasonable detail the nature of the default. Unless otherwise stated in Subsection B below, a defaulting Party shall have a right to cure a default within 10 days. If the defaulting Party fails to cure the default within 10 days after the receipt of the default notice, then this Agreement may be terminated by the non-defaulting Party by delivery of notice of termination, effective on the termination date stated in in such termination notice.
- B. Notwithstanding any provision herein to the contrary, Contractor may immediately terminate this Agreement upon notice to Customer if:
 - (ii) there is a change in or to the interpretation of any Laws which materially increases Contractor's risk or cost, or which would serve to materially delay Contractor's performance of Contractor Services;
 - (iii) Contractor reasonably determines that performing Contractor Services will cause personal injury, or damage to a Party's facilities, equipment or operation, or will cause Contractor to be in violation of Laws, or will produce or cause to be produced a process byproduct that is classified as Hazardous Material(s); or
 - (iv) Customer fails to provide the NANI or NANI Equivalent as provided for in Section 29.A.4.b. of this Agreement.

11. Indemnification.

A. Contractor shall defend, indemnify and hold harmless Customer, its directors, officers, employees, and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expenses of every character whatsoever (including, but not limited to, attorneys' fees and liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent they arise out of (i) Contractor's failure to comply with any of its obligations under this Agreement, or (ii) any negligent act or omission or willful misconduct by Contractor. If any such suits, actions or proceedings are threatened or commenced, Customer shall promptly notify Contractor.

B. Customer shall defend, indemnify and hold harmless Contractor, its partners, directors, officers, employees and agents from and against any and all claims, suits, actions, proceedings, liabilities, losses, damages, fines, penalties and expense of every character whatsoever (including, but not limited to, attorneys' fees and liability for pollution, environmental or natural resource damage or restoration, nuisance, bodily injury, sickness and/or disease, including death, and loss of or damage to property), to the extent they arise out of: (i) Customer's failure to comply with any of its obligations under this Agreement; (ii) Customer's delivery of Non-Conforming Material to Contractor; (iii) Contractor's acceptance, handling, use or application of Non-Conforming Material; and (iv) any negligent act or omission or willful misconduct by Customer. If any such suits, actions or proceedings are threatened or commenced, Contractor shall promptly notify Customer.

- 12. **Access.** Customer shall provide Contractor reasonable access to Customer Facility(ies) as and when requested by Contractor in order to provide Contractor Services. Customer shall bear all costs or fees associated with providing access to Contractor.
- 13. **Compliance with Laws.** Unless otherwise specifically provided in this Agreement, Contractor shall comply with Laws directly regulating Contractor Services and Customer shall comply with all Laws imposed upon Customer.
- 14. **Physical Damage Responsibility; Insurance.**

A. Contractor shall provide workers compensation insurance for all its employees providing Contractor Services under this Agreement in accordance with applicable law. Contractor's obligation to provide workers compensation insurance shall be capped at the state limit and shall be in the amount stated in the insurance certificate required by subsection D., below.

B. Contractor shall provide commercial general liability insurance to cover the liabilities of Contractor arising out of the Contractor Services with limits of one million dollars (\$1,000,000) for each claim, one million dollars (\$1,000,000) products aggregate and two million dollars (\$2,000,000) general aggregate. Said insurance shall name Customer and Customer's officers, directors, employees, and agents as additional insureds.

C. Contractor shall provide general liability and property damage insurance to cover the liabilities of Contractor arising out of the use of vehicles in the performance of Contractor Services with a combined single limit of one million dollars (\$1,000,000), with an umbrella policy of five million dollars (\$5,000,000).

D. The policies of insurance referenced in subparagraphs A., B. and C., above, shall provide that coverage shall not be canceled without thirty (30) days prior notice to Contractor and Customer, or ten (10) days' notice in the event that such coverage is cancelled for non-payment. Contractor shall provide evidence of said insurance, in the form of insurance certificates prior to commencing any Contractor Services.

- 15. **Force Majeure.** Neither Party shall be liable to the other Party for breach or for failure or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its reasonable control, including, but not limited to: fires; floods; strikes (except any strikes involving a Party's personnel); a change in Federal, State, or local law or ordinance; orders or judgments of any Federal, State or local court, administrative agency or governmental body; change in permit conditions or requirements; accidents; extreme weather conditions including, for example, hurricanes, tornadoes, unusually high amounts of precipitation, unusual extremes of temperature or wind, or unusually extended periods of adverse weather conditions; acts of war, aggression or terrorism (foreign or domestic); equipment failure (other than due to the inadequate maintenance thereof); and acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party's reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed, or (ii) any failure to pay any sums in accordance with the terms of this Agreement. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay. Contractor shall promptly provide notice of the need, if any, for additional compensation or for renegotiation of terms in order to mitigate the effects of such event or to comply with a change in law or regulation or interpretation thereof. If such event delays performance into a season different from that assumed when this Agreement was executed, Contractor and Client shall use reasonable best efforts to reach an agreement pursuant to which Contractor shall be entitled to additional time and compensation. Contractor and Client shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances.

- 16. **Representation of Authority.** Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver and perform this Agreement. Each Party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such Party's obligations hereunder have been duly authorized, and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.



Materials Management Agreement

17. **Survival of Obligations.** Notwithstanding the expiration or sooner termination of this Agreement, any duty or obligation which has accrued or been incurred and which has not been fully observed, performed and/or discharged, and any right, conditional or unconditional, which has been created and has not been fully enjoyed, enforced and/or satisfied, shall survive such expiration or termination until such duty or obligation has been fully observed, performed and/or discharged and such right has been fully enjoyed, enforced and/or satisfied. Without limiting the generality of the foregoing, the respective indemnification and defense obligations of the parties under Section 11 hereof shall survive the expiration or sooner termination of this Agreement.
18. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and verbal, between the Parties with respect to the subject matter hereof.
19. **Amendments.** This Agreement may be amended from time to time only by an instrument in writing signed by the Parties to this Agreement.
20. **Counterparts.** This Agreement may be executed in counterparts, which together shall constitute one and the same contract. The Parties may execute more than one copy of this Agreement, each of which shall constitute an original.
21. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties thereto and their successors and permitted assigns. The Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed, except that Contractor may assign performance and/or collection to an Affiliate of Contractor without the consent of Customer.
22. **Waiver.** No waiver by either Party of any breach by the other Party of any provisions of this Agreement shall be construed as a waiver of any subsequent breach, whether of the same or of any different provision of this Agreement. No course of conduct or series of dealings shall constitute a waiver hereunder.
23. **Governing Law, Venue Selection.** This Agreement shall be governed by and construed under the laws of the State of California.
24. **No Third-Party Liability.** Neither this Agreement nor any subcontract is intended to give rise to or recognize any third-party beneficiary to this Agreement.
25. **Partial Invalidity.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable for any reason, that provision shall be deleted from this Agreement and such deletion shall in no way affect, impair, or invalidate any other provision of this Agreement, unless it was material to the consideration for the performance required. If a provision is deleted which is not material to such consideration, the remaining provisions shall be given the force and effect originally intended.
26. **Consent to Breach Not Waiver.** No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed by the Party claimed to have waived or consented. No consent by any Party to, or waiver of, a breach by the other Party shall constitute consent to, waiver of, or excuse of any other different or subsequent breach.
27. **Notice.** Except as otherwise specifically provided in this Agreement, all notices must be given in writing sent by recognized overnight courier or registered or certified US mail, postage prepaid, return receipt requested, addressed as listed on the first page and with an additional copy of any notice to Contractor sent to:
- Notice shall be sent to the referenced persons and addresses unless the Parties are otherwise notified in writing of a change in the name or address of the person to be notified.
28. **Limitation on Damages.** In no event shall Contractor, its affiliated corporations and Affiliates or its and their directors, officers, employees or any of its subcontractors be liable for any punitive damages for injury or damage suffered or incurred by Customer or any of its agents or contractors as a result of Contractor's performance or non-performance of services pursuant to this Agreement.
29. **Drafting Responsibility.** Neither Contractor nor Customer shall be considered the drafter of this Agreement, and any ambiguities herein shall not be construed against either Contractor or Customer, both having participated in the drafting of this Agreement.
30. **Customer Materials.** Customer represents and warrants the following with respect to the quality of Customer Materials:
- A. **Biosolids.**
1. **Hazardous Materials.** Customer will not provide Hazardous Materials to Contractor.
 2. **Polychlorinated Biphenyls.** Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.
 3. **Suitability of Materials for Intended Use.** All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.
 4. **Land Application of Biosolids.** If land application is an Intended Use of Customer Materials, the following shall apply:
 - a. Customer agrees to provide Contractor with Customer Materials that meet federal, state and local land application criteria at the time they are released to Contractor. Where Contractor Services include pathogen reduction requirements and/or vector attraction reduction, Customer is not obligated to meet pathogen and/or vector attraction reduction requirements.
 - b. Customer shall provide Contractor documentation that Customer's biosolids meet 40 CFR PART 503, state and local land application quality criteria with respect to the three biosolids quality criteria (i.e. metals content, pathogen reduction requirements, and vector attraction reduction requirements) unless Contractor has specifically agreed otherwise as part of the Contractor Services described below. This information is to be supplied to Contractor using a Notice and Necessary Information ("NANI") form or NANI Equivalent within 45 days after the end of the Customer's monitoring period based on the biosolids testing frequency in 40 CFR 503.16. "NANI Equivalent" shall mean lab results which clearly show the three biosolids quality criteria are met (e.g., metal test results, fecal coliform test results, SOUR test results). If Customer has more than one Customer Facility, a NANI Form or NANI Equivalent is required for each Customer Facility at which Contractor Services are being provided. If Customer uses more than one treatment process within Customer Facility, (for example, customer produces anaerobically digested and lime stabilized biosolids) a NANI form or NANI Equivalent is required for each treatment process used by the Customer. If Customer has stored biosolids in more than one location/structure within Customer Facility produced over different time periods or tested separately due to its unique characteristics or Customer's desired sampling program, a NANI form or NANI Equivalent are required for each Customer Facility storage location/structure. Contractor shall have the right to rely upon any information or certification provided by Customer and shall not have any independent duty to investigate or inquire regarding the subject matter of Customer's certification or of the information which Customer provides to Contractor. Where Contractor Services include pathogen reduction requirements, the NANI Form or NANI Equivalent provided Customer is not required to document compliance with pathogen

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Baltimore, MD 21220
Attn: Legal Manager



Materials Management Agreement

reduction requirements by Law. Where Contractor Services include vector attraction reduction, the NANI Form or NANI Equivalent provided by Customer is not required to document compliance with vector attraction reduction requirements.

c. If Customer fails to provide the NANI Form or NANI Equivalent when required by Law, Contractor shall have the immediate right, but not the obligation, to suspend or terminate Contractor Services or this Agreement. Customer shall be liable for all additional costs and expenses arising out of such suspension or termination.

d. Contractor will land apply Customer Materials based on the most current NANI Form or NANI equivalent test results provided to the Contractor.

5. Disposal of Biosolids into Landfill. Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements.

B. Industrial Residuals:

1. Hazardous Materials. Customer will not provide Hazardous Materials to Contractor.

2. Polychlorinated Biphenyls. Customer Materials shall not contain a concentration of polychlorinated biphenyls (PCB's) equal to or greater than 50 milligrams per kilogram (dry weight basis), nor shall Customer Materials violate more stringent state or local standards, where applicable.

3. Suitability of Materials for Intended Use. All Customer Materials are suitable for their Intended Use and the qualities and characteristics of Customer Materials meet or exceed the minimum requirements under Laws for Intended Use.

4. Cadmium. Customer will provide Contractor with the total cadmium (Cd) concentration of the residuals in milligrams per kilograms (mg/kg) dry weight with the frequency required by Laws.

5. Disease Vectors. Customer Materials shall not attract disease vectors that endanger public health.

6. Disposal of Biosolids into Landfill. Where Customer Materials are to be disposed of in landfill(s), Customer Materials must meet the requirements in 40 CFR Part 258 (e.g., pass paint filter test and be non-hazardous per 40 CFR Part 261) and any applicable state requirements.

C. Additional Customer Materials (if any):

None

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: August 7, 2023

I. NATURE OF ITEM

Consideration of Lystek System Purchase Agreement

II. BACKGROUND INFORMATION

Lystek International Limited (Lystek) applied for and received EPIC Grant funding for a food waste to energy demonstration project at the District. Upon startup of the program, it quickly became clear that the receiving and processing of food waste was not a sustainable operation for District staff. The Lystek system was then repurposed to intercept and treat the plant's Thickened Waste Activated Sludge (TWAS) stream immediately prior to entering the digesters.

With relatively low energy and chemical inputs, the TWAS treatment system demonstrated improvements to biogas production and volatile solids destruction. The direct benefits to the District via the enhanced volatile solids destruction include reduced costs and a reduced carbon footprint associated with the dewatering, hauling, and disposal of biosolids. Additional biogas generation benefits the District by providing additional fuel for the BESP Phase 1 cogeneration unit to offset facility electricity consumption.

District staff assessed the costs and savings associated with permanent incorporation of the Lystek system into the facility's solids processing stream. To aid in this analysis, Lystek developed a proforma calculator which combined many variables and assumptions into a user-friendly interface. District staff further modified the proforma calculator to incorporate historical data and anticipated outcomes of the BESP Phase 1 and the Solids Handling Improvement Project (SHIP) projects to generate a more representative cost analysis over the lifespan of the equipment.

Assumed costs in the proforma analysis include:

- Permanent installation of the refeed system
- Operational costs associated with routine and annual maintenance efforts
- System rehab/overhaul every 7 years
- Natural gas, electricity, and sodium hydroxide required to run the system

Estimated scaling factors in the proforma analysis include:

- Facility solids loading growth rate
- Inflation of operations costs (staff, resources and materials)
- Operational up-time

The inputs and outputs of the proforma analysis are included as reference materials to this agenda item. Special consideration of several inputs to the proforma analysis are as follows:

1. The facility's biogas boiler is operating at maximum capacity, and there is currently no capacity for beneficial use of additional biogas generated. The BESP Phase 1 project is scheduled to go online after year 2 of the proforma analysis, and surplus biogas will be converted to electricity for beneficial use. As such, there is no cost benefit from the additional gas in the first 2 years of operation.
2. The Solids Handling Improvement Project (SHIP) includes the installation of a thermal dryer that will produce biosolids with 90% Total Solids content. This is a much drier product when compared to the current 16% solids content being produced by the existing screw presses. The thermal dryer will provide substantial benefit to the District by reducing biosolids hauling and disposal costs by roughly 80%. The dry biosolids produced by the SHIP will decrease the savings attributed to the Lystek system, because the Lystek system's benefit is directly tied to the moisture content of biosolids.

The total cost benefit (savings) of the Lystek refeed process after 20 years is \$2,141,715. Assuming a simple payback period of 6 years, District staff negotiated a purchase price of the Lystek equipment of \$600,000 to be paid over 4 years.

Concurrent with the District's proforma analysis, Lystek provided costs of system design and installation, as well as the total grant funding received. The original cost paid by Lystek for the equipment necessary for permanent operation of the TWAS treatment system is calculated below:

Total Project Cost:	\$2,700,000
Grant Funding:	\$1,589,163
Lystek Paid:	\$1,310,837
Percentage of Equipment to be Purchased:	55.6%
Amount Paid by Lystek for Equipment to be Purchased:	\$728,243

The purchase price of \$600,000 was agreed on by Lystek and the District, after accounting for depreciation of the equipment since its installation. The proposed purchase agreement is included as a reference and includes the following:

- Four (4) annual payments of \$150,000 by the District, totaling \$600,000.
- The final payment installment can be renegotiated in good faith if the system does not generate savings as expected.
- The District can exit the purchase agreement for the cost of payments made to date if for any reason we no longer believe that further investment (purchase payments) are justified based on the cost reductions achieved.

III. COMMENTS AND RECOMMENDATIONS

Staff recommends the Board authorize the General Manager to enter into the attached purchase agreement for the permanent installation of the Lystek refeed process. Funds for the purchase and installation of the Lystek refeed system were included in the FY 2023-24 budget. If so authorized, staff will monitor the performance of the Lystek refeed system and provide updates to the Board as necessary.

IV. REFERENCE MATERIALS

Lystek Proforma Summary

Lystek Proforma Data

Lystek Purchase Agreement

PROFORMA CALCULATOR

System Inputs

Year 1 Dry Tons TWAS Treated	795
Class A Biosolids %TS	90%
Boiler Heat Source	Natural Gas
20 yr Flow Rate Growth	37.4%
Analysis Period (Years)	20

First 4 years: 16 %TS, 37.4% 20-yr Growth, 3.5% Inflation
 First 2 years: No Capacity for Biogas Beneficial Use
 Years 3 to 20: Biogas as Electricity

Consumable Cost Inputs

Natural Gas (\$/therm)	1.047
Propane (\$/gallon)	3
Electricity (\$/kWh)	0.131
50% NaOH Solution (\$/lb)	0.46
Polymer (\$/tote)	4025
Commodity Inflation Rate	3.5%
Operational Up-Time	90.0%
Permanent Installation Cost	\$ 50,000
Annual Maintenance (2023)	\$ 25,000
7-Year Overhaul/Rehab	\$ 75,000

Biogas Value Inputs

Biogas Use	Electricity
RNG Value (\$/MSCF)	35
RNG Value Inflation	3.5%

Biosolids Management Inputs

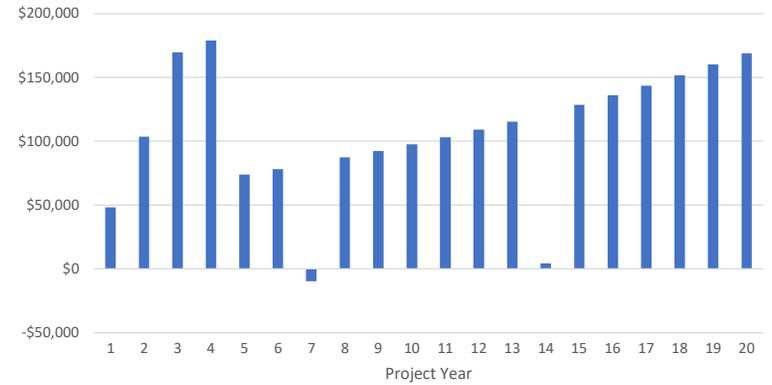
Management Cost - Year 1 (\$/ton)	85
Inflation Rate	3.5%
Contract Renewal Year	Rate

20 YEAR COST SUMMARY

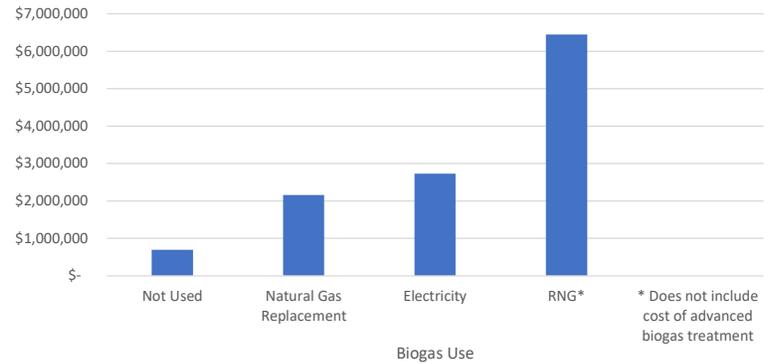
Lystek Operating Costs		
Natural Gas	\$	528,919
Electricity	\$	157,567
NaOH	\$	442,630
Annual Maintenance	\$	706,992
Overhaul Costs	\$	259,491
Subtotal	\$	2,095,600
Operating Savings		
Dewatering Ops	\$	1,589,311
Hauling	\$	1,207,391
Biogas (Electricity)	\$	1,911,436
Subtotal	\$	4,237,325
Total Savings	\$	2,141,725

Total Savings After Year 6 (Simple Payback Period) \$ 652,707

Annual Savings



20 Year Projected Savings by Biogas Use



Lystek Proforma Calculator

Data Inputs

Project Length	20
Annual Growth Rate	1.601%
Commodity Inflation	3.5%
RNG Inflation	5.0%

Digester Performance Improvements

Additional Biogas	8696 SCF/dry ton treated
Residual Solids Reduction	0.3 dry tons/dry ton treated

Consumables

THP Heat	2.1 MMBTU/dry ton
THP Electricity	50 kWh/dry ton
NaOH	40 lb/dry ton (50% solution)
Polymer	13 gal/dry ton
Dewatering Electricity	10 kWh/dry ton

Constants And Conversions

Biogas Methane Fraction	60%
Methane Heat Content	1000 BTU/SCF
CHP Electricity Recovery	38%
kJ/BTU	1.0556
kJ/kWh	3600
Natural Gas Cost	10.47 \$/MMBTU
Polymer Cost	15.23 \$/gal
Propane Cost	32.79 \$/MMBTU

Digester Performance SCF/dry ton treated

Low End	8696
Mid-Range Low	9774
Mid-Range High	10840
High End	12647
Originally in Proforma	9518

Natural Gas

Propane

20 Year Projected Savings by Biogas Use

Biogas Use	Value (\$/dry ton treated)	Total Value (\$)		Total Savings	
Not Used	0.00	\$	-	\$	701,103
Natural Gas Replacement	54.63	\$	43,429	\$	2,161,256
Electricity	76.16	\$	60,547	\$	2,736,755
RNG*	182.62	\$	145,180	\$	6,449,793

* Does not include cost of advanced biogas treatment

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is entered into as of August ____, 2023 ("**Agreement Date**"), by and between LYSTEK INTERNATIONAL LIMITED, a corporation organized and existing under the laws of the State of Delaware ("**Seller**") and GOLETA SANITARY DISTRICT, a special district organized and existing under the laws of the State of California ("**Buyer**").

RECITALS

A. Seller is the owner of that certain machinery and equipment (the "**Purchase Property**") and more particularly described in **Exhibit A**, attached hereto and incorporated herein.

B. Seller has cooperatively shared use of the Purchase Property to Buyer pursuant to the terms of that certain Site Use Agreement between Seller and Buyer dated May 8, 2018 (the "**Site Use Agreement**").

C. Seller wishes to grant to Buyer the right to purchase the Purchase Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

AGREEMENT

1. Grant of Purchases.

A. Grant of Purchase to Purchase Property by Seller. Subject to the terms and conditions of this Agreement, Seller grants to Buyer, within the time period and upon the terms and conditions hereinafter set forth, the right and acquire all of the Purchase Property in Exhibit A.

B. Purchase May Not be Exercised in Part. The Purchase granted herein must be exercised as to the entire property subject to such Purchase and to which the Buyer has the right to exercise; i.e., Buyer may not exercise any Purchase as to only a portion of the interest subject to this Purchase.

C. Definitions:

(a) "Purchase". The term "Purchase" as used herein shall mean the Purchase granted by Seller under section 1A above, subject to all of the limitations, terms and conditions therein, and elsewhere in this Agreement.

(b) "Equipment". The term "Equipment" as used herein shall mean individual pieces of equipment and machinery which, in the aggregate, consist of the Purchase Property.

2. Purchase Term. The Purchase granted herein shall be exercised by Seller and Buyer by the execution of this Agreement in the form of proper signatures for each party.

A. The Site Use Agreement is still in effect, has not terminated for any cause other than the default of the lessor thereunder, and

B. Seller and Buyer are not in default of any term or provision of the Site Use Agreement.

3. Consideration and Terms of Payment. Upon execution of this Agreement, Buyer shall be obligated to pay to Seller the sum of Six-Hundred-Thousand Dollars (\$600,000.00) (the "**Cash Consideration**"). Such funds shall be paid by Buyer to Seller over a four-year period with equal, annual payments of \$150,000 made by October 31st of each year (first payment by October 31, 2023 and final payment by October 31, 2026).

4. As-Is Condition. Any purchase of the Purchase Property by Buyer is an "as is" purchase based solely upon Buyer's own investigations, studies, and reports of the condition of the Purchase Property in its condition at the time of exercise of the Purchases, and any improvements located thereon. Buyer acknowledges that Buyer is not relying upon any representations or warranties of Seller concerning or relating to the Purchase Property except as expressly set forth herein.

5. Assignment of Purchase. Assignment of this Purchase by Buyer can only be made with the written approval of the Seller.

6. Equipment Performance. Buyer acknowledges and agrees that equipment is to be used for its intended purpose by individuals experienced in its operations and maintenance. Buyer agrees to perform needed maintenance and upkeep of the equipment at its sole expense; Buyer may solicit input from Seller at any time as to recommendations related to operations and maintenance of the equipment.

7. Ongoing Evaluation of Operations by Buyer. During the ongoing operations of the equipment, Buyer will collect and record data related to performance optimization, overall functionality, and operational and maintenance expenses. In the event that Buyer determines that the equipment is performing measurably less than expected, Buyer and Seller will agree to review the data and reasonably determine the accuracy of any performance assessment. The data and actual cost savings will be evaluated to the project proforma established during the initial testing and performance of the equipment. It is understood by both Seller and Buyer that conditions are subject to variances and changes as a result of actual operations of the wastewater treatment plant and any ancillary equipment (during the entire term of this Agreement). These variances and changes will be used to update the proforma as the basis for ongoing evaluation. In the event that actual cost savings are less than anticipated (based on the current or updated proforma) during the Terms of Payment, Buyer reserves the right to negotiate with Seller an adjustment to the final purchase amount. Buyer and Seller agree to negotiate in good-faith in a manner to reach a resolution on this adjustment.

8. Termination of Purchase. During the Terms of Purchase period, Buyer may elect to terminate this Purchase solely as a result of poor performance of the equipment. Poor performance will not be caused by lack of maintenance or failure to operate equipment in the manner it is intended, or other material changes beyond the scope of the equipment operations. Seller shall provide updated operations and maintenance manual(s) within 60-days after execution of this Agreement.

If Buyer has reasonable cause to request termination, Buyer will send Seller a determination notice in writing. Both Buyer and Seller will reasonably determine together the schedule for termination within 30 days of such notice in the form of a Termination Agreement. Seller agrees to remove all purchase property within 90 days of receipt of the final payment.

In the event of a termination of this Agreement, Buyer agrees to restore the equipment to working condition at the time of this Agreement. Any modifications of the equipment will be removed or subject to acceptance by the Seller. As a condition of termination, Seller has the right to review maintenance and repair records, operating records and data, and any invoices related to the equipment.

9. Notices. All notices required hereunder shall be in writing and shall be delivered by personal delivery, commercial courier, facsimile transmission (provided that receipt is confirmed by telephone or otherwise), or by mailing such notices by first class mail, certified, return receipt requested, postage and fees prepaid, addressed as follows:

To Buyer:

LYSTEK INTERNATIONAL LIMITED
c/o James Dunbar, P.E.
1014 Chadbourne Road
Fairfield, California 94534

To Seller:

GOLETA SANITARY DISTRICT
c/o Steve Wagner, P.E.
1 William Moffett Place
Goleta, California 93117

Or to such other address as either party may designate by written notice to the other. All notices shall be deemed delivered upon receipt.

10. Attorney's Fees. In the event of any action by Buyer or Seller concerning the subject matter of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its costs and expenses of enforcing its rights hereunder, including reasonable attorneys' fees.

11. Binding on Successors. Except as expressly limited by Section 9, the terms and conditions herein contained shall be binding upon and inure to the benefit of the successors and assignees of the parties hereto.

12. Confidentiality. Buyer and Seller at all times shall keep the transactions contemplated hereby and all documents from each other confidential, except to the extent necessary to (a) comply with applicable laws and regulations, (b) discuss the same with such party's consultants and advisors, and (c) carry out the obligations set forth herein. Any disclosure to consultants and advisors pursuant to clause (b) of the preceding sentence shall indicate that the information is confidential and should be so treated by the recipient.

13. Miscellaneous.

A. This Agreement shall be construed and interpreted in accordance with California law, and may not be amended except in a writing signed by the parties hereto. All negotiations and agreements previously made by the parties and their agents with respect to this transaction are merged into this Agreement which completely sets forth the obligations of the parties.

B. All covenants, indemnifications, agreements, representations and warranties in this Agreement shall survive the execution and delivery of the grant deed except as expressly limited herein.

C. If the date for the doing of any act or delivery of any notice falls upon a Saturday, Sunday or legal holiday, the act or notice shall be timely if done on or delivered the next business day.

D. The provisions of this Agreement were negotiated by all parties and this Agreement shall be deemed to have been drafted by all the parties.

E. If any provision of this Agreement shall be invalid, such provision shall be severable, and such invalidity shall not impair the validity of any other provision of this Agreement or of any documents contemplated hereby.

F. Time is of the essence in this Agreement.

(Signature page to follow)

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement effective as of the Agreement Date which shall be the date of Seller's acceptance and execution of this Agreement.

SELLER:

LYSTEK INTERNATIONAL LIMITED,
a Delaware Corporation

By: James Dunbar, P.E.
General Manager

BUYER:

GOLETA SANITARY DISTRICT
a California Special District

By: Steve Wagner, P.E.
General Manager

EXHIBIT A
PURCHASE PROPERTY
INVENTORY LISTING

INVENTORY LISTING

Lystek Equipment System at Goleta Sanitary District

1. ITEMS TO BE RETAINED BY GSD

Item No.	Description	Qty	Notes
1	Dewatered cake hopper	1	For 3 rd -party receipt
2	Seepex feed pump for Hopper	1	For cake transfer to Reactor
3	Lystek reactor unit and accessories	1	For processing LysteMize
4	Seepex Reactor discharge pump	1	For LysteMize transfer
5	Boiler skid with accessories	1	For steam heat
6	SCADA / Electric panels	1	For onsite/offsite control
7	Alkali storage/pump unit and case	1	For processing LysteMize
8	Misc. hoses, fittings	1	For equipment support

2. ITEMS TO BE RETAINED BY LYTEK

Item No.	Description	Qty	Notes
1	Digester tanks, 2,000 gallons each	2	Not needed to run LysteMize
2	Small processed food waste storage	2	Not needed to run LysteMize
3	Small-sized centrifuge, panel, skid unit	1	Not needed for dewatering TWAS
4	Candlestick flare and control unit	1	Not needed to run LysteMize
5	Antifoam pumping set-up and case	1	Not needed to run LysteMize
6	Small tool storage container	1	Part of centrifuge skid
7	Small LysteGro storage tank	1	For material inventory/buffer

AGENDA ITEM #4

AGENDA ITEM: 4

MEETING DATE: August 7, 2023

I. NATURE OF ITEM

Consideration and Adoption of Resolution No. 23-707 Repealing Resolution No. 09-489 and Approving Revised Provisions Pertaining to Cellular Telephone Allowance and Requirements for Cellular Telephone Use by Designated Employees

II. BACKGROUND INFORMATION

The District's Board adopted Resolution No. 09-489 on October 5, 2009 approving a cellular telephone allowance and adopting requirements for cellular telephone use by designated employees. During the first round of reviews, the District's auditors noted that the General Manager was not specifically identified as a designated employee for purposes of the cellular telephone allowance and related requirements.

The attached resolution replaces Resolution No. 09-489 to add the General Manager to the list of designated employees who are eligible for a cellular telephone allowance. Resolution No. 09-489 and the proposed resolution are attached to this report for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

Resolution No. 09-489 allows the General Manager to designate certain employees as eligible to receive an allowance for cellular phone use associated with District business. However, while the resolution allows the General Manager to designate other employees, it doesn't specifically authorize a cellular phone allowance for the General Manager. Resolution No. 23-707 replaces Resolution No. 09-489 and clarifies this issue.

Staff recommends the Board review and approve Resolution No. 23-707 replacing Resolution No. 09-489, subject to any revisions it wishes to make.

IV. REFERENCE MATERIALS

Proposed Resolution No. 23-707 Repealing Resolution No. 09-489 and Approving Revised Provisions Pertaining to Cellular Telephone Allowance and Requirements for Cellular Telephone Use by Designated Employees

Resolution No. 09-489

RESOLUTION NO. 23-707

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA
SANITARY DISTRICT REPEALING RESOLUTION NO. 09-489 AND
APPROVING REVISED PROVISIONS PERTAINING TO CELLULAR
TELEPHONE ALLOWANCE AND REQUIREMENTS FOR
CELLULAR TELEPHONE USE BY DESIGNATED EMPLOYEES**

WHEREAS, cellular telephones and similar mobile communication devices (“Cellular Devices”) can be an important tool for certain employees of the Goleta Sanitary District (the “District”) and can benefit the District by (i) assisting employees in more effectively accomplishing their duties and responsibilities, (ii) enabling them to remain in contact with other District personnel, (iii) permitting them to be readily available when needed, and/or (iv) allowing them to work during periods of downtime, such as when travelling.

WHEREAS, the District’s Governing Board deems it to be in the best interests of the District to provide an allowance to designated District employees in cases where it is desirable to have such employees use their personal Cellular Devices for District business.

WHEREAS, the District’s Governing Board further deems it to be in the best interests of the District to establish requirements relating the use of Cellular Devices by those designated employees who receive an allowance from the District.

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

1. Designated Employees. The District’s General Manager is hereby authorized and directed to identify employees of the District (the “Designated Employees”) whose regular use of a Cellular Device for District business will benefit the District as set forth in the first Recital above. The General Manager is hereby identified as a Designated Employee, shall be entitled to receive the same allowances, and shall be subject to the same requirements with respect to cell phone use as other Designated Employees.

2. Purchase Allowance. The District shall pay an allowance of not to exceed \$150.00 (the “Purchase Allowance”) to each Designated Employee to cover a portion of the cost of purchasing a personal Cellular Device which will be used for District business, including applicable activation and similar charges associated with the purchase of such Cellular Device and the commencement of service. The maximum Purchase Allowance may be periodically reviewed by the Governing Board and may be adjusted as the Board deems appropriate to reflect inflation and other cost considerations. Any such Cellular Device purchased by a Designated Employee shall remain his or her personal property and shall not belong to the District.

3. Monthly Allowance. The District shall pay an allowance of not to exceed \$100.00 per month (the “Monthly Allowance”) to each Designated Employee to (i) cover a portion of the ongoing Cellular Device costs, including basic service, voice plan and data plan charges and applicable taxes and surcharges, and (ii) compensate the Designated Employee for using his or her personal Cellular Device for District business. The maximum Monthly Allowance may be periodically reviewed by the Governing Board and may be adjusted as the Board deems appropriate to reflect inflation and other cost considerations.

4. Determination of Allowances. The General Manager shall determine the amount of the Purchase Allowance and the Monthly Allowance, not to exceed the maximums established by the Board, to be paid to each Designated Employee. Such determination shall be based on the expected frequency of Cellular Device use for District business, the type of Cellular Device being used, the features and services associated with the Cellular Device, and other relevant factors.

5. Requirements Applicable to Designated Employees. Each Designated Employee shall be required to (i) purchase a personal Cellular Device at his or her expense, (ii) maintain active service with respect to the Cellular Device, (iii) pay in a timely manner all fees and charges associated with the ownership and use of the Cellular Device at his or her expense, (iv) use and be available by the Cellular Device for District business during such times as may be reasonable and appropriate in connection with the Designated Employee’s job responsibilities, and (v) provide such documentation regarding the Designated Employee’s compliance with the foregoing requirements as may be reasonably requested from time to time by the General Manager.

6. Restrictions on Use. When using a personal Cellular Device for District business, Designated Employees shall at all times conduct themselves in a professional, courteous and appropriate manner. The use of vulgar or obscene language is prohibited. Cellular Devices shall not be used to send inappropriate text messages or images or to engage in fraudulent, threatening, harassing, defamatory, intimidating or otherwise inappropriate behavior.

7. Notification by General Manager. The General Manager shall inform each Designated Employee regarding the requirements set forth in this Resolution. The General Manager shall also advise each Designated Employee that the Purchase Allowance and the Monthly Allowance will be reported by the District as income to the Designated Employee on his or her W-2 Form.

8. Repeal of Resolution No. 09-489. Resolution No. 09-489 adopted on October 5, 2009, is hereby repealed and is replaced and superseded by this resolution.

PASSED AND ADOPTED this 7th day of August, 2023, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Sharon Rose, President
of the Governing Board

COUNTERSIGNED

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

RESOLUTION NO. 09-489

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA
SANITARY DISTRICT APPROVING CELLULAR TELEPHONE
ALLOWANCE AND ADOPTING REQUIREMENTS FOR
CELLULAR TELEPHONE USE BY DESIGNATED EMPLOYEES**

WHEREAS, cellular telephones and similar mobile communication devices (“Cellular Devices”) can be an important tool for certain employees of the Goleta Sanitary District (the “District”) and can benefit the District by (i) assisting employees in more effectively accomplishing their duties and responsibilities, (ii) enabling them to remain in contact with other District personnel, (iii) permitting them to be readily available when needed, and/or (iv) allowing them to work during periods of downtime, such as when travelling.

WHEREAS, the District’s Governing Board deems it to be in the best interests of the District to provide an allowance to designated District employees in cases where it is desirable to have such employees use their personal Cellular Devices for District business.

WHEREAS, the District’s Governing Board further deems it to be in the best interests of the District to establish requirements relating the use of Cellular Devices by those designated employees who receive an allowance from the District.

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

1. Designated Employees. The District’s General Manager is hereby authorized and directed to identify those employees of the District (the “Designated Employees”) whose regular use of a Cellular Devices for District business will benefit the District as set forth in the first Recital above.

2. Purchase Allowance. The District shall pay an allowance of not to exceed \$150.00 (the “Purchase Allowance”) to each Designated Employee to cover a portion of the cost of purchasing a personal Cellular Device which will be used for District business, including applicable activation and similar charges associated with the purchase of such Cellular Device and the commencement of service. The maximum Purchase Allowance may be periodically reviewed by the Governing Board and may be adjusted as the Board deems appropriate to reflect inflation and other cost considerations. Any such Cellular Device purchased by a Designate Employee shall remain his or her personal property and shall not belong to the District.

3. Monthly Allowance. The District shall pay an allowance of not to exceed \$100.00 per month (the “Monthly Allowance”) to each Designated Employee to (i) cover a portion of the ongoing Cellular Device costs, including basic service, voice plan and data plan charges and applicable taxes and surcharges, and (ii) compensate the Designated Employee for using his or her personal Cellular Device for District business. The maximum Monthly Allowance may be periodically reviewed by the Governing Board and may be adjusted as the Board deems appropriate to reflect inflation and other cost considerations.

4. Determination of Allowances. The General Manager shall determine the amount of the Purchase Allowance and the Monthly Allowance, not to exceed the maximums established by the Board, to be paid to each Designated Employee. Such determination shall be based on the expected frequency of Cellular Device use for District business, the type of Cellular Device being used, the features and services associated with the Cellular Device, and other relevant factors.

5. Requirements Applicable to Designated Employees. Each Designated Employee shall be required to (i) purchase a personal Cellular Device at his or her expense, (ii) maintain active service with respect to the Cellular Device, (iii) pay in a timely manner all fees and charges associated with the ownership and use of the Cellular Device at his or her expense, (iv) use and be available by the Cellular Device for District business during such times as may be reasonable and appropriate in connection with the Designated Employee's job responsibilities, and (v) provide such documentation regarding the Designated Employee's compliance with the foregoing requirements as may be reasonably requested from time to time by the General Manager.

6. Restrictions on Use. When using a personal Cellular Device for District business, Designated Employees shall at all times conduct themselves in a professional, courteous and appropriate manner. The use of vulgar or obscene language is prohibited. Cellular Devices shall not be used to send inappropriate text messages or images or to engage in fraudulent, threatening, harassing, defamatory, intimidating or otherwise inappropriate behavior.

7. Notification by General Manager. The General Manager shall inform each Designated Employee regarding the requirements set forth in this Resolution. The General Manager shall also advise each Designated Employee that the Purchase Allowance and the Monthly Allowance will be reported by the District as income to the Designated Employee on his or her W-2 Form.

PASSED AND ADOPTED this 5th day of October, 2009, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES: Fox, Majoewsky, Emerson, Smith

NOES: None

ABSTENTIONS: None

ABSENT: Carter

COPY
[Signature]

John R. Fox, President
of the Governing Board

COUNTERSIGNED

COPY
[Signature]

Kamil S. Azoury, Secretary
of the Governing Board

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from July 18, 2023, through August 7, 2023. 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 routine lines cleaning in the area of Calle Real and El Sueno Road.

CCTV INSPECTION

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

GREASE AND OIL INSPECTIONS

Staff continues with Grease and Oil Inspections through-out the District. To date, 73 of the approximately 100 Food Service Establishments within the District service area have been inspected this year.

REPAIR AND MAINTENANCE

Sancon Engineering completed the installation of seven (7) stainless steel repair bands on various sewer lines throughout the District. These repair bands are designed to be a permanent repair for pipes with small holes and cracks (defects). They are inserted inside the pipe and seal the defects, eliminating the need for excavation and pavement restoration. These sewer lines had been identified as higher priority repairs in the asset management program. Staff repaired the portable Honda generator and the chain which rotates the Vactor hose reel.

SEWER SERVICE CHARGES

Staff is working with Santa Barbara County Auditor-Controller staff to finalize the District Fiscal Year 2023-24 sewer service charge information that will be added to the annual County tax roll.

PROFESSIONAL DEVELOPMENT

Collection System Supervisor Shamus O'Donnell and Collection System Technicians Edgar Guerrero and Sam Madera attended the CWEA Collection System Workshop held in San Luis Obispo on July 13-14, 2023. The workshop focused on a variety of leadership, asset management, vehicle and equipment operation and maintenance best-practices classes.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT

Plant flows for the month of July averaged 3.77 million gallons per day (MGD). That is about a 1 MGD drop in flow since U.C.S.B. students left campus for the summer. The Reclamation Plant has been on line since July 10, 2023. High concentrations and loadings during the weekends continue to cause intermittent challenges and various

levels of Plant interference.

The Nanobubbler has been offline since the power outage on July 28, 2023. The bracket for the new pump supplying water to the Nanobubbler is in the process of being lowered into the headworks grit chamber; then the pump system will be installed and put online. This pumping system should be online by the second week of August, 2023.

The construction phase of the Influent Pump Station Rehabilitation Project continues. The bypass is expected to remain in place through this August due to the delay in obtaining the main switchgear. The general contractor, GSE Construction and electrical subcontractor, Smith Electric continue to work on electrical improvements. The Operations staff continues to work on cleaning up the Plant.

Maintenance staff continues repairing air valves at the Lift Station, working on vehicle maintenance and flow meters, and are preparing to install the new vehicle lift in the vehicle garage. They are also preparing to install the new pump for the Nanobubbler at the Headworks and are performing general Plant maintenance.

GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of August 7, 2023 shown below are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 443,117
Investment Accounts:	<u>\$ 32,182,334</u>
Total District Funds:	\$ 32,625,451

The following transactions are reported herein for the period 07/18/23 – 08/07/23

Regular, Overtime, Cash-outs and Net Payroll:	\$ 130,858
Claims:	\$ 2,074,482
Total Expenditures:	\$ 2,205,341
Total Deposits:	\$ 261,298

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$ 2,079,000
CWB Operational to CWB Money Market:	\$ 1,079,000
CWB Money Market to CWB Operational:	\$ 850,000
CWB Operational to CA-Class Investment Account	\$ - 0 -
CA-Class Investment Account 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 – July, 2023

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

CA-Class Investment Account

CA-Class Investment Account – July, 2023

Community West Bank (CWB)

CWB Money Market and ICS Accounts – July, 2023

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – June, 2023

Lincoln 457 Deferred Compensation Plan – July, 2023

Personnel Update

A verbal update will be provided at the meeting.

Summer Conference Schedule

The annual CASA Summer Conference will be held in San Diego from August 9-11, 2023.

California State Treasurer
Fiona Ma, CPA



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

August 01, 2023

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

GOLETA SANITARY DISTRICT

GENERAL MANAGER
ONE WILLIAM MOFFETT PLACE
GOLETA, CA 93117

[Tran Type Definitions](#)

Account Number: 70-42-002

July 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/14/2023	7/19/2023	QRD	1735179	N/A	SYSTEM	16,197.72
7/19/2023	7/18/2023	RW	1734037	N/A	ROBERT O. MANGUS, JR	-2,079,000.00

Account Summary

Total Deposit:	16,197.72	Beginning Balance:	2,063,035.13
Total Withdrawal:	-2,079,000.00	Ending Balance:	232.85



Local Agency Investment Fund

NOTICE TO USERS: On July 14, 2023, LAIF 4th quarter interest earnings was incorrectly over allocated. On July 19, 2023, the reversal and correction were processed and back dated to July 14, 2023. Remittance Advices available as of July 19, 2023, are correct. Any previous Fiscal Year 2022-23, 4th quarter Remittance Advices downloaded before July 19, 2023, should be disregarded. – The Controller's Web Support Team.

Enter Account Number: - -

Instructions

Please enter in the agency account number in 99-99-999 format where "9" is a valid number, then click the "Search" button to begin a search for the account number.

If you need to start over, click "Reset" button to clear the text box.



MALIA M. COHEN
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name GOLETA SANITARY DISTRICT
Account Number 70-42-002

As of 07/14/2023, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 06/30/2023.

Earnings Ratio		.00008636172883763
Interest Rate		3.15%
Dollar Day Total	\$	187,556,648.11
Quarter End Principal Balance	\$	2,063,035.13
Quarterly Interest Earned	\$	16,197.72



Summary Statement

July 31, 2023

Page 1 of 3

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Goleta Sanitary District
1 William Moffett Place
Goleta, CA 93117

California CLASS

California CLASS

Average Monthly Yield: 5.2934%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
Goleta Sanitary District	5,191,053.99	0.00	0.00	23,331.40	214,155.20	5,191,806.62	5,214,385.39
TOTAL	5,191,053.99	0.00	0.00	23,331.40	214,155.20	5,191,806.62	5,214,385.39



Goleta Sanitary District

Account Summary

Average Monthly Yield: 5.2934%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	5,191,053.99	0.00	0.00	23,331.40	214,155.20	5,191,806.62	5,214,385.39

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
07/01/2023	Beginning Balance			5,191,053.99	
07/31/2023	Income Dividend Reinvestment	23,331.40			
07/31/2023	Ending Balance			5,214,385.39	



California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
07/01/2023	0.00000000	5.2651%
07/02/2023	0.00000000	5.2651%
07/03/2023	0.000287454	5.2459%
07/04/2023	0.00000000	5.2461%
07/05/2023	0.000143541	5.2393%
07/06/2023	0.000143569	5.2403%
07/07/2023	0.000431046	5.2444%
07/08/2023	0.00000000	5.2444%
07/09/2023	0.00000000	5.2444%
07/10/2023	0.000143979	5.2552%
07/11/2023	0.000143889	5.2520%
07/12/2023	0.000144945	5.2905%
07/13/2023	0.000144529	5.2753%
07/14/2023	0.000433961	5.2799%
07/15/2023	0.00000000	5.2799%
07/16/2023	0.00000000	5.2799%
07/17/2023	0.000144735	5.2828%
07/18/2023	0.000144712	5.2820%
07/19/2023	0.000144794	5.2850%
07/20/2023	0.000144722	5.2824%
07/21/2023	0.000434838	5.2905%
07/22/2023	0.00000000	5.2905%
07/23/2023	0.00000000	5.2905%
07/24/2023	0.000144865	5.2876%
07/25/2023	0.000144666	5.2803%
07/26/2023	0.000144770	5.2841%
07/27/2023	0.000146536	5.3486%
07/28/2023	0.000446565	5.4332%
07/29/2023	0.00000000	5.4332%
07/30/2023	0.00000000	5.4332%
07/31/2023	0.000149159	5.4443%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**



445 Pine Avenue
Goleta, CA 93117

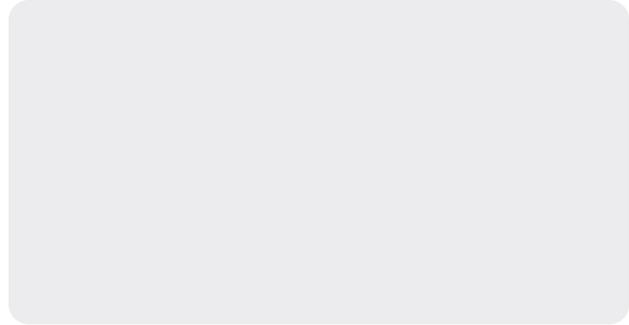
Statement Ending 07/31/2023

GOLETA SANITARY DISTRICT

Customer Number: XXXXXXXX5554

RETURN SERVICE REQUESTED

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



Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC AGENCY-MMDA	XXXXXXXX5554	\$250,000.00

PUBLIC AGENCY-MMDA - XXXXXXXX5554

Account Summary

Date	Description	Amount		
07/01/2023	Beginning Balance	\$250,000.00	Average Ledger Balance	\$250,000.00
	2 Credit(s) This Period	\$1,080,109.16		
	2 Debit(s) This Period	\$1,080,109.16		
07/31/2023	Ending Balance	\$250,000.00		

Account Activity

Post Date	Description	Debits	Credits	Balance
07/01/2023	Beginning Balance			\$250,000.00
07/20/2023	MMkt x-fer		\$1,079,000.00	\$1,329,000.00
07/20/2023	TRANSFER TO ICS BUSN MMDA ACCOUNT 6508650	\$1,079,000.00		\$250,000.00
07/31/2023	INTEREST AT 5.2238 %		\$1,109.16	\$251,109.16
07/31/2023	TRANSFER TO ICS BUSN MMDA ACCOUNT 6508650	\$1,109.16		\$250,000.00
07/31/2023	Ending Balance			\$250,000.00

Daily Balances

Date	Amount	Date	Amount
07/20/2023	\$250,000.00	07/31/2023	\$250,000.00



RETURN SERVICE REQUESTED

 GOLETA SANITARY DISTRICT
 STEVEN D WAGNER
 EDWARD FULLER
 1 MOFFETT PL
 GOLETA CA 93117-3901

Managing Your Accounts

Bank Name	Community West Bank
Online Support	888-831-5295
Online Banking	www.communitywestbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
ICS BUSN MMDA	XXXXXXXXX8650	\$27,567,715.66

ICS BUSN MMDA - XXXXXXXX8650
Account Summary

Date	Description	Amount		
05/03/2023	Beginning Balance	\$0.00	Average Ledger Balance	\$26,325,732.09
	9 Credit(s) This Period	\$28,067,715.66		
	1 Debit(s) This Period	\$500,000.00		
08/01/2023	Ending Balance	\$27,567,715.66		

Account Activity

Post Date	Description	Debits	Credits	Balance
05/03/2023	Beginning Balance			\$0.00
05/03/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$25,365,382.21	\$25,365,382.21
05/31/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$15,041.60	\$25,380,423.81
05/31/2023	INTEREST POSTING FOR DDA 6508650		\$89,276.73	\$25,469,700.54
06/01/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$1,300,000.00	\$26,769,700.54
06/28/2023	TRANSFER TO PUBLIC AGENCY-MMDA ACCOUNT 6505554	\$500,000.00		\$26,269,700.54
06/30/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$1,029.76	\$26,270,730.30
06/30/2023	INTEREST POSTING FOR DDA 6508650		\$103,962.32	\$26,374,692.62
07/20/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$1,079,000.00	\$27,453,692.62
07/31/2023	TRANSFER FROM PUBLIC AGENCY-MMDA ACCOUNT 6505554		\$1,109.16	\$27,454,801.78
07/31/2023	INTEREST POSTING FOR DDA 6508650		\$112,913.88	\$27,567,715.66
08/01/2023	Ending Balance			\$27,567,715.66

Daily Balances

Date	Amount	Date	Amount	Date	Amount
05/03/2023	\$25,365,382.21	06/01/2023	\$26,769,700.54	06/30/2023	\$26,374,692.62
05/31/2023	\$25,469,700.54	06/28/2023	\$26,269,700.54	07/20/2023	\$27,453,692.62

Community West Bank, N.A.
445 Pine Avenue
Goleta, CA 93117



RETURN SERVICE REQUESTED



118825-31A
Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117

Contact Us
1-888-831-5295



Account
Goleta Sanitary District

Date
07/31/2023

Page
1 of 5

IntraFi Cash ServiceSM, or ICS[®], Monthly Statement

The following information is a summary of activity in your account(s) for the month of July 2023 and the list of FDIC-insured institution(s) that hold your deposits as of the date indicated. These deposits have been placed by us, as your agent and custodian, in deposit accounts through IntraFi Cash Service. Funds in your deposit accounts at the FDIC-insured institutions at which your funds have been placed will be "deposits," as defined by federal law.

Should you have any questions, please contact us at (888) 831-5295.

IntraFi Network ICS demand accounts and savings accounts offer full liquidity through unlimited withdrawals. There are no monthly withdrawal limits.

Summary of Accounts

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****554	Demand	4.9738%	\$26,373,662.86	\$27,566,606.50
TOTAL			\$26,373,662.86	\$27,566,606.50

DETAILED ACCOUNT OVERVIEW

Account ID: *****554
Account Title: Goleta Sanitary District

Account Summary - Demand

Statement Period	7/1-7/31/2023	Average Daily Balance	\$26,656,653.74
Previous Period Ending Balance	\$26,373,662.86	Interest Rate at End of Statement Period	4.9738%
Total Program Deposits	1,080,029.76	Statement Period Yield	5.10%
Total Program Withdrawals	(0.00)	YTD Interest Paid	306,152.93
Interest Capitalized	112,913.88		
Current Period Ending Balance	\$27,566,606.50		

Account Transaction Detail

Date	Activity Type	Amount	Balance
07/05/2023	Deposit	\$1,029.76	\$26,374,692.62
07/24/2023	Deposit	1,079,000.00	27,453,692.62
07/31/2023	Interest Capitalization	112,913.88	27,566,606.50

Summary of Balances as of July 31, 2023

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Amerant Bank, N.A.	Coral Gables, FL	22953	\$249,402.40
Atlantic Union Bank	Richmond, VA	34589	249,337.25
Avidbank	San Jose, CA	57510	249,402.40
BMO Harris Bank N.A.	Chicago, IL	16571	249,337.25
Bank Five Nine	Oconomowoc, WI	12517	249,402.40
Bank Midwest	Spirit Lake, IA	5170	249,402.40
Bank of China	New York, NY	33653	249,402.40
Bank of Southern California, N.A.	San Diego, CA	57044	249,402.40
Bank of the Valley	Bellwood, NE	25291	0.21
BankFirst Financial Services	Macon, MS	8870	248,686.02
BayFirst	Seminole, FL	34997	249,402.40
Beneficial State Bank	Oakland, CA	58490	249,402.40
Bradesco Bank	Coral Gables, FL	21265	249,402.39
Burke & Herbert Bank & Trust Company	Alexandria, VA	11578	249,402.40
Busey Bank	Champaign, IL	16450	249,402.40
CNB Bank	Carlsbad, NM	2241	249,402.40
Cadence Bank	Tupelo, MS	11813	249,402.40
Centennial Bank	Conway, AR	11241	249,402.40
Citizens Bank & Tr Co	St. Paul, NE	5469	65.15
Citizens Bank, National Association	Providence, RI	57957	249,402.40
City National Bank of Florida	Miami, FL	20234	249,402.40
Cogent Bank	Orange City, FL	34908	249,402.40
Comerica Bank	Dallas, TX	983	249,402.40
Commercial Bank & Trust Co.	Paris, TN	8660	248,885.02

DETAILED ACCOUNT OVERVIEW

Account ID: *****554
Account Title: Goleta Sanitary District



Summary of Balances as of July 31, 2023

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Commercial Bank of California	Irvine, CA	57417	249,402.40
Community National Bank	Midland, TX	24897	249,402.40
Community State Bank	Ankeny, IA	18272	249,402.40
ConnectOne Bank	Englewood Cliffs, NJ	57919	249,402.40
Customers Bank	Malvern, PA	34444	249,402.37
East West Bank	Pasadena, CA	31628	249,337.25
Encore Bank	Little Rock, AR	34562	249,402.40
Farmers Bank & Trust Company	Magnolia, AR	1291	249,402.40
Farmers National Bank of Canfield	Canfield, OH	6540	249,402.40
FirsTier Bank	Kimball, NE	17478	65.15
First Bank	Creve Coeur, MO	12229	249,402.37
First Guaranty Bank	Hammond, LA	14028	249,402.40
First Mid Bank & Trust N.A.	Mattoon, IL	3705	249,402.40
First Oklahoma Bank	Jenks, OK	12484	249,402.40
First United Bank and Trust Company	Madisonville, KY	34150	249,402.40
First United Bank and Trust Company	Durant, OK	4239	249,337.25
First-Citizens Bank & Trust Company	Raleigh, NC	11063	249,402.40
FirstBank	Lakewood, CO	18714	249,402.40
FirstBank	Nashville, TN	8663	249,402.40
Flagstar Bank, N.A.	Hickville, NY	32541	249,402.40
Frontier Bank	Omaha, NE	15545	249,366.85
Fulton Bank, N.A.	Lancaster, PA	7551	249,402.40
Glacier Bank	Kalispell, MT	30788	249,402.37
Hanmi Bank	Los Angeles, CA	24170	249,347.19
Hanover Community Bank	Mineola, NY	58675	249,402.40
Heritage Bank of Commerce	San Jose, CA	33905	249,402.40
HomeTrust Bank	Asheville, NC	27677	21.30
Independent Bank	Mckinney, TX	3076	249,402.40
International Finance Bank	Miami, FL	24823	249,402.40
Inwood National Bank	Dallas, TX	19080	249,402.40
JPMorgan Chase Bank	Columbus, OH	628	249,402.40
KeyBank National Association	Cleveland, OH	17534	249,402.40
Lakeland Bank	Newfoundland, NJ	19953	249,402.40
Liberty National Bank	Lawton, OK	11522	249,402.40
Lincoln Savings Bank	Reinbeck, IA	14207	249,402.40
MVB Bank, Inc	Fairmont, WV	34603	249,402.40
Merchants Bank of Indiana	Carmel, IN	8056	249,402.40
Merchants Bank, National Association	Winona, MN	8866	248,686.02
Metropolitan Commercial Bank	New York, NY	34699	249,402.40

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Summary of Balances as of July 31, 2023

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
MidAmerica National Bank	Canton, IL	3612	249,401.39
MidFirst Bank	Oklahoma City, OK	4063	249,402.40
Midland States Bank	Effingham, IL	1040	249,402.40
NexBank	Dallas, TX	29209	249,402.40
Nicolet National Bank	Green Bay, WI	57038	249,402.40
Northeast Bank	Minneapolis, MN	16659	15.59
Old Dominion National Bank	North Garden, VA	58504	249,402.40
Oregon Pacific Banking Co.	Florence, OR	23007	249,402.40
Pacific Western Bank	Beverly Hills, CA	24045	249,402.40
Peapack-Gladstone Bank	Bedminster, NJ	11035	249,402.40
Peoples Savings Bank of Rhineland	Rhineland, MO	15264	248,686.02
Pinnacle Bank	Omaha, NE	10634	249,402.40
Pinnacle Bank	Nashville, TN	35583	249,402.40
PlainsCapital Bank - Trust	Lubbock, TX	17491	249,402.40
Popular Bank	New York, NY	34967	249,402.40
Provident Bank	Jersey City, NJ	12010	249,402.40
Raymond James Bank	St. Petersburg, FL	33893	249,402.40
Regent Bank	Nowata, OK	4160	249,402.40
River City Bank	Sacramento, CA	18983	249,402.40
Royal Bank	Elroy, WI	13454	135,389.66
S&T Bank	Indiana, PA	11124	249,402.40
Sandy Spring Bank	Olney, MD	4865	249,402.36
Security First Bank	Rapid City, SD	5415	249,402.40
ServisFirst Bank	Birmingham, AL	57993	249,402.39
Shore United Bank, N.A.	Easton, MD	4832	249,402.37
SmartBank	Pigeon Forge, TN	58463	249,402.40
South State Bank, N.A.	Winter Haven, FL	33555	249,402.40
SouthEast Bank	Farragut, TN	57348	249,402.40
Stifel Bank	St. Louis, MO	57358	249,402.40
Synovus Bank	Columbus, GA	873	249,402.39
Texas Capital Bank	Dallas, TX	34383	249,402.40
Texas Heritage National Bank	Daingerfield, TX	3161	249,402.40
The Farmers & Merchants State Bank	Archbold, OH	5969	249,402.40
The Huntington National Bank	Columbus, OH	6560	249,402.40
The State Bank	Fenton, MI	11406	249,402.40
TowneBank	Portsmouth, VA	35095	249,402.40
TransPecos Banks, SSB	Pecos, TX	11178	249,402.40
Transportation Alliance Bank, Inc.	Ogden, UT	34781	249,402.40
TriState Capital Bank	Pittsburgh, PA	58457	249,402.40

DETAILED ACCOUNT OVERVIEW

Account ID: *****554
Account Title: Goleta Sanitary District



Summary of Balances as of July 31, 2023

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Truist Bank	Charlotte, NC	9846	249,402.40
U.S. Bank National Association	Cincinnati, OH	6548	249,402.40
UMB Bank, National Association	Kansas City, MO	8273	249,402.40
Umpqua Bank	Roseburg, OR	17266	249,337.25
United Bank	Fairfax, VA	22858	249,402.40
United Community Bank	Blairsville, GA	16889	249,337.25
United Fidelity Bank, fsb	Evansville, IN	29566	249,402.40
Valley National Bank	Wayne, NJ	9396	249,402.37
Virginia Partners Bank	Fredericksburg, VA	58824	249,402.40
WesBanco Bank, Inc.	Wheeling, WV	803	249,402.40
West Bank	West Des Moines, IA	15614	249,402.40
West Point Bank	Radcliff, KY	12166	249,402.40
Western Alliance Bank	Phoenix, AZ	57512	249,402.40
Woodforest Natl Bank	The Woodlands, TX	23220	249,337.25

Should you have any questions, please contact us at (888) 831-5295.

CalPERS 457 Plan

June 30, 2023

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 June 30, 2023

<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	8.33	18.64	11.08	-	11.57	10/07/13	0.25%	\$2.50
<i>Russell 3000 Index</i>	8.39	18.95	11.39	-	11.92			
State Street Global All Cap Equity ex-US Index Fund - Class I	2.50	12.73	3.39	-	3.80	10/07/13	0.26%	\$2.60
<i>MSCI ACWI ex-USA IMI Index (net)</i>	2.38	12.47	3.38	-	3.92			
Fixed Income								
State Street US ShortTerm Gov't/Credit Bond Index Fund - Class I	-0.44	0.31	0.78	-	0.54	10/07/13	0.26%	\$2.60
<i>Bloomberg US 1-3 yr Gov't/Credit Bond Index</i>	-0.37	0.52	1.13	-	0.97			
State Street US Bond Fund Index - Class I	-0.89	-1.18	0.48	-	1.21	10/07/13	0.25%	\$2.50
<i>Bloomberg US Aggregate Bond Index</i>	-0.84	-0.94	0.77	-	1.51			
Real Assets								
State Street Real Asset Fund - Class A	-1.99	-0.91	5.46	-	3.25	10/08/13	0.38%	\$3.80
<i>State Street Custom Benchmark⁴</i>	-1.94	-0.68	5.70	-	3.60			
Cash (Cash Equivalents)								
State Street STIF	1.25	3.87	1.45	-	0.96	09/02/14	0.27%	\$2.70
<i>BofA ML 3-month US T-Bill</i>	1.17	3.59	1.55	-	1.11			
Target Retirement Date Funds⁵								
CalPERS Target Income Fund	1.48	4.51	3.41	3.25	4.62	12/01/08	0.26%	\$2.60
<i>SIP Income Policy Benchmark⁶</i>	1.50	4.65	3.57	3.47	5.09			
CalPERS Target Retirement 2020	2.15	6.13	4.25	4.10	6.25	12/01/08	0.26%	\$2.60
<i>SIP 2020 Policy Benchmark⁶</i>	2.16	6.27	4.39	4.32	6.71			
CalPERS Target Retirement 2025	3.02	8.37	5.06	5.02	7.11	12/01/08	0.26%	\$2.60
<i>SIP 2025 Policy Benchmark⁶</i>	3.03	8.49	5.19	5.22	7.55			
CalPERS Target Retirement 2030	3.73	10.24	5.68	5.71	7.94	12/01/08	0.26%	\$2.60
<i>SIP 2030 Policy Benchmark⁶</i>	3.73	10.34	5.86	5.94	8.38			
CalPERS Target Retirement 2035	4.69	12.65	6.43	6.50	8.68	12/01/08	0.26%	\$2.60
<i>SIP 2035 Policy Benchmark⁶</i>	4.69	12.75	6.59	6.71	9.16			
CalPERS Target Retirement 2040	5.47	14.75	7.09	7.21	9.23	12/01/08	0.26%	\$2.60
<i>SIP 2040 Policy Benchmark⁶</i>	5.46	14.84	7.25	7.41	9.69			
CalPERS Target Retirement 2045	5.59	15.17	7.24	7.53	9.43	12/01/08	0.26%	\$2.60
<i>SIP 2045 Policy Benchmark⁶</i>	5.58	15.25	7.39	7.74	9.92			
CalPERS Target Retirement 2050	5.59	15.17	7.23	7.53	9.50	12/01/08	0.26%	\$2.60
<i>SIP 2050 Policy Benchmark⁶</i>	5.58	15.25	7.39	7.74	9.92			
CalPERS Target Retirement 2055	5.59	15.17	7.23	-	6.90	10/07/13	0.26%	\$2.60
<i>SIP 2055 Policy Benchmark⁶</i>	5.58	15.25	7.39	-	7.19			
CalPERS Target Retirement 2060	5.59	15.17	-	-	8.92	11/01/18	0.26%	\$2.60
<i>SIP 2060 Policy Benchmark⁶</i>	5.58	15.25	-	-	9.10			
CalPERS Target Retirement 2065	5.59	-	-	-	8.25	12/01/22	0.26%	\$2.60
<i>SIP 2065 Policy Benchmark⁶</i>	5.58	-	-	-	8.57	-		
Broad-Based Benchmarks⁷								
<i>Russell 3000 Index</i>	8.39	18.95	11.39	12.34	-	-	-	-
<i>MSCI ACWI ex-USA IMI Index (net)</i>	2.38	12.47	3.38	4.88	-	-	-	-
<i>Bloomberg US Aggregate Bond Index</i>	-0.84	-0.94	0.77	1.52	-	-	-	-

Part II. Explanation of CalPERS 457 Plan Expenses

June 30, 2023

<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").

Performance Update

MultiFund

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

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

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

Monthly hypothetical performance adjusted for contract fees *

Investment Options	Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	Average Annual Total Return (%) as of 7/31/2023					
							1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	
Maximum Capital Appreciation												
DWS Alternative Asset Allocation VIP Portfolio - Class B ^{1, 5, 6, 7, 8}	MCA	02/02/2009	-0.64	2.32	3.40	1.70	1.61	-0.93	4.89	3.08	1.65	3.59
LVIP Baron Growth Opportunities Fund - Service Class ^{3, 11}	MCA	10/01/1998	-1.02	14.22	16.08	2.72	6.09	11.33	8.02	8.65	9.63	10.44
LVIP Delaware SMID Cap Core Fund - Service Class ^{3, 4, 11}	MCA	07/12/1991	-1.26	10.75	12.33	4.25	9.99	8.57	13.01	5.89	8.25	8.63
LVIP Franklin Templeton Multi-Factor Emerging Markets Equity Fund - Service Class ^{1, 10, 11}	MCA	06/18/2008	-2.48	6.88	10.08	5.41	6.20	9.85	7.97	0.40	1.41	1.79
LVIP SSGA Small-Cap Index Fund - Service Class ^{3, 11, 22}	MCA	04/18/1986	-1.37	11.58	13.63	5.99	13.22	6.14	10.25	3.37	6.40	6.33

Performance Update

MultiFund

Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	Average Annual Total Return (%) as of 7/31/2023				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Service Class ^{3, 11}	MCA	02/03/1994	-1.78	14.21	16.63	2.05	9.42	10.30	5.69	8.94	10.32	6.51
Long Term Growth												
American Funds Global Growth Fund - Class 2 ¹	LTG	04/30/1997	-1.74	14.68	17.12	2.13	5.18	13.22	5.87	8.29	9.45	8.67
American Funds Growth Fund - Class 2	LTG	02/08/1984	-1.78	26.04	28.95	3.79	14.91	16.76	10.81	13.32	13.82	11.77
American Funds International Fund - Class 2 ¹	LTG	05/01/1990	-2.78	12.17	16.17	3.89	5.85	13.33	3.16	0.91	3.75	6.10
Delaware VIP Small Cap Value ^{3, 4}	LTG	12/27/1993	-0.67	5.92	6.81	5.56	12.27	3.27	16.49	3.83	6.61	8.70
Fidelity® VIP Contrafund® Portfolio - Service Class 2	LTG	01/03/1995	-1.59	22.28	24.40	3.46	11.57	14.29	8.38	10.94	10.74	10.04
Fidelity® VIP Growth Portfolio - Service Class 2	LTG	10/09/1986	-2.05	23.48	26.84	3.60	15.35	13.46	10.57	13.75	14.22	9.71
LVIP BlackRock Real Estate Fund - Service Class ^{1, 3, 11, 15, 16}	LTG	04/30/2007	-1.06	3.97	5.87	3.57	2.71	-9.58	2.01	0.77	2.10	0.05
LVIP Delaware Mid Cap Value Fund - Service Class ^{3, 4, 11}	LTG	12/28/1981	-1.20	4.80	6.06	3.57	8.58	4.35	16.01	5.30	7.91	9.77
LVIP Dimensional U.S. Core Equity 1 Fund - Service Class ¹¹	LTG	12/28/1981	-1.22	14.82	16.54	3.66	10.07	10.90	13.47	9.44	10.10	9.38
LVIP Mondrian International Value Fund - Service Class ^{1, 11}	LTG	05/01/1991	-1.94	11.91	14.91	2.55	2.32	12.92	9.18	1.59	2.88	4.88
LVIP SSGA International Index Fund - Service Class ^{1, 11, 22, 23}	LTG	04/30/2008	-2.04	10.50	13.70	2.52	2.62	14.17	7.62	3.00	3.56	1.38
LVIP SSGA S&P 500 Index Fund - Service Class ^{11, 22, 24}	LTG	05/01/2000	-1.39	17.64	19.62	3.08	10.10	11.34	12.05	10.53	11.00	5.48
LVIP Vanguard Domestic Equity ETF Fund - Service Class ^{6, 7}	LTG	04/29/2011	-1.34	17.00	18.89	3.34	10.21	11.02	11.53	9.92	10.25	10.10

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Performance Update

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Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	Average Annual Total Return (%) as of 7/31/2023				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP Vanguard International Equity ETF Fund - Service Class ^{1, 6, 7}	LTG	04/29/2011	-1.96	9.25	12.78	3.76	4.25	10.31	5.81	2.35	3.58	2.60
MFS® VIT Utilities Series - Service Class ¹⁵	LTG	01/03/1995	-0.46	-1.93	-0.47	1.08	-2.23	-2.67	7.12	6.69	5.89	9.33
Growth and Income												
American Funds Growth-Income Fund - Class 2	GI	02/08/1984	-1.34	15.86	17.48	2.94	9.27	14.27	10.57	8.47	10.44	9.90
Fidelity® VIP Freedom 2020 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/26/2005	-0.99	6.56	8.24	1.41	2.42	2.85	2.29	3.95	4.79	4.90
Fidelity® VIP Freedom 2025 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/26/2005	-1.09	7.46	9.31	1.63	3.01	3.92	3.12	4.49	5.38	5.43
Fidelity® VIP Freedom 2030 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/26/2005	-1.14	8.26	10.25	1.81	3.54	5.01	4.17	5.08	6.10	5.73
Fidelity® VIP Freedom 2035 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/08/2009	-1.36	9.97	12.20	2.26	4.72	7.21	6.23	6.11	6.98	9.94
Fidelity® VIP Freedom 2040 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/08/2009	-1.50	11.67	14.13	2.72	5.96	9.35	7.85	6.97	7.46	10.36
Fidelity® VIP Freedom 2045 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/08/2009	-1.57	12.08	14.62	2.82	6.27	9.85	7.99	7.06	7.51	10.47
Fidelity® VIP Freedom 2050 Portfolio SM - Service Class 2 ^{6, 9}	GI	04/08/2009	-1.60	12.05	14.60	2.80	6.24	9.83	7.99	7.04	7.51	10.56
LVIP Delaware U.S REIT Fund - Service Class ^{3, 4, 11, 15, 16}	GI	05/04/1998	-0.55	5.49	6.45	1.92	2.78	-8.14	5.59	2.48	3.89	6.49
LVIP Delaware Value Fund - Service Class ^{4, 11}	GI	07/28/1988	-0.78	-0.02	1.07	2.54	3.11	3.28	10.22	4.72	7.27	7.38
LVIP Delaware Wealth Builder Fund - Service Class ^{4, 5, 11}	GI	08/03/1987	-0.75	4.17	5.44	1.53	2.24	2.23	3.21	2.86	3.67	5.39

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Monthly hypothetical performance adjusted for contract fees *

Investment Options		Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	Average Annual Total Return (%) as of 7/31/2023				
								1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP JPMorgan Retirement Income Fund - Service Class ^{4, 5, 11}	GI	04/27/1983	-0.76	5.78	7.04	1.18	2.13	2.51	0.84	2.08	2.82	5.96
Income												
LVIP BlackRock Inflation Protected Bond Fund - Service Class ^{1, 11, 14}	I	04/30/2010	-0.02	1.64	2.04	0.49	-0.75	-3.62	0.25	1.39	0.52	1.09
LVIP Delaware Bond Fund - Service Class ^{4, 11, 14}	I	12/28/1981	-0.31	0.55	1.49	0.04	-1.53	-4.07	-5.59	-0.43	0.35	5.66
LVIP Delaware Diversified Floating Rate Fund ^{4, 11, 14, 17, 18}	I	04/30/2010	-0.05	2.26	2.36	0.61	1.31	3.25	0.31	0.49	0.24	0.29
LVIP Delaware Diversified Income Fund - Service Class ^{4, 11, 14}	I	05/16/2003	-0.32	0.75	1.69	0.17	-1.22	-3.60	-5.03	0.01	0.57	2.92
LVIP Delaware High Yield Fund - Service Class ^{4, 11, 14, 19}	I	07/28/1988	-0.43	4.44	5.16	1.23	1.66	1.80	0.05	2.00	2.04	4.83
LVIP Mondrian Global Income Fund - Service Class ^{1, 11, 14}	I	05/04/2009	-0.29	-1.71	-0.71	0.23	-2.58	-5.76	-7.64	-2.69	-1.28	0.37
LVIP SSGA Bond Index Fund - Service Class ^{11, 14, 22}	I	04/30/2008	-0.30	0.42	1.30	-0.23	-1.93	-4.87	-5.98	-0.80	-0.08	0.95
PIMCO VIT Total Return Portfolio - Administrative Class ¹⁴	I	12/31/1997	-0.22	0.89	1.78	0.30	-1.12	-3.93	-5.33	-0.41	0.41	3.28
Risk Managed - Asset Allocation												
LVIP Global Conservative Allocation Managed Risk Fund - Service Class ^{1, 5, 6, 11, 20}	RMAA	05/03/2005	-0.84	4.76	6.18	1.39	2.57	0.97	0.25	1.31	2.50	3.65
LVIP Global Growth Allocation Managed Risk Fund - Service Class ^{1, 5, 6, 11, 20}	RMAA	05/03/2005	-1.25	7.41	9.27	2.42	5.13	3.39	2.18	1.42	2.80	3.46

Performance Update

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Monthly hypothetical performance adjusted for contract fees *

		Average Annual Total Return (%) as of 7/31/2023											
Investment Options		Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	
LVIP Global Moderate Allocation Managed Risk Fund - Service Class^{1, 5, 6, 11, 20}		RMAA	05/03/2005	-1.12	6.46	8.17	2.12	4.36	2.34	1.37	1.34	2.66	3.60
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Service Class^{1, 5, 6, 11, 13}		RMAA	05/03/2005	-1.16	7.68	9.57	2.32	4.63	5.03	5.08	2.53	2.96	3.06
Preservation of Capital													
LVIP Government Money Market Fund - Service Class^{11, 21}		PC	01/07/1982	0.01	1.86	1.84	0.30	0.87	2.42	0.18	0.18	-0.33	2.45
Asset Allocation													
Fidelity® VIP Freedom 2055 PortfolioSM - Service Class^{2, 5, 10}		AsA	04/11/2019	-1.62	12.02	14.61	2.81	6.24	9.85	7.99	N/A	N/A	8.22
Fidelity® VIP Freedom 2060 PortfolioSM - Service Class^{2, 5, 10}		AsA	04/11/2019	-1.56	12.07	14.69	2.84	6.32	9.86	8.01	N/A	N/A	8.25
LVIP BlackRock Global Allocation Fund - Service Class^{1, 5, 11}		AsA	04/26/2019	-0.95	7.29	8.95	1.79	4.03	4.33	2.81	N/A	N/A	4.82
LVIP T. Rowe Price 2020 Fund - Service Class^{6, 9, 11}		AsA	05/01/2007	-0.99	7.56	9.18	1.89	3.69	3.85	3.17	3.92	3.81	3.19
LVIP T. Rowe Price 2030 Fund - Service Class^{6, 9, 11}		AsA	05/01/2007	-1.24	9.73	11.67	2.43	5.21	6.11	5.27	5.04	4.46	3.50
LVIP T. Rowe Price 2040 Fund - Service Class^{6, 9, 11}		AsA	05/01/2007	-1.48	12.36	14.60	3.14	7.13	9.20	7.60	6.28	5.22	3.63
LVIP T. Rowe Price 2050 Fund - Service Class^{6, 9, 11}		AsA	04/29/2011	-1.56	13.33	15.67	3.42	7.86	10.37	8.45	6.70	5.77	4.78
LVIP T. Rowe Price 2060 Fund - Service Class^{6, 9, 11}		AsA	04/30/2020	-1.59	13.41	15.78	3.42	7.86	10.44	9.11	N/A	N/A	12.42
Risk Managed - US Large Cap													

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Monthly hypothetical performance adjusted for contract fees *

		Average Annual Total Return (%) as of 7/31/2023										
Investment Options		Inception Date	Change from Previous Day 08/02/2023	YTD as of 08/02/2023	YTD as of 07/31/2023	1 Mo as of 07/31/2023	3 Mo as of 07/31/2023	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.
LVIP BlackRock Dividend Value Managed Volatility Fund - Service Class ^{11, 12, 13}	RMUSL	02/03/1994	-0.84	4.38	5.69	2.82	3.32	5.34	13.09	5.46	5.55	6.36
LVIP Blended Large Cap Growth Managed Volatility Fund - Service Class ^{11, 12, 13}	RMUSL	02/03/1994	-1.94	22.47	25.02	2.48	11.93	13.07	9.75	9.07	8.59	6.65
Risk Managed - US Mid Cap												
LVIP Blended Mid Cap Managed Volatility Fund - Service Class ^{3, 11, 12, 13}	RMUSM	05/01/2001	-1.50	11.70	13.70	1.88	7.56	6.97	4.48	6.62	5.74	3.94
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Service Class ^{3, 11, 12, 13}	RMUSM	05/01/2001	-0.68	6.54	7.51	3.02	7.08	5.20	13.64	4.21	4.60	5.59
Risk Managed - Global/International												
LVIP Franklin Templeton Global Equity Managed Volatility Fund - Service Class ^{11, 12, 13}	RMGI	08/01/1985	-1.59	11.40	13.62	2.51	5.55	11.89	10.10	4.70	3.91	6.57
LVIP SSGA International Managed Volatility Fund - Service Class ^{1, 6, 11, 13}	RMGI	12/31/2013	-2.03	10.54	13.75	2.51	2.65	14.15	6.44	0.60	N/A	0.46
ESG/Socially Conscious												
AB VPS Sustainable Global Thematic Portfolio - Class B ^{1, 2}	ESC	01/11/1996	-1.27	11.09	13.22	1.82	9.61	4.28	5.92	8.90	9.54	5.38
LVIP Delaware Social Awareness Fund - Service Class ^{2, 4, 11}	ESC	05/02/1988	-1.54	21.00	23.25	3.80	12.83	14.81	12.56	10.83	10.35	9.57

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

Performance Update

Risk disclosure(s): The following summarizes some of the risks associated with the underlying funds available for investment. For risks specific to each investment option, please see each fund's prospectus.

1: International

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

2: ESG

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

3: Small & Mid Cap

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

4: Macquarie Investment Management

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

5: Asset Allocation Portfolios

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

6: Fund of funds

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

7: Exchange-traded funds

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

8: Alternative Funds

Certain funds (sometimes called "alternative funds") expect to invest in (or may invest in some) positions that emphasize alternative investment strategies and/or nontraditional asset classes and, as a result, are subject to the risk factors of those asset classes and/or investment strategies. Some of those risks may include general economic risk, geopolitical risk, commodity-price volatility, counterparty and settlement risk, currency risk, derivatives risk, emerging markets risk, foreign securities risk, high-yield bond exposure, index investing risk, exchange-traded notes risk, industry concentration risk, leveraging risk, real estate investment risk, master limited partnership risk, master limited partnership tax risk, energy infrastructure companies risk, sector risk, short sale risk, direct investment risk, hard assets sector

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risk, active trading and "overlay" risks, event-driven investing risk, global macro strategies risk, temporary defensive positions and large cash positions. If you are considering investing in alternative investment funds, you should ensure that you understand the complex investment strategies sometimes employed and be prepared to tolerate the risks of such asset classes. For a complete list of risks, as well as a discussion of risk and investment strategies, please refer to the fund's prospectus. The fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the fund's losses to be greater than if it invested only in conventional securities and can cause the fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The fund's use of derivatives may cause the fund's investment returns to be impacted by the performance of securities the fund does not own and may result in the fund's total investment exposure exceeding the value of its portfolio.

9: Target-date funds

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

10: Emerging Markets

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

11: Manager of managers funds

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

12: Multimanager

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

13: Managed Volatility Strategy

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

14: Bonds

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

15: Sector Funds

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

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16: REIT

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

17: Cash Management Funds

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

18: Floating rate funds

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

19: High-yield or mortgage-backed funds

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

20: Risk Management Strategy

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

21: Money Market Funds

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

22: Index

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

23: MSCI

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

24: S&P

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Limitations and exclusions may apply.

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Asset Categories

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

**DISTRICT
CORRESPONDENCE**
Board Meeting of August 8, 2023



Date: **Correspondence Sent To:**

1. 07/18/2023 Onelia A. Rodriguez
Property Tax Section
SB County Auditor-Controller's Office
Subject: Sewer Service Charge Report for Fiscal Year 2023-24

2. 07/25/2023 Thomas Kirk Sykes or Current Resident
Subject: Roots at Sewer Mainline Connection
A.P.N. 059-290-039 at 4684 Via Los Santos

Letters also sent to:
 - Kenneth J. & Judith L. Mastinick
 - Kirk Duncan or Current Resident
 - Deborah Contreras or Current Resident
 - Erik D. Black or Current Resident
 - Bonnie B. Rich Trust 3/12/2015 or Current Resident
 - Sherrie Mciver
 - Brady Bowman or Current Resident

3. 07/31/2023 Gary Bechtel
Gateway Pacific Contractors, Inc.
Subject: Goleta Sanitary District Biosolids and Energy Phase 1 Project

Date: **Correspondence Received From:**

1. 07/27/2023 Dennis Mulqueeney & Seth Cole
Program Administrators
California Sanitation Risk Management Authority
Subject: CSRMA: Claim Letters from Christine McCormick Relating to
PERS Disability Retirement Calculations

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