

AGENDA

REMOTE MEETING NOTICE

This meeting will be accessible by remote video conferencing. Please be advised that while the District will endeavor to ensure these remote participation methods are available, the District does not guarantee that they will be technically feasible or work all the time. Further, the District reserves the right to terminate these remote participation methods (Subject to Brown Act Restrictions) at any time and for whatever reason. The public may observe and 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 DURING PUBLIC COMMENT USING ZOOM

- The Board President will announce when it is time for Public Comment.
- Click on the Raise Hand icon if you would like to speak during Public Comment.
- 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.
- You will have three (3) minutes to speak. When your time is up, you will be muted.

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.
- You will have three (3) minutes to speak. 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/84944327745?pwd=qF3gi52hYPiPaMohOPFBkiEWs7C3Pp.1>

Meeting ID: 849 4432 7745

Passcode: 988999

Please attend in person or by submitting your comment via email to:
RMangus@GoletaSanitary.Org

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

January 19, 2026

CALL TO ORDER: 6:30 p.m.

ROLL CALL OF MEMBERS

BOARD MEMBERS: Steven T. Majoewsky
Dean Nevins
Jonathan Frye
Edward Fuller
Joseph Glancy

CONSIDERATION OF THE MINUTES OF THE BOARD MEETING

The Board will consider approval of the Minutes of the Regular Meeting of January 05, 2026.

PUBLIC COMMENTS - Members of the public may address the Board on items within the jurisdiction of the Board. Under provisions of the Brown Act, the Board is prohibited from taking action on items not listed on the agenda. Please limit your remarks to three (3) minutes and if you wish, state your name and address for the record.

POSTING OF AGENDA – The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District’s web site 72 hours in advance of the meeting.

BUSINESS:

1. DISCUSSION AND PRESENTATION OF THE DISTRICT’S AUDIT REPORT AND FINANCIAL STATUS AS OF JUNE 30, 2025
(Board may take action on this item.)
2. PRESENTATION ON THE CURRENT STATE OF THE DISTRICT’S COLLECTION SYSTEM AND 2025 SUMMARY OF ACTIVITIES
3. REVIEW OF QUARTERLY CAPITAL IMPROVEMENT PROGRAM PROJECT STATUS REPORT
4. GENERAL MANAGER’S REPORT

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

ADJOURNMENT

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 Director at least 3 hours prior to the meeting by telephone at (805) 967-4519 or by email at info@goletasaniary.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

January 5, 2026

- CALL TO ORDER:** President Majoewsky called the meeting to order at 6:30 p.m.
- BOARD MEMBERS PRESENT:** Steven T. Majoewsky, Dean Nevins, Jonathan Frye, Edward Fuller, Joseph Glancy
- BOARD MEMBERS ABSENT:** None
- STAFF MEMBERS PRESENT:** Steve Wagner, General Manager/District Engineer, Vyto Adomaitis, Assistant General Manager, Rob Mangus, Finance Director/Board Secretary, and Ryan Guiboa, General Counsel (via Zoom)
- OTHERS PRESENT:** David Linville, Director, Goleta Water District (via Zoom)
Tom Evans, Director, Goleta Water District (via Zoom)
Craig Geyer, Director, Goleta West Sanitary District (via Zoom)
- APPROVAL OF MINUTES:** Director Nevins made a motion, seconded by Director Frye, to approve the minutes of the Regular Board meeting of 12/15/2025. The motion carried by the following vote:

(26/01/2076)
- | | | |
|----------|---|---|
| AYES: | 5 | Majoewsky, Nevins, Frye, Fuller, Glancy |
| NOES: | | None |
| ABSENT: | | None |
| ABSTAIN: | | None |
- POSTING OF AGENDA:** The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 72 hours in advance of the meeting.
- PUBLIC COMMENTS:** None

BUSINESS:

1. CONSIDERATION OF APPOINTMENT OF DISTRICT PRESIDENT PRO TEM FOR THE COMING YEAR

Mr. Wagner gave the staff report.

Director Frye made a motion, seconded by Director Fuller to appoint Director Nevins as Governing Board President Pro Tem for the coming year.

The motion carried by the following vote:

(26/01/2077)

AYES: 4 Majoewsky, Frye, Fuller, Glancy
 NOES: None
 ABSENT: None
 ABSTAIN: 1 Nevins

2. CONSIDERATION AND ACTION REGARDING GOLETA SANITARY DISTRICT STANDING COMMITTEES AND APPOINTMENT OF GOVERNING BOARD MEMBERS TO SERVE ON DISTRICT STANDING COMMITTEES

Mr. Wagner gave the staff report.

Director Frye made a motion, seconded by Director Nevins, to approve, as recommended by President Majoewsky, the Standing Committee assignments for the coming year, which are as follows:

	Engineering Committee	Finance Committee	Personnel Committee	Outreach & Public Education Committee
Member:	Majoewsky	Fuller	Majoewsky	Fuller
Member:	Frye	Nevins	Frye	Glancy
Alternate:	Nevins	Glancy	Nevins	Frye

The motion carried by the following vote:

(26/01/2078)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy
 NOES: None
 ABSENT: None
 ABSTAIN: None

3. CONSIDERATION AND ACTION REGARDING ATTENDANCE AT MEETINGS OF OUTSIDE AGENCIES BY GOVERNING BOARD MEMBERS

Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Glancy, to approve, as recommended by President Majoewsky, the assignments for attendance at meetings of outside agencies by Governing Board members for the coming year, which are as follows:

AGENCY	REPRESENTATIVE	ALTERNATE
Goleta Water District	Director Majoewsky	Director Frye
Goleta West Sanitary District	Director Nevins	Director Fuller

The motion carried by the following vote:

(26/01/2079)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy
 NOES: None
 ABSENT: None
 ABSTAIN: None

President Majoewsky, authorized Director Frye’s participation as an at-large member to Santa Barbara County Local Chapter CSDA.

Director Fuller made a motion, seconded by Director Nevins to authorize compensation and expense reimbursement for Director Frye’s attendance as an at-large member to Santa Barbara County Local Chapter CSDA.

The motion carried by the following vote:

(26/01/2080)

AYES: 4 Majoewsky, Frye, Fuller, Glancy
 NOES: None
 ABSENT: None
 ABSTAIN: 1 Frye

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

Mr. Wagner gave the staff report on this presentation item, no Board action was taken.

5. GENERAL MANAGER’S REPORT

Mr. Wagner gave the report.

6. LEGAL COUNSEL’S REPORT

Mr. Guiboa reported on SB 707, now in effect, that changes provisions of the Brown Act including requirements regarding remote attendance.

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

Director Fuller – No report.

Director Frye – No report.

Director Nevins – No report.

Director Glancy – No report.

8. PRESIDENT'S REPORT

President Majoewsky – No report.

9. ITEMS FOR FUTURE MEETINGS

Board consensus to review preapproved Director Activities specifically related to California Special District Association meetings or conferences.

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 Nevins made a motion, seconded by Director Fuller, to ratify and approve the claims, for the period 12/02/2025 to 12/15/2025 as follows:

Running Expense Fund #4640	\$	664,559.85
Capital Reserve Fund #4650	\$	919,236.43
Depreciation Replacement Reserve Fund #4655	\$	24,943.05

The motion carried by the following vote:

(26/01/2081)

AYES: 5 Majoewsky, Nevins, Frye, Fuller, Glancy
NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:15 p.m.

ATTEST

Steven T. Majoewsky
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: January 19, 2026

I. NATURE OF ITEM

Discussion and Presentation of the District's Audit Report and Financial Status as of June 30, 2025

II. BACKGROUND INFORMATION

The District's auditors, Moss, Levy & Hartzheim, LLP, have completed their review of the District's financial records, and have prepared the annual financial statements and audit report for fiscal year 2024-2025 (FY25). The report is presented herein for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

Overall, this is a clean audit report with no findings. The District's total revenues for FY25 exceeded total expenses, before capital contributions, by approximately \$3,844,901. With capital contributions, the District's net financial position as of June 30, 2025, was \$108,694,653 which is an increase of \$4,044,442 over the prior fiscal year balance.

The District's auditor, Chris Padilla, CPA, Assurance Manager, will provide an overview of the attached audit report to the Board on Monday, January 19, 2026. Also, part of this report are copies of the auditor's report on compliance and internal control over financial reporting.

With the auditor's assistance, the District will submit its State Controller's Report before the due date of January 31, 2026, as mandated by State requirements.

The Finance Committee was updated on the draft FY25 financial statements on Thursday, December 11, 2025. Staff recommends the Board accept the FY25 audit report and direct staff to work with the auditor to file the submittal to the State Controller as required by law.

IV. REFERENCE MATERIALS

Independent Auditor's Report for FY25

Reports of Independent Auditors and Financial Statements with
Required Supplementary Information

Goleta Sanitary District

June 30, 2025



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Report of Independent Auditors

The Board of Directors
Goleta Sanitary District

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Goleta Sanitary District, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Goleta Sanitary District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Goleta Sanitary District, as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Required Supplementary Information

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

Report on Summarized Comparative Information

We have previously audited the Goleta Sanitary District's financial statements for the year ended June 30, 2024, and our report dated December 11, 2024, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2026, on our consideration of the Goleta Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
January 19, 2026

**Goleta Sanitary District
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

As management of the Goleta Sanitary District, we offer readers of the Goleta Sanitary District's financial statements this narrative overview and analysis of the financial activities of the Goleta Sanitary District for the fiscal year ending June 30, 2025. We encourage readers to consider the information presented here in conjunction with the audit report.

Financial Highlights

- The assets and deferred outflows of resources of the Goleta Sanitary District exceeded its liabilities and deferred inflows of resources by \$108,694,653 and \$104,650,211 at the close of the June 30, 2025 and 2024 fiscal year, respectively.
- The District's total net position increased by \$4,044,442 as of June 30, 2025 and increased by \$3,378,790 as of June 30, 2024.
- The combination of operating and non-operating revenues, less operating expenses results in net income in the amount of \$3,844,901 as of June 30, 2025 and net income in the amount of \$3,044,763 as of June 30, 2024.
- Capital contributions were made to the District in the amount of \$199,541 and \$334,027 as of June 30, 2025 and 2024, respectively.
- The District borrowed Capital Improvement funds and is now carrying debt in the amount of \$12,526,051. These funds are for the construction of the Biosolids & Energy Strategic Plan Improvements.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17-37 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Goleta Sanitary District’s progress in funding its obligation to provide pension benefits to its employees on pages 38-42.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Goleta Sanitary District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$108,694,653 and \$104,650,211 at the close of June 30, 2025 and 2024, respectively.

By far the largest portion of the Goleta Sanitary District’s net position, \$64,367,752 (59.2 percent) and \$67,473,489 (64.5 percent) as of June 30, 2025 and 2024, respectively, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Goleta Sanitary District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Goleta Sanitary District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOLETA SANITARY DISTRICT’S NET POSITION

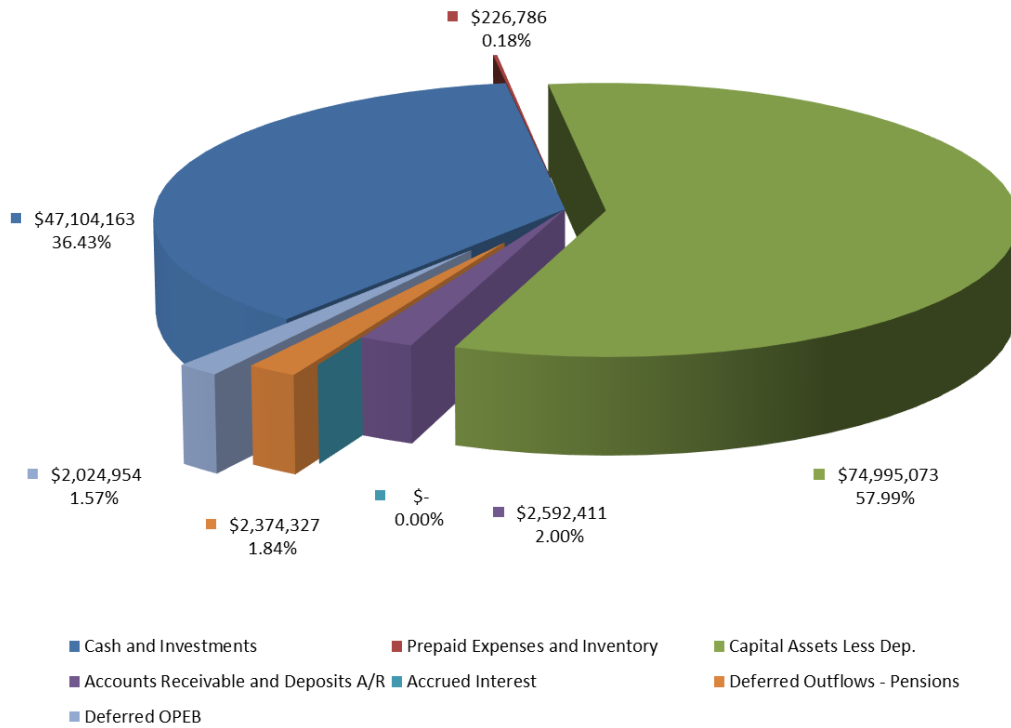
	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current Assets	\$ 49,923,360	\$ 50,981,640
Noncurrent Assets	<u>74,995,073</u>	<u>70,616,235</u>
Total Assets	<u>\$ 124,918,433</u>	<u>\$ 121,597,875</u>
Deferred Outflows of Resources	\$ 4,399,281	\$ 5,529,098
Current Liabilities	\$ 1,381,091	\$ 2,185,758
Noncurrent Liabilities	<u>17,021,116</u>	<u>17,574,018</u>
Total Liabilities	<u>\$ 18,402,207</u>	<u>\$ 19,759,776</u>
Deferred Inflows of Resources	\$ 2,220,854	\$ 2,716,986
Net Position:		
Net Investment in Capital Assets	\$ 64,367,752	\$ 67,473,489
Restricted	11,086,600	7,288,998
Restricted for Construction	1,898,730	9,933,354
Unrestricted	<u>31,341,571</u>	<u>19,954,370</u>
Total Net Position	<u>\$ 108,694,653</u>	<u>\$ 104,650,211</u>

Additional portions of the Goleta Sanitary District’s net position, \$11,086,600 (10.2%) and \$7,288,998 (7.0%) as of June 30, 2025 and 2024, respectively, represents resources that are subject to external restrictions on how they may be used. The other restricted resource is the construction loan proceeds, \$1,898,730 (1.7%) \$9,933,254 (9.5%) as of June 30, 2025 and 2024, respectively. The remaining balance of unrestricted net position, \$31,341,571 and \$19,954,370 as of June 30, 2025 and 2024, respectively, may be used to meet the government’s ongoing obligations to citizens and creditors.

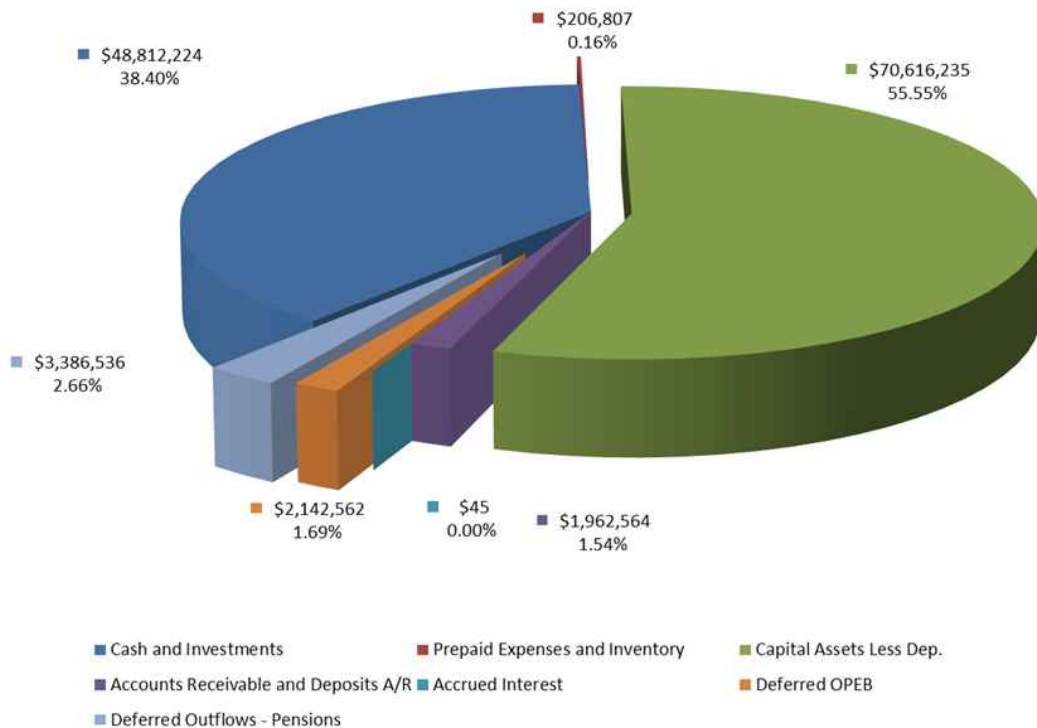
At the end of the current fiscal year, the Goleta Sanitary District is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

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

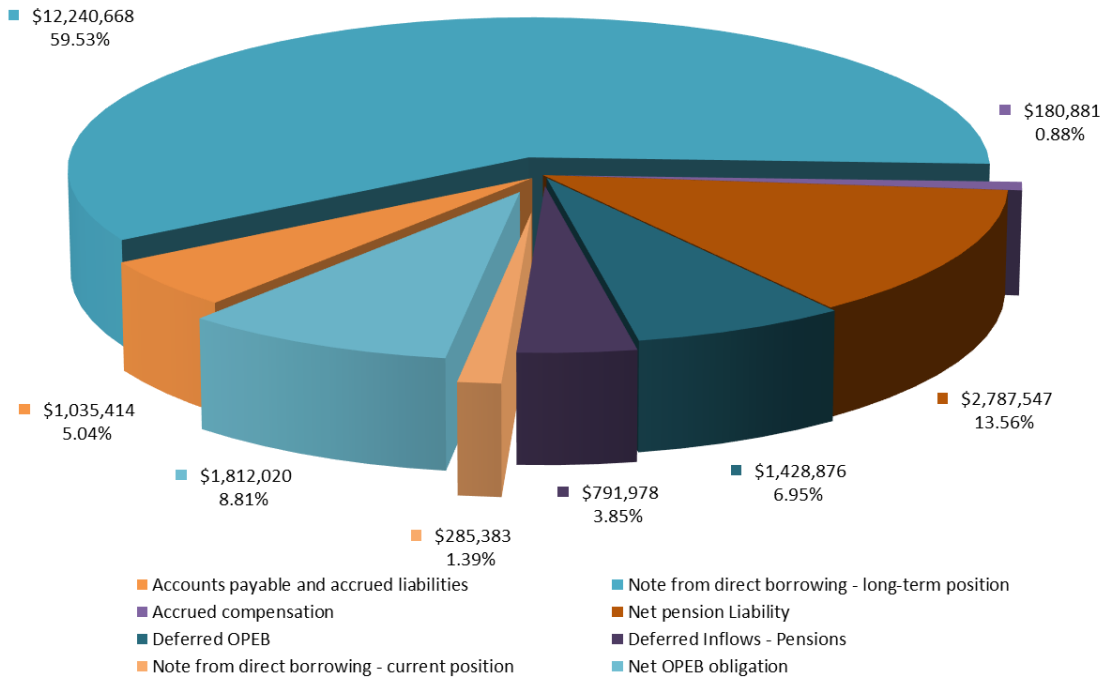
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 24-25



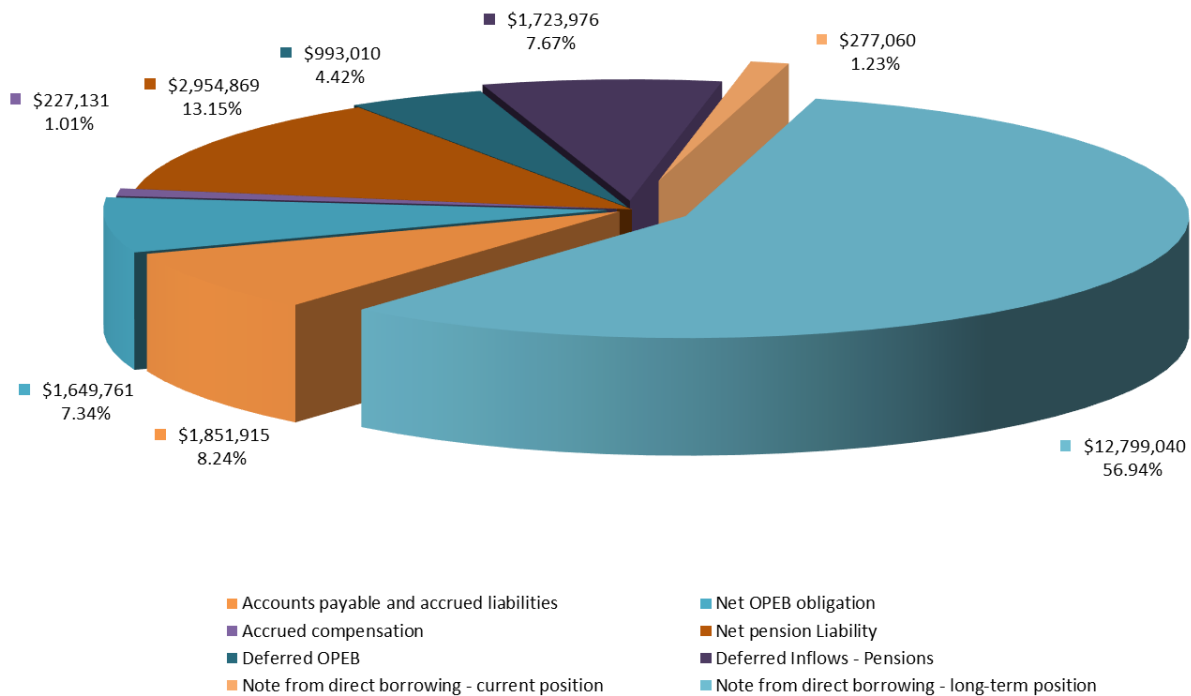
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES FY 23-24



LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 24-25



LIABILITIES AND DEFERRED INFLOWS OF RESOURCES FY 23-24

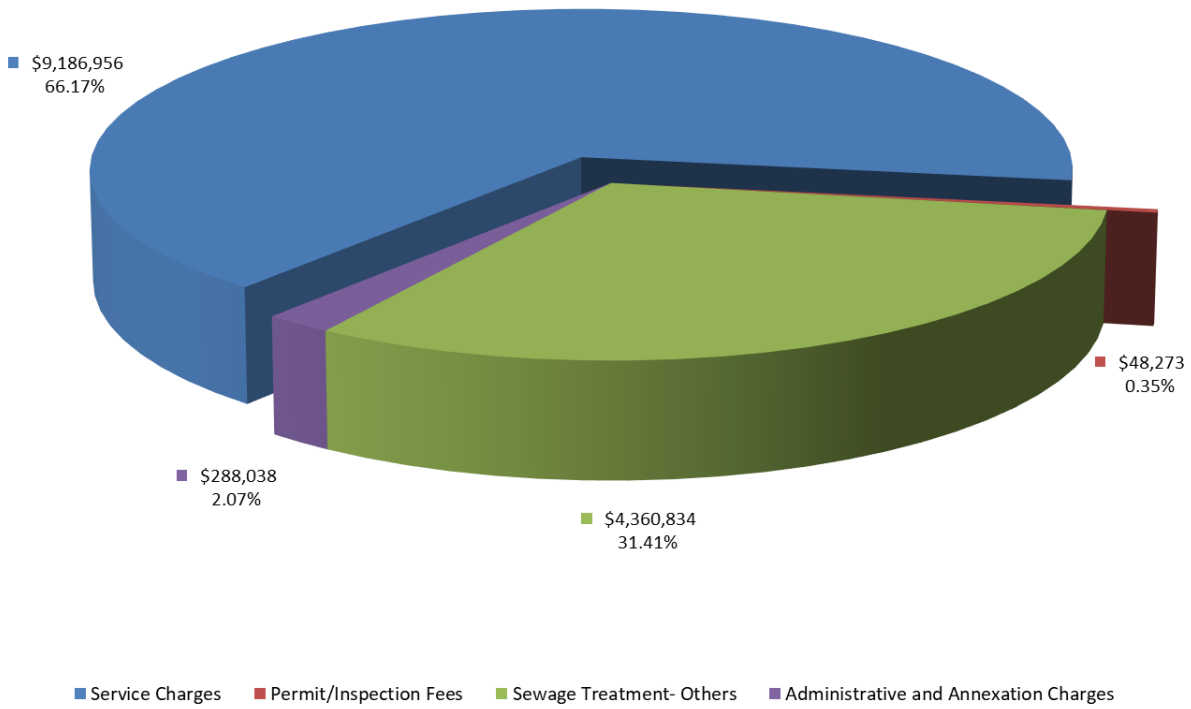


Business-type activities. The business-type activities increased the Goleta Sanitary District’s net position by \$4,044,442 and \$3,378,790 as of June 30, 2025 and 2024, respectively. The key elements are as follows: operating and nonoperating revenues exceeded operating and nonoperating expenses by \$3,844,901 as of June 30, 2025 whereas operating and nonoperating revenues exceeded operating and nonoperating expenses by \$3,044,763 as of June 30, 2024. Capital contributions to the District’s system totaled \$199,541 and \$334,027 as of June 30, 2025 and 2024, respectively. This is a net decrease of \$134,486 in Capital contributions as of June 30, 2025. The total revenues and capital contributions exceeded expenses during the 2024-2025 fiscal year. The District’s construction in progress value of \$15,241,393 has been recorded as capitalized amounts as detailed in Note 4 on page 26.

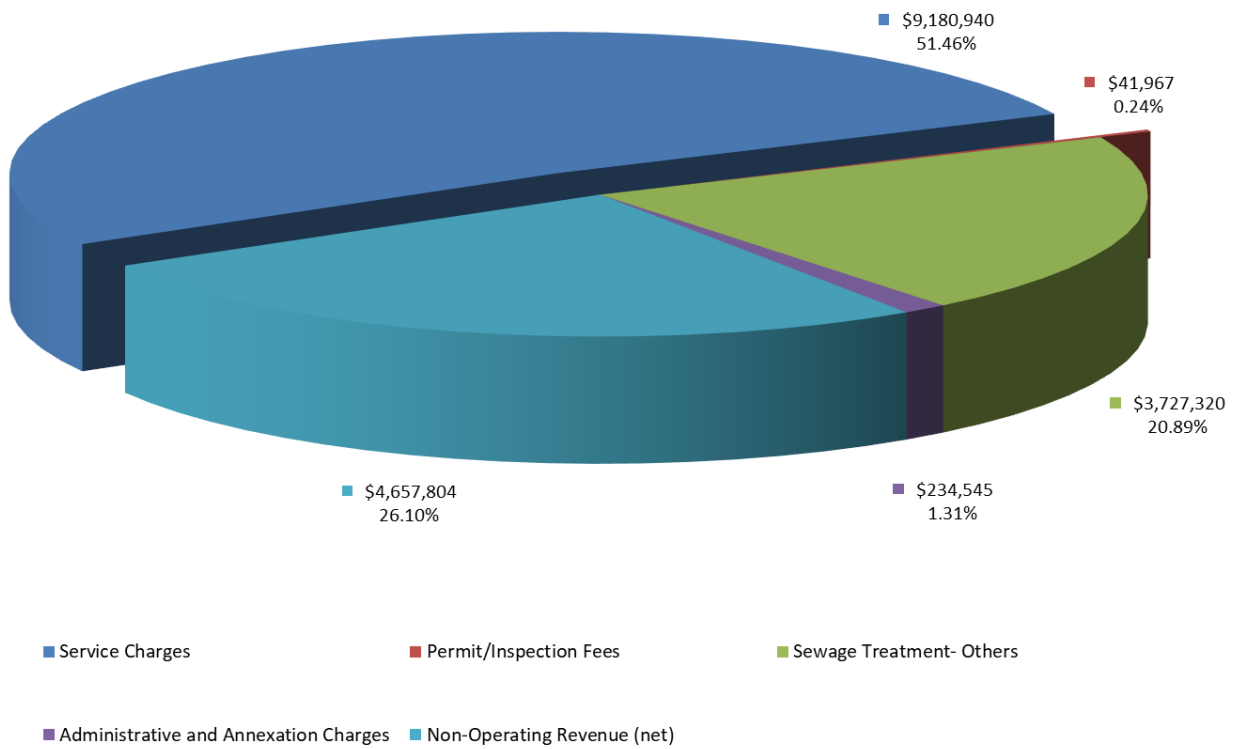
GOLETA SANITARY DISTRICT’S CHANGE IN NET POSITION

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Revenues:		
Service Charges	\$ 9,186,956	\$ 9,180,940
Other Operating	4,697,145	4,003,832
Non-operating	<u>6,604,219</u>	<u>4,657,804</u>
Sub-total:	\$ 20,488,320	\$ 17,842,576
Expenses:		
Sewage Collection	\$ 2,715,827	\$ 2,741,995
Sewage Treatment	10,058,245	8,515,866
Plant Pump Station	308,816	337,728
Sewage Disposal	74,087	127,686
Administrative	2,008,499	1,872,872
Wastewater Reclamation	952,423	799,586
Non-operating Expenses	<u>525,522</u>	<u>402,080</u>
Total Expenses:	\$ 16,643,419	\$ 14,797,813
Net Income/(Loss) Before Capital Contributions:	\$ 3,844,901	\$ 3,044,763
Capital Contributions	<u>199,541</u>	<u>334,027</u>
Increase in Net Position	\$ 4,044,442	\$ 3,378,790
Net Position – Beginning of Year	\$ 104,650,211	\$ 101,271,421
Prior Period Adjustment	<u>0</u>	<u>0</u>
Net Position – End of Year	<u>\$ 108,694,653</u>	<u>\$ 104,650,211</u>

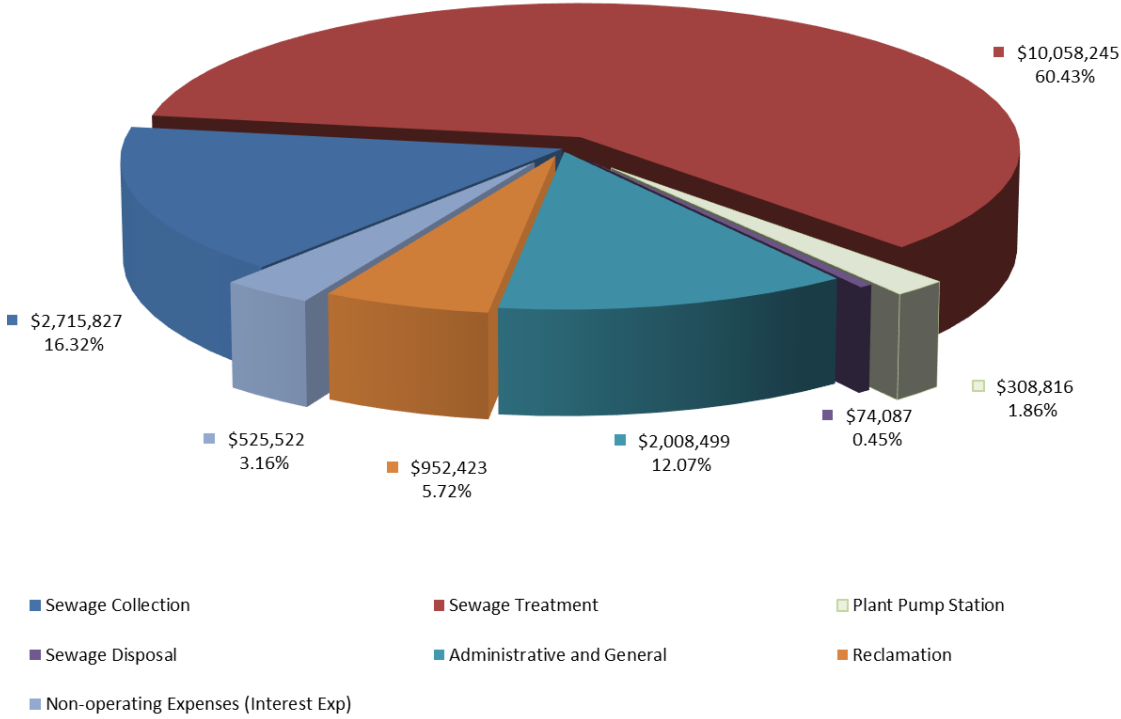
REVENUES FY 24-25



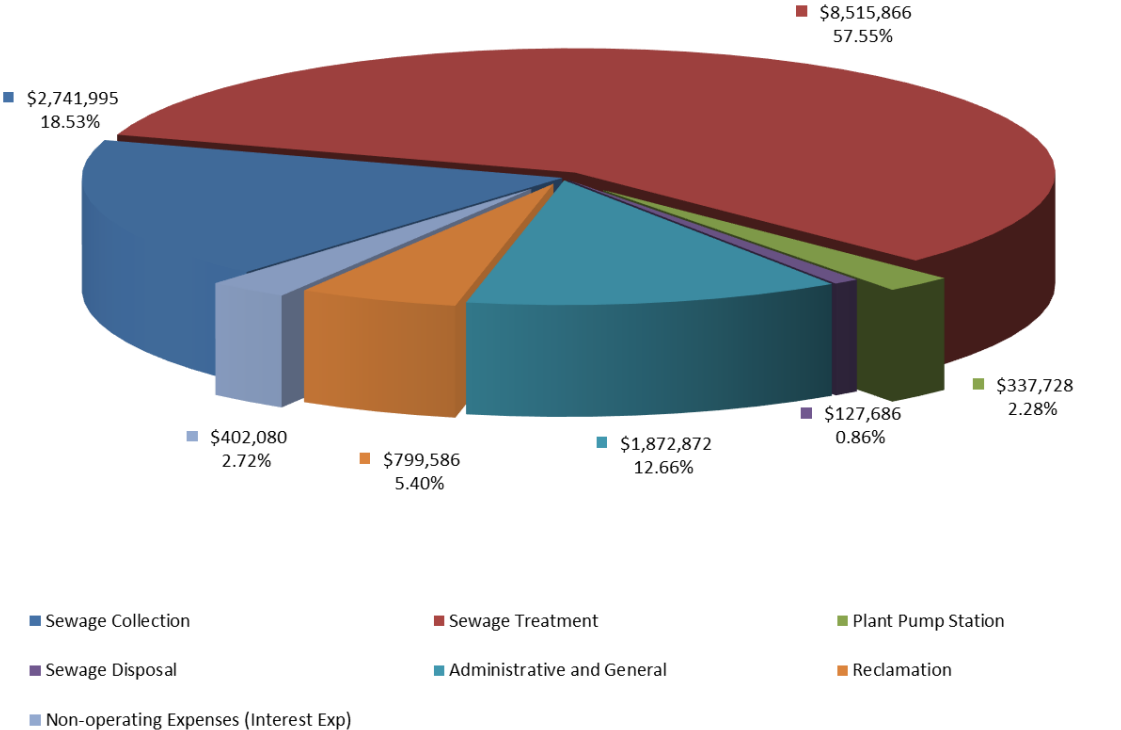
REVENUES FY 23-24



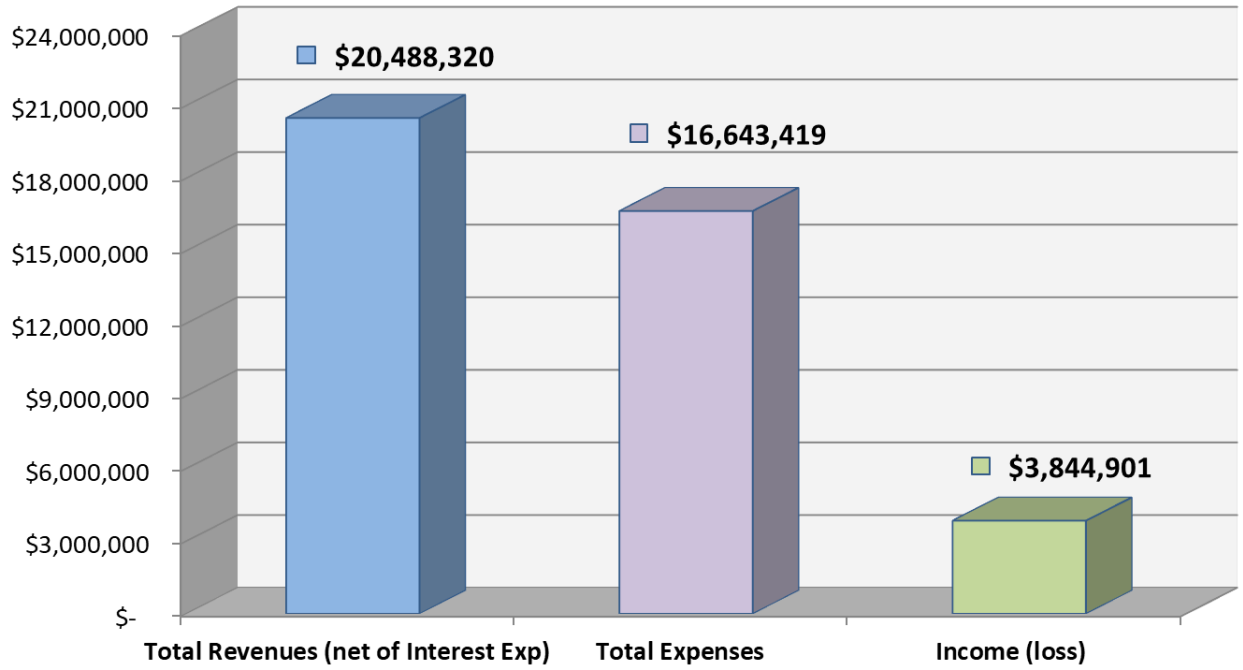
EXPENSES FY 24-25



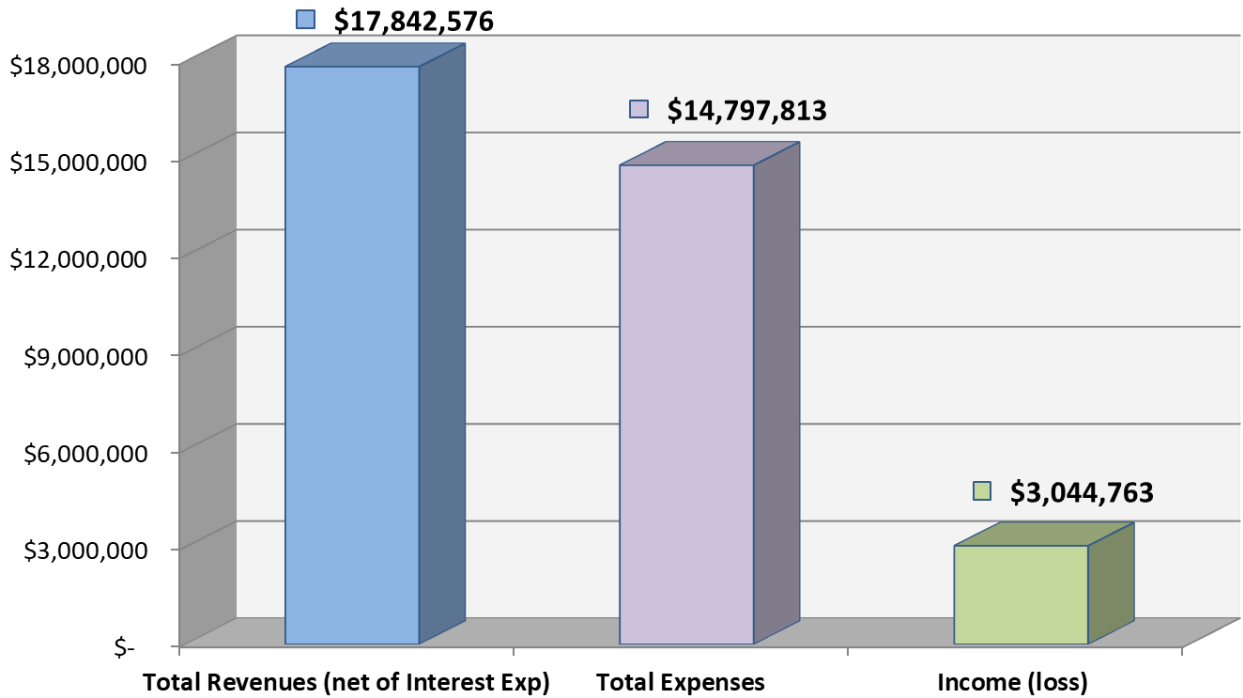
EXPENSES FY 23-24



REVENUES AND EXPENSES FY 24-25



REVENUES AND EXPENSES FY 23-24



Capital Asset and Debt Administration

Capital Assets. The Goleta Sanitary District’s investment in capital assets for its business-type activities as of June 30, 2025 and June 30, 2024 amounts to \$64,367,752 and \$67,473,489 (net of accumulated depreciation). This investment in capital assets includes land, buildings, systems, improvements, machinery, and equipment.

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

The Collections department continued to hire contracted sewer spot repairs during the fiscal year and replenished the manhole covers and frames supply. Manholes were rehabilitated with epoxy coatings and the Vactor Ram Jet truck was delivered early in the fiscal year. Seatrain container, confined space tripod kit and Jetter nozzles were purchased.

Treatment plant projects included: The BEBP Phase 1, the new digester project continued, the Lystek Biosolids reduction sludge treatment project continued as did the SHIP project. The PM Building air handling unit was replaced; the Fire System ISO was replaced as was dredge piping. The Bisulfite Pumps and Control Skid was completed, also.

Administration building office additions and split of the GM’s office was completed.

The Reclamation Facility also has capital asset projects underway: Sodium Hypochlorite feed piping; PLC Filter and Controls; Lim Torque Valves rehabilitation.

Construction in progress projects include the treatment plant’s ongoing projects related to biosolids handling and biosolids to energy projects.

GOLETA SANITARY DISTRICT’S CAPITAL ASSETS

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Land	\$ 327,243	\$ 327,243	\$ 327,243
Construction in Progress	15,241,393	7,736,705	7,232,062
Collection Facilities	32,080,459	30,594,710	29,953,062
Treatment Facilities	75,042,786	74,593,499	71,070,427
Disposal Facilities	3,743,731	3,743,731	3,743,731
Admin Facilities and all vehicles	2,271,162	3,330,970	3,330,970
Wastewater Reclamation	<u>15,692,365</u>	<u>15,692,365</u>	<u>15,634,929</u>
Total	<u>\$ 144,399,139</u>	<u>\$ 136,019,223</u>	<u>\$ 131,292,424</u>
Less Accumulated Depreciation	<u>\$ (69,404,066)</u>	<u>\$ (65,402,988)</u>	<u>\$ (62,580,215)</u>
Net Capital Assets	<u>\$ 74,995,073</u>	<u>\$ 70,616,235</u>	<u>\$ 68,712,209</u>

Additional information on the Goleta Sanitary District’s capital assets can be found in Note 4 on page 26 of this report.

Long-term liabilities. At the fiscal year-end, June 30, 2025, the Goleta Sanitary District held current and long-term liabilities related to the BEBP project loan. Information on long-term liabilities can be found in Note 5 on page 27 and the discussion in Note 8 on page 35 of this report.

Economic Factors and Next Year's Budgets and Rates

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

Other Post-Employment Benefits

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2009, the District joined the CalPERS medical program. An actuarial was performed during the 2024-2025 fiscal year to complete a valuation of the District's postemployment medical program with a measurement date of June 30, 2024, compliant under GASB Statement No. 75. The purpose of the valuation is to determine the value of the expected postretirement benefits for current and future retirees and the net OPEB benefit cost of the fiscal year ending June 30, 2025. GASB Statement No. 75 has many accounts and features that are similar to GASB Statement No. 68 related to pensions. The actuarial report prepared during Fiscal Year 2024-2025 noted that the plan net OPEB was a liability of \$1,812,020. Actual cash contributions to CERBT for Plan year 24-25 came to \$337,401.90 in the form of direct payments to CERBT, reimbursements to retirees, and direct premium payments to CalPERS. Details can be found in Note 7 beginning on page 32 of this report.

Requests for Information

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

Basic Financial Statements

Goleta Sanitary District
Statement of Net Position – Enterprise Fund
June 30, 2025
With Comparative Totals for June 30, 2024

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and investments	\$ 47,104,163	\$ 48,812,224
Accounts receivable	2,592,411	1,962,609
Inventories	88,762	89,212
Prepaid expenses	<u>138,024</u>	<u>117,595</u>
Total current assets	49,923,360	50,981,640
CAPITAL ASSETS, net	<u>74,995,073</u>	<u>70,616,235</u>
Total assets	<u>124,918,433</u>	<u>121,597,875</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension	2,374,327	3,386,536
Related to OPEB	<u>2,024,954</u>	<u>2,142,562</u>
Total deferred outflows of resources	<u>4,399,281</u>	<u>5,529,098</u>
Total assets and deferred outflows of resources	<u>\$ 129,317,714</u>	<u>\$ 127,126,973</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,035,414	\$ 1,851,915
Current portion of compensated absences payable	60,294	56,783
Current portion of note payable from direct borrowing	<u>285,383</u>	<u>277,060</u>
Total current liabilities	<u>1,381,091</u>	<u>2,185,758</u>
NONCURRENT LIABILITIES		
Compensated absences payable, net of current portion	180,881	170,348
Note payable from direct borrowing, net of current portion	12,240,668	12,799,040
Net OPEB liability	1,812,020	1,649,761
Net pension liability	<u>2,787,547</u>	<u>2,954,869</u>
Total liabilities	<u>18,402,207</u>	<u>19,759,776</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pension	1,428,876	1,723,976
Related to OPEB	<u>791,978</u>	<u>993,010</u>
Total deferred inflows of resources	<u>2,220,854</u>	<u>2,716,986</u>
NET POSITION		
Net investment in capital assets	64,367,752	67,473,489
Restricted for capital expansion	11,086,600	7,288,998
Restricted for construction	1,898,730	9,933,354
Unrestricted	<u>31,341,571</u>	<u>19,954,370</u>
Total net position	<u>108,694,653</u>	<u>104,650,211</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 129,317,714</u>	<u>\$ 127,126,973</u>

See accompanying notes to basic financial statements.

Goleta Sanitary District

Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund

Year Ended June 30, 2025

With Comparative Totals for Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Services charges	\$ 9,186,956	\$ 9,180,940
Permit and inspection fees	48,273	41,967
Sewage treatment - other agencies	4,360,834	3,727,320
Administrative charges	<u>288,038</u>	<u>234,545</u>
Total operating revenues	<u>13,884,101</u>	<u>13,184,772</u>
OPERATING EXPENSES		
Sewage collection	2,715,827	2,741,995
Sewage treatment	10,058,245	8,515,866
Plant pump station	308,816	337,728
Sewage disposal	74,087	127,686
Administrative and general	2,008,499	1,872,872
Wastewater reclamation	<u>952,423</u>	<u>799,586</u>
Total expenditures	<u>16,117,897</u>	<u>14,395,733</u>
OPERATING LOSS	<u>(2,233,796)</u>	<u>(1,210,961)</u>
NONOPERATING REVENUES (EXPENSES)		
Property tax	236,412	228,483
Intergovernmental	723	735
Interest on bank deposits and investments, net	2,404,694	2,477,592
Interest expense on direct borrowing	(525,522)	(402,080)
Annexation charges	25,670	2,592
Reimbursements from participating agencies	14,004	11,042
Loss on disposal of capital assets	-	(562,726)
Other nonoperating revenues	<u>3,922,716</u>	<u>2,500,086</u>
Total nonoperating revenues, net	<u>6,078,697</u>	<u>4,255,724</u>
Income before capital contributions	3,844,901	3,044,763
CAPITAL CONTRIBUTIONS	<u>199,541</u>	<u>334,027</u>
Change in net position	4,044,442	3,378,790
NET POSITION, beginning of year	<u>104,650,211</u>	<u>101,271,421</u>
NET POSITION, end of year	<u>\$ 108,694,653</u>	<u>\$ 104,650,211</u>

See accompanying notes to basic financial statements.

Goleta Sanitary District
Statement of Cash Flows – Enterprise Fund
Year Ended June 30, 2025
With Comparative Totals for Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 13,254,299	\$ 12,824,383
Payments to suppliers	(6,531,036)	(4,090,684)
Payments to employees	<u>(5,779,597)</u>	<u>(5,680,998)</u>
Net cash provided by operating activities	<u>943,666</u>	<u>3,052,701</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes	236,412	228,483
Intergovernmental	723	735
Reimbursements from participating agencies	14,004	11,042
Annexation charges	25,670	2,592
Other nonoperating revenues	<u>3,922,716</u>	<u>2,500,086</u>
Net cash provided by noncapital financing activities	<u>4,199,525</u>	<u>2,742,938</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contributions	199,541	334,027
Acquisition and construction of capital assets	(8,379,916)	(6,315,426)
Principal paid on long-term debt	(550,049)	(541,968)
Interest paid on long-term debt	<u>(525,522)</u>	<u>(402,080)</u>
Net cash used in capital and related financing activities	<u>(9,255,946)</u>	<u>(6,925,447)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>2,404,694</u>	<u>2,493,745</u>
Net cash provided by investing activities	<u>2,404,694</u>	<u>2,493,745</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,708,061)	1,363,937
CASH AND CASH EQUIVALENTS, beginning of year	<u>48,812,224</u>	<u>47,448,287</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 47,104,163</u>	<u>\$ 48,812,224</u>

See accompanying notes to basic financial statements.

Goleta Sanitary District
Statement of Cash Flows – Enterprise Fund (Continued)
Year Ended June 30, 2025
 With Comparative Totals for Year Ended June 30, 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (2,233,796)	\$ (1,210,961)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation	4,001,078	3,848,674
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources		
Accounts receivable	(629,802)	(360,389)
Inventory	450	(787)
Prepaid expenses	(20,429)	(21,227)
Deferred outflows	1,129,817	1,642,952
Accounts payables	(816,501)	(14,492)
Net OPEB obligation	162,259	734,506
Compensated absences	14,044	5,643
Net pension liability	(167,322)	(2,758,438)
Deferred inflows	(496,132)	1,187,220
	<u> </u>	<u> </u>
Net cash provided by operating activities	<u>\$ 943,666</u>	<u>\$ 3,052,701</u>

See accompanying notes to basic financial statements.

Note 1 – Reporting Entity

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

Note 2 –Summary of Significant Accounting Policies

A. Recently Adopted Accounting Pronouncements

Effective for the year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for recognizing and measuring liabilities associated with compensated absences. The District applied the Statement prospectively, and implementation did not require a restatement of prior year balances.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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

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

C. Plant Capacity Rights

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

Goleta Sanitary District
Notes to Basic Financial Statements
June 30, 2025

For the year ended June 30, 2025, agreements were in effect for the following capacity rights:

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

D. Budgetary Procedures

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

E. Cash and Investments

Cash and investments are reported at fair value in the statement of net position. Changes in fair value are recognized as investment income in the period in which they are earned. The District maintains cash and investment balances across various funds to support operational needs, finance capital projects, and manage long-term obligations.

F. Fair Value Measurement of Investments

The District applies GASB Statement No. 72 for determining a fair value measurement for investments for reporting purposes, applying fair value to investments, and disclosures related to all hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

G. Prepaid Expense

Payments to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items. The District utilizes the consumption method of accounting for purchases, and accounts for prepaid costs in the period that the benefit was received and recognizes expenses as consumed.

H. Inventory

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

I. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets, are reported in the District's enterprise fund. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs

which are amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are reported at acquisition value, which represents the price that would be paid to acquire an asset with equivalent service potential at the date of donation.

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service.

J. Compensated Absences

Employees are entitled to accumulate vacation leave at rates ranging from two to five weeks per year, depending on years of service. Vacation leave is fully vested and payable upon termination of employment. Employees may also earn compensatory time for overtime, call-back work, or standby duty, subject to a maximum accrual of 40 hours.

In accordance with GASB Statement No. 101, *Compensated Absences*, a liability is recognized for leave that (1) is attributable to past service, (2) accumulates, and (3) is more likely than not to be used or otherwise paid. The liability is measured using the pay rates in effect at fiscal year-end and includes applicable salary-related payments. The compensated absences liability is reported in the government-wide Statement of Net Position. As of June 30, 2025, and 2024, the liability was \$241,175 and \$227,131, respectively.

K. Restricted Assets

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

L. Capital Contributions

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

M. Uncollectible Accounts

The District estimates uncollectible accounts using the allowance method. The estimate is based on historical collection experience, the aging of outstanding receivables, and specific identification of potentially uncollectible accounts. The allowance is recorded as a reduction to accounts receivable in the

statement of net position. Changes in the allowance are recognized in current-period operating revenues.

N. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Santa Barbara for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

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

Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as they exist at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

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

Tax Levy Apportionments - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees -The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes.

The District does not receive a substantial amount of property taxes. For the fiscal years ended June 30, 2025 and 2024, the District received \$236,412 and \$228,483, respectively. The District does not receive property tax from every parcel in its service area, only those parcels for which the property taxes were negotiated at the time it was annexed.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, requires the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

P. Pensions

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

Q. Postemployment Benefits Other than Pensions (OPEB)

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

R. Deferred Outflows and Inflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District reports deferred outflows and deferred inflows of resources separately from assets and liabilities in the Statement of Net Position.

Deferred outflows of resources represent a consumption of net position that applies to future reporting periods, while deferred inflows of resources represent an acquisition of net position applicable to future periods. These amounts are recognized in the period(s) to which they relate, rather than in the period of the underlying cash transaction. The District has recorded deferred outflows and deferred inflows of resources related to its participation in CalPERS and its OPEB plan and trust. Additional detail on the components of these amounts is provided in Note 6 and Note 7.

S. Net Position

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

Net investment in capital assets – consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt used to acquire or construct those assets. If no related debt exists, this component reflects the net book value of the capital assets.

Restricted – represents amounts that are subject to externally imposed restrictions, such as those imposed by creditors, grantors, contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.

Unrestricted – includes all remaining net position not classified as either net investment in capital assets or restricted. This amount is available to be used for general operations of the District.

Goleta Sanitary District
Notes to Basic Financial Statements
June 30, 2025

T. Future Accounting Pronouncements

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

Statement No. 103	“Financial Reporting Model Improvements”	The Provision of this statement are effective for fiscal years beginning after June 15, 2025
Statement No. 104	“Disclosure of Certain Capital Assets”	The Provision of this statement are effective for fiscal years beginning after June 15, 2025

U. Comparative Data

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

Note 3 – Cash and Investments

Cash and investments as of June 30, 2025, and 2024, are classified in the accompanying financial statements as follows:

	<u>2025</u>	<u>2024</u>
Cash and investments		
Investment in California CLASS	\$ 3,266,824	\$ 3,116,006
Investments in LAIF	4,147	3,948
Cash with financial institutions	31,953,256	29,259,400
Imprest cash	468	500
Restricted cash and investments		
Investment in California CLASS	2,438,864	2,365,407
Cash with fiscal agent	1,898,730	9,933,354
Cash with financial institution	<u>7,541,874</u>	<u>4,133,609</u>
 Total cash and investments	 <u>\$ 47,104,163</u>	 <u>\$ 48,812,224</u>

Cash and investments are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net position	<u>\$ 47,104,163</u>	<u>\$ 48,812,224</u>
 Total cash and investments	 <u>\$ 47,104,163</u>	 <u>\$ 48,812,224</u>

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investments in Local Agency Investment Fund (LAIF) and California CLASS are measured at amortized cost.

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations – CA and Others	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Bankers' Acceptances	180 Days	40%	None
Commercial Paper	270 Days	25%	\$0
Negotiable Certificates of Deposit	5 Years	30%	None
Non-negotiable Certificates of Deposit	5 Years	50%	None
Placement Services Deposits	5 Years	50%	None
Repurchase and Reserve			
Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	None
Mutual Funds	N/A	20%	\$0
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 Years	None	None
California Cooperative Liquid Asset Securities Systems	5 Years	None	None
Local Agency Investment Fund	5 Years	None	\$75,000,000

Interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments (including investments held by fiscal agents) to market interest rate fluctuations is provided by the following table, that shows the distribution of the District's investments by maturity:

2025 Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund (LAIF)	\$ 4,147	\$ 4,147	\$ –	\$ –	\$ –
California CLASS	5,705,688	5,705,688	–	–	–
Total	<u>\$ 5,709,835</u>	<u>\$ 5,709,835</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

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2024 Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
Local Agency Investment Fund (LAIF)	\$ 3,948	\$ 3,948	\$ -	\$ -	\$ -
California CLASS	5,481,413	5,481,413	-	-	-
Total	\$ 5,485,361	\$ 5,485,361	\$ -	\$ -	\$ -

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

2025 Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
Local Agency Investment Fund (LAIF)	\$ 4,147	N/A	\$ -	\$ -	\$ -	\$ 4,147
California CLASS	5,705,688	N/A	5,705,688	-	-	-
Total	\$ 5,709,835		\$ 5,705,688	\$ -	\$ -	\$ 4,147

2024 Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
Local Agency Investment Fund (LAIF)	\$ 3,948	N/A	\$ -	\$ -	\$ -	\$ 3,948
California CLASS	5,481,413	N/A	5,481,413	-	-	-
Total	\$ 5,485,361		\$ 5,481,413	\$ -	\$ -	\$ 3,948

Concentration of credit risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

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

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

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

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

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each entity may invest up to \$75,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. LAIF's and the District's exposure to risk (credit, market or legal) is not currently available. Section 16429.3 states that "money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State Agency".

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Note 4 – Capital Assets

Capital asset activity for the years ended June 30, 2025, and 2024, is summarized as follows:

	Beginning July 1, 2024	Additions	Deletions	Transfers	Ending June 30, 2025
Capital assets not subject to depreciation					
Land	\$ 327,243	\$ –	\$ –	\$ –	\$ 327,243
Construction in progress	7,736,705	7,964,393	–	(459,705)	15,241,393
Total capital assets not subject to depreciation	<u>8,063,948</u>	<u>7,964,393</u>	<u>–</u>	<u>(459,705)</u>	<u>15,568,636</u>
Capital assets subject to depreciation					
Collection Facilities	30,594,710	368,867	–	1,116,882	32,080,459
Treatment Facilities	74,593,499	46,656	–	402,631	75,042,786
Disposal Facilities	3,743,731	–	–	–	3,743,731
General Admin Facilities	3,330,970	–	–	(1,059,808)	2,271,162
Wastewater Reclamation Facility	15,692,365	–	–	–	15,692,365
Total capital assets subject to depreciation	<u>127,955,275</u>	<u>415,523</u>	<u>–</u>	<u>459,705</u>	<u>128,830,503</u>
Less accumulated depreciation for					
Collection Facilities	12,126,933	772,886	–	979,303	13,879,122
Treatment Facilities	35,558,473	2,621,277	–	151,150	38,330,900
Disposal Facilities	3,474,312	49,035	–	–	3,523,347
General Admin Facilities	2,944,867	139,692	–	(1,130,453)	1,954,106
Wastewater Reclamation Facility	11,298,403	418,188	–	–	11,716,591
Total accumulated depreciation	<u>65,402,988</u>	<u>4,001,078</u>	<u>–</u>	<u>–</u>	<u>69,404,066</u>
Total capital assets subject to depreciation, net	<u>62,552,287</u>	<u>(3,585,555)</u>	<u>–</u>	<u>459,705</u>	<u>59,426,437</u>
Total capital assets, net	<u>\$ 70,616,235</u>	<u>\$ 4,378,838</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 74,995,073</u>

Goleta Sanitary District
Notes to Basic Financial Statements
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	Beginning July 1, 2023	Additions	Deletions	Transfers	Ending June 30, 2024
Capital assets not subject to depreciation					
Land	\$ 327,243	\$ -	\$ -	\$ -	\$ 327,243
Construction in progress	7,232,062	6,228,352	-	(5,723,709)	7,736,705
Total capital assets not subject to depreciation	7,559,305	6,228,352	-	(5,723,709)	8,063,948
Capital assets subject to depreciation					
Collection Facilities	29,953,062	-	-	641,648	30,594,710
Treatment Facilities	71,070,427	87,074	(1,588,627)	5,024,625	74,593,499
Disposal Facilities	3,743,731	-	-	-	3,743,731
General Admin Facilities	3,330,970	-	-	-	3,330,970
Wastewater Reclamation Facility	15,634,929	-	-	57,436	15,692,365
Total capital assets subject to depreciation	123,733,119	87,074	(1,588,627)	5,723,709	127,955,275
Less accumulated depreciation for					
Collection Facilities	11,313,926	813,007	-	-	12,126,933
Treatment Facilities	34,189,014	2,395,360	(1,025,901)	-	35,558,473
Disposal Facilities	3,368,171	106,141	-	-	3,474,312
General Admin Facilities	2,836,562	108,305	-	-	2,944,867
Wastewater Reclamation Facility	10,872,542	425,861	-	-	11,298,403
Total accumulated depreciation	62,580,215	3,848,674	(1,025,901)	-	65,402,988
Total capital assets subject to depreciation, net	61,152,904	(3,761,600)	(562,726)	5,723,709	62,552,287
Total capital assets, net	\$ 68,712,209	\$ 2,466,752	\$ (562,726)	\$ -	\$ 70,616,235

Note 5 – Long-Term Liabilities

The following is a summary of long-term liabilities for the years ended June 30, 2025, and 2024:

	Beginning July 1, 2024	Additions	Reductions	Ending June 30, 2025	Due Within One Year
Compensated absences	\$ 227,131	\$ 285,070	\$ 271,026	\$ 241,175	\$ 60,294
Note from direct borrowing	13,076,100	-	550,049	12,526,051	285,383
Net OPEB liability	1,649,761	162,259	-	1,812,020	-
Net pension liability	2,954,869	-	167,322	2,787,547	-
Total long-term liabilities	\$ 17,907,861	\$ 447,329	\$ 988,397	\$ 17,366,793	\$ 345,677

Goleta Sanitary District
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	Beginning July 1, 2023	Additions	Reductions	Ending June 30, 2024	Due Within One Year
Compensated absences	\$ 221,488	\$ 245,538	\$ 239,895	\$ 227,131	\$ 56,783
Note from direct borrowing	13,618,068	-	541,968	13,076,100	277,060
Net OPEB liability	915,255	734,506	-	1,649,761	-
Net pension liability	5,713,307	-	2,758,438	2,954,869	-
Total long-term liabilities	\$ 20,468,118	\$ 980,044	\$ 3,540,301	\$ 17,907,861	\$ 333,843

Note 6 – Pension Plan

A. General Information about the Pension Plan

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

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

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

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The plans' provisions and benefits in effect at June 30, 2024 (measurement date), are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.000%	8.250%
Required employer contribution rates	13.31% + \$100,897	8.180%

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

At June 30, 2025, the District reported a liability of \$2,787,547 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined.

The District's proportionate share of net pension liability for the plan as of June 30, 2025, was as follows:

Proportion - June 30, 2023	0.05909%
Proportion - June 30, 2024	<u>0.05763%</u>
Change - increase (decrease)	<u><u>-0.00146%</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$888,955. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

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At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 339,167	\$ -
Differences between expected and actual experience	241,009	9,404
Changes in assumptions	71,646	-
Net difference between projected and actual earnings on retirement plan investments	160,476	-
Adjustment due to differences in proportions	182,043	1,002,344
Difference in actual contributions and proportionate share of contributions	<u>1,379,986</u>	<u>417,128</u>
	<u>\$ 2,374,327</u>	<u>\$ 1,428,876</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. \$339,167 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 266,800
2027	449,012
2028	(54,535)
2029	<u>(54,993)</u>
	<u>\$ 606,284</u>

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Actuarial assumptions – The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

	<u>Miscellaneous</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Mortality rates were developed using CalPERS-specific data and include generational improvements based on 80% of Scale MP-2020 from the Society of Actuaries, consistent with the CalPERS 2021 Experience Study.

Long-term expected rate of return – In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)(b)</u>
Global Equity - cap-weighted	30.0%	4.54%
Global Equity -non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	<u>-5.0%</u>	-0.59%
 Total	 <u>100.0%</u>	

(a) An expected inflation of 2.30% was used for this period
(b) Figures are based on 2021 Asset Liability Management Study

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Discount rate – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate – The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90% percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90 percent) or 1 percentage point higher (7.90 percent) than the current rate:

	Discount Rate -1% 5.90%	Current Discount 6.90%	Discount Rate +1% 7.90%
District's proportionate share of the net pension plan liability	\$ 6,291,354	\$ 2,787,547	\$ (96,602)

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

Note 7 – Post Employment Benefits Other Than Pensions

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

Funding Policy – In 2009, the District joined the CalPERS medical program. In 2022, the District contributed the full cost of retiree and spousal coverage, up to the cost of PERS Choice coverage in comparison to the "unequal contribution" approach that was used at the inception of the CalPERS medical program. The District's contribution will be based on each retiree's age and enrollment status. The contribution requirements of plan members and the District are established and may be amended by the District and the employee associations. Currently, contributions are not required from plan members.

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

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Actuarial methods and assumptions – The total OPEB liability measured as of June 30, 2024, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increase rate	3.25% plus merit Component
Discount rate	6.40% based on the CERBT Strategy 1 investment policy
Inflation rate	2.30%
Investment rate of return	6.40% based on the CERBT Strategy 1 investment policy
Healthcare cost trend rate	7.74% for 2025, 7.49% for 2026, 7.24% for 2027, 4.65% - 6.85% from 2028 through 2034.

Change in assumptions – The discount rate increased from 6.00% to 6.40%, inflation rate decreased from 2.50% to 2.30%, and healthcare cost trend rate used 2025 SOA Getzen Model of Long-Run Medical Costs.

Discount Rate – The discount rate is based on a blend of the long-term expected rate of return on assets for benefits covered by plan assets and a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets. Long-Term Expected Rates of Return are cited in CalPERS Investment Committee’s March 2022 Agenda Item 7b. CalPERS expected inflation is 2.30% The District’s OPEB assets projected at the Strategy 1 CERBT discount rate is sufficient to cover future benefit payments.

Changes in the OPEB liability – The table below shows the changes in the net OPEB liability during the measurement period ending on June 30, 2024:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2024 (Valuation Date June 30, 2023)	\$ 5,989,174	\$ 4,339,413	\$ 1,649,761
Changes recognized for the measurement period:			
Service cost	235,177	–	235,177
Interest	367,838	–	367,838
Changes in assumptions	386,863	–	386,863
Differences between expected and actual experience	19,012	–	19,012
Contribution - employer	–	371,723	(371,723)
Net investment income	–	476,325	(476,325)
Administrative expense	–	(1,417)	1,417
Benefit payments	(190,200)	(190,200)	–
Net changes	<u>818,690</u>	<u>656,431</u>	<u>162,259</u>
Balance at June 30, 2025 (Measurement Date, June 30, 2024)	<u>\$ 6,807,864</u>	<u>\$ 4,995,844</u>	<u>\$ 1,812,020</u>

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Sensitivity of the OPEB liability to changes in the discount rate – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.40 percent) or 1 percentage point higher (7.40 percent) than the current discount rate:

	1% Decrease 5.40%	Current Rate 6.40%	1% Increase 7.40%
Net OPEB Liability	\$ 2,753,720	\$ 1,812,020	\$ 1,029,796

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.74 percent) or 1 percentage point higher (8.74 percent) than the current healthcare cost trend rates:

	1% Decrease 6.74%	Trend Rate 7.74%	1% Increase 8.74%
Net OPEB Liability	\$ 915,726	\$ 1,812,020	\$ 2,921,133

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

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	49.00%	6.80%
Fixed Income	23.00%	3.70%
TIPS	5.00%	2.80%
Real Estate Investment Trusts	20.00%	6.00%
Commodities	3.00%	3.40%
	<u>100.00%</u>	

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued SBCERS financial reports.

OPEB expense and deferred outflows/inflows of resources related to OPEB – For year ended June 30, 2025, the District recognized OPEB expense of \$459,564. OPEB income/expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or methods.

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For year ended June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 380,428	\$ -
Differences between expected and actual experience	575,735	72,754
Change in assumptions	982,785	719,224
Net difference between projected and actual earnings on retirement plan investments	<u>86,006</u>	<u>-</u>
Total	<u>\$ 2,024,954</u>	<u>\$ 791,978</u>

Employer contributions of \$380,428 reported at June 30, 2025 as deferred outflows of resources related to contributions subsequent to measurement date will be recognized as a reduction of OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2026	\$ 100,455
2027	228,677
2028	57,439
2029	122,258
2030	181,486
Thereafter	<u>162,233</u>
	<u>\$ 852,548</u>

Note 8 – Note From Direct Borrowing

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

Goleta Sanitary District
Notes to Basic Financial Statements
June 30, 2025

The installment payment schedule as of June 30, 2025, is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 285,383	\$ 186,641	\$ 472,024
2027	583,595	360,454	944,049
2028	601,128	342,921	944,049
2029	619,186	324,862	944,048
2030	637,788	306,260	944,048
2031-2035	3,488,126	1,232,116	4,720,242
2036-2040	4,044,524	675,717	4,720,241
2041-2042	2,266,321	100,846	2,367,167
	<u>\$ 12,526,051</u>	<u>\$ 3,529,817</u>	<u>\$ 16,055,868</u>

Note 9 – Wastewater Reclamation Project

On October 15, 1990, the District entered into an agreement with the Goleta Water District to jointly develop and operate a wastewater reclamation project. The project involves the treatment of the District’s wastewater to produce reclaimed water, which is then distributed for use by the Goleta Water District’s customers.

Under the terms of the agreement, the District was responsible for constructing the additional treatment facilities, which are integrated into the existing wastewater treatment plant. The Goleta Water District was responsible for constructing the pumping and distribution infrastructure necessary to deliver the reclaimed water. The District also provided the land for the Reclamation Facility.

The Reclamation Facility is designed with a treatment, storage, and pumping capacity of 3.3 million gallons per day. Pursuant to the agreement, the Goleta Water District is ultimately responsible for all costs related to the design, construction, and ongoing operations of the facility. The Goleta Water District retains the rights to the reclaimed water, subject to conditions specified in the agreement.

The project was substantially completed and placed into operational service in August 1994.

Note 10 – Commitments and Contingencies

Litigation – According to the District’s management, no contingent liabilities are outstanding, and no lawsuits are pending of any real financial consequence

Note 11 – Risk Management

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

A. Description of Joint Powers Authority

The Authority is comprised of 59 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance and risk management for the pooling of self-insured losses and to purchase excess insurance coverage. Each member has a representative on the Board of Directors. Officers of the Authority are elected annually by the Board members.

B. Self-Insurance Programs of the Authority

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

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

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

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

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

Note 12 – Net Position

Restricted net position consists of amounts that have legal restrictions imposed by parties outside of the reporting entity. Unrestricted net position is a catch all for all remaining net position not accounted for in the other two categories. The following is included in Restricted Net Position:

Reserve for Plant Capacity Expansion – This restricted reserve is related to that portion of the District's net position attributable to capacity expansion connection fees. Such fees can only be used for plant expansion. At June 30, 2025 and 2024, this restricted amount was \$11,086,600 and \$7,288,998, respectively.

Restricted for Biosolids and Energy Strategic Plan – This portion of the District's net position is the unspent portion of the installment sale note from direct borrowing and is only for use in the Biosolids and Energy Strategic Plan project. At June 30, 2025 and 2024, this restricted amount was \$1,898,730 and \$9,933,354, respectively.

Note 13 – Subsequent Events

Subsequent events have been evaluated through January 19, 2026, the date at which the financial statements were available to be issued.

Required Supplementary Information

Goleta Sanitary District
Schedule of Proportionate Share of Net Pension Liability – Last 10 Years
As of June 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the net pension liability	0.02299%	0.02369%	0.04946%	0.04628%	0.04409%
Proportionate share of the net pension liability	\$ 2,787,547	\$ 2,954,869	\$ 5,713,307	\$ 2,502,959	\$ 4,797,712
Covered payroll	\$ 3,393,361	\$ 3,081,174	\$ 3,037,759	\$ 3,080,465	\$ 2,962,731
Proportionate share of the net pension liability as percentage of covered payroll	82.15%	95.90%	188.08%	81.25%	161.94%
Plan's total pension liability	\$ 55,320,956,562	\$ 52,441,984,274	\$ 49,525,975,138	\$ 46,174,942,264	\$ 43,702,930,887
Plan's fiduciary net position	\$ 43,193,516,203	\$ 39,966,633,692	\$ 37,975,170,163	\$ 40,766,653,876	\$ 32,822,501,335
Plan fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	0.04336%	0.04244%	0.04260%	0.04215%	0.03991%
Proportionate share of the net pension liability	\$ 4,442,628	\$ 4,090,003	\$ 4,224,332	\$ 3,647,366	\$ 2,739,101
Covered payroll	\$ 2,711,945	\$ 2,995,198	\$ 2,609,634	\$ 2,526,857	\$ 2,378,509
Proportionate share of the net pension liability as percentage of covered payroll	163.82%	136.55%	161.87%	144.34%	115.16%
Plan's total pension liability	\$ 41,426,453,489	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402
Plan's fiduciary net position	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

Note to Schedule:

There were no changes to assumptions during the year ended June 30, 2025.

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Goleta Sanitary District
Schedule of Pension Contributions – Last 10 Years
As of June 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 339,167	\$ 384,474	\$ 718,551	\$ 658,862	\$ 615,256
Contributions in relation to the contractually required contribution	<u>(339,167)</u>	<u>(384,474)</u>	<u>(3,807,921)</u>	<u>(658,862)</u>	<u>(615,256)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (3,089,370)</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 3,047,461	\$ 3,393,361	\$ 3,081,174	\$ 3,037,759	\$ 3,080,465
Contributions as a percentage of covered payroll	11.13%	11.33%	23.32%	21.69%	19.97%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 619,908	\$ 529,842	\$ 545,176	\$ 429,773	\$ 392,036
Contributions in relation to the contractually required contribution	<u>(619,908)</u>	<u>(529,842)</u>	<u>(545,176)</u>	<u>(429,773)</u>	<u>(392,036)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 2,962,731	\$ 2,711,945	\$ 2,995,198	\$ 2,609,634	\$ 2,526,857
Contributions as a percentage of covered payroll	20.92%	19.54%	18.20%	16.47%	15.51%

Note to Schedule:

There were no changes to assumptions during the year ended June 30, 2025.

Goleta Sanitary District

Schedule of Changes in the OPEB Liability and Related Ratios – Last 10 Years*

As of June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability					
Service cost	\$ 235,177	\$ 169,774	\$ 182,212	\$ 141,331	\$ 149,735
Interest on the total OPEB liability	367,838	354,608	315,229	291,378	293,274
Actual and expected experience difference	19,012	-	901,434	5,306	(5,469)
Change in assumptions	386,863	872,278	(655,913)	-	(325,191)
Changes in benefit terms	-	-	-	-	-
Benefit payments	<u>(190,200)</u>	<u>(217,430)</u>	<u>(158,954)</u>	<u>(143,863)</u>	<u>(116,597)</u>
Net change in OPEB liability	<u>818,690</u>	<u>1,179,230</u>	<u>584,008</u>	<u>294,152</u>	<u>(4,248)</u>
Total OPEB liability - beginning	<u>5,989,174</u>	<u>4,809,944</u>	<u>4,225,936</u>	<u>3,931,784</u>	<u>3,936,032</u>
Total OPEB liability - ending	<u>\$ 6,807,864</u>	<u>\$ 5,989,174</u>	<u>\$ 4,809,944</u>	<u>\$ 4,225,936</u>	<u>\$ 3,931,784</u>
Plan Fiduciary Net Position					
Contribution - employer	\$ 371,723	\$ 407,907	\$ 359,425	\$ 356,984	\$ 334,190
Net investment income	476,325	255,385	(584,514)	880,716	113,954
Benefit payments	(190,200)	(217,430)	(158,954)	(143,863)	(116,597)
Administrative expense	<u>(1,417)</u>	<u>(1,138)</u>	<u>(1,092)</u>	<u>(1,213)</u>	<u>(1,414)</u>
Net change in plan fiduciary net position	<u>656,431</u>	<u>444,724</u>	<u>(385,135)</u>	<u>1,092,624</u>	<u>330,133</u>
Total plan fiduciary net position - beginning	<u>4,339,413</u>	<u>3,894,689</u>	<u>4,279,824</u>	<u>3,187,200</u>	<u>2,857,067</u>
Total plan fiduciary net position - ending	<u>\$ 4,995,844</u>	<u>\$ 4,339,413</u>	<u>\$ 3,894,689</u>	<u>\$ 4,279,824</u>	<u>\$ 3,187,200</u>
Total net OPEB liability - ending	<u>\$ 1,812,020</u>	<u>\$ 1,649,761</u>	<u>\$ 915,255</u>	<u>\$ (53,888)</u>	<u>\$ 744,584</u>
Covered payroll	\$ 3,316,308	\$ 3,361,861	\$ 3,173,639	\$ 3,230,223	\$ 3,031,111
Total net OPEB liability as a % of covered payroll	54.64%	49.07%	28.84%	-1.67%	24.56%
Plan fiduciary net position as a percentage of total OPEB liability	73.38%	72.45%	80.97%	101.28%	81.06%

Goleta Sanitary District

Schedule of Changes in the OPEB Liability and Related Ratios – Last 10 Years*

As of June 30, 2025

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 142,604	\$ 155,373	\$ 147,974
Interest on the total OPEB liability	271,402	306,910	284,763
Actual and expected experience difference	3,998	(240,756)	1,341
Change in assumptions	-	(564,625)	-
Changes in benefit terms	-	-	-
Benefit payments	<u>(132,500)</u>	<u>(131,291)</u>	<u>(143,019)</u>
Net change in OPEB liability	<u>285,504</u>	<u>(474,389)</u>	<u>291,059</u>
Total OPEB liability - beginning	<u>3,650,528</u>	<u>4,124,917</u>	<u>3,833,858</u>
Total OPEB liability - ending	<u>\$ 3,936,032</u>	<u>\$ 3,650,528</u>	<u>\$ 4,124,917</u>
Plan Fiduciary Net Position			
Contribution - employer	\$ 356,618	\$ 357,543	\$ 336,291
Net investment income	157,288	164,504	181,510
Benefit payments	(132,500)	(131,291)	(143,019)
Administrative expense	<u>(540)</u>	<u>(1,130)</u>	<u>(926)</u>
Net change in plan fiduciary net position	<u>380,866</u>	<u>389,626</u>	<u>373,856</u>
Total plan fiduciary net position - beginning	<u>2,476,201</u>	<u>2,086,575</u>	<u>1,712,719</u>
Total plan fiduciary net position - ending	<u>\$ 2,857,067</u>	<u>\$ 2,476,201</u>	<u>\$ 2,086,575</u>
Total net OPEB liability - ending	<u>\$ 1,078,965</u>	<u>\$ 1,174,327</u>	<u>\$ 2,038,342</u>
Covered payroll	\$ 2,867,993	\$ 2,711,945	\$ 2,995,198
Total net OPEB liability as a % of covered payroll	37.62%	43.30%	68.05%
Plan fiduciary net position as a percentage of total OPEB liability	72.59%	67.83%	50.58%

Note to Schedule:

Change in assumptions – The discount rate increased from 6.00% to 6.40%, inflation rate decreased from 2.50% to 2.30%, and healthcare cost trend rate used 2025 SOA Getzen Model of Long-Run Medical Costs.

*Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

Goleta Sanitary District
Schedule of OPEB Contributions – Last 10 Years*
As of June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially Determined Contribution (ADC)	\$ 439,956	\$ 371,333	\$ 238,074	\$ 209,674	\$ 248,434
Contributions in relation to the ADC	<u>(380,428)</u>	<u>(336,087)</u>	<u>(336,088)</u>	<u>(359,425)</u>	<u>(356,387)</u>
Contribution deficiency (excess)	<u>\$ 59,528</u>	<u>\$ 35,246</u>	<u>\$ (98,014)</u>	<u>\$ (149,751)</u>	<u>\$ (107,953)</u>
Covered payroll	\$ 3,316,308	\$ 3,361,861	\$ 3,173,639	\$ 3,230,223	\$ 3,031,111
Contributions as a percentage of covered payroll	11.47%	10.00%	10.59%	11.13%	11.76%
	<u>2020</u>	<u>2019</u>	<u>2018</u>		
Actuarially Determined Contribution (ADC)	\$ 238,643	\$ 238,643	\$ 321,290		
Contributions in relation to the ADC	<u>(344,190)</u>	<u>(356,618)</u>	<u>(357,543)</u>		
Contribution deficiency (excess)	<u>\$ (105,547)</u>	<u>\$ (117,975)</u>	<u>\$ (36,253)</u>		
Covered payroll	\$ 2,867,993	\$ 2,711,945	\$ 2,995,198		
Contributions as a percentage of covered payroll	12.00%	13.15%	11.94%		

Note to Schedule:

Change in assumptions – The discount rate increased from 6.00% to 6.40%, inflation rate decreased from 2.50% to 2.30%, and healthcare cost trend rate used 2025 SOA Getzen Model of Long-Run Medical Costs.

*Fiscal year 2018 was the first year of implementation, therefore only eight years are shown.

**Report of Independent Auditors on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Directors
Goleta Sanitary District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Goleta Sanitary District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Goleta Sanitary District's basic financial statements, and have issued our report thereon dated January 20, 2026

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Moss, Levy & Hartzheim LLP

Santa Maria, California
January 19, 2026

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: January 19, 2026

I. NATURE OF ITEM

Presentation on the Current State of the District's Collection System and 2025 Summary of Activities

II. BACKGROUND INFORMATION

District Collection System Manager, Shamus O'Donnell, will present a summary of the Collection System activities and current projects. This presentation will focus on the Collection System preventive maintenance programs and activities and will provide an overview of accomplishments from the last year.

III. COMMENTS AND RECOMMENDATIONS

This report is for information purposes only. As such, no formal Board action is required at this time.

IV. REFERENCE MATERIAL

None

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: January 19, 2026

I. NATURE OF ITEM

Review of Quarterly Capital Improvement Program Project Status Report

II. BACKGROUND INFORMATION

On November 21, 2022, the Governing Board of the Goleta Sanitary District (District) approved a project notification policy in order to keep the Goleta West Sanitary District (GWSD) and other plant partners informed on the status of the District's Capital Improvement Program (CIP). One of the recommended actions of the policy was to conduct quarterly project status meetings with GWSD's General Manager to provide current information on the District's major CIP projects. Information provided at these meetings would then be summarized in a written report and distributed to GWSD and other plant partners.

The first quarterly CIP project status report of 2026 covering activities through January 18, 2026, is presented herein. The CIP project status report will be shared with GWSD and other plant partners pursuant to the project notification policy.

III. COMMENTS AND RECOMMENDATIONS

The District has an extensive long-range CIP masterplan that identifies planned repairs and improvements to the District's collection system and treatment plant infrastructure over the next 10 years. This information is posted on the District's website for easy access by members of the public.

As with any long-range plan, the list of CIP projects, their schedules, and estimated costs are subject to revisions as conditions change and more information related to individual projects is obtained. As projects approach their "delivery phase" (usually two to three years prior to start of construction through the end of construction), preliminary design and/or additional engineering and environmental analysis is initiated, and the project scope, cost, and schedule are updated accordingly. Projects in the delivery phase are considered active projects. A more comprehensive update to the entire 10-year master plan list of CIP projects is performed by staff every three to five years to ensure the most up to date information is maintained.

Biosolids and Energy Strategic Plan (BESP) Phase 1: The Notice to Proceed was issued to Gateway Pacific Contractors on August 1, 2023. The concrete tank is poured and coated, and construction of exterior utilities is ongoing.

Environmental and Cultural Mitigation consultants are monitoring all ground-disturbing work. Throughout the course of construction, there have been several delays and contract change orders due to unforeseen conflicts with underground utilities, deteriorated existing infrastructure, procurement delays, and inclement weather.

Due to the extended project duration and complexity and the need for additional engineering services during construction, a change order to the contract with Hazen and

Sawyer (Hazen) was negotiated for the amount of \$97,823, making the total fee for engineering services during construction \$630,921. This change order was approved by the Board of Directors on December 1, 2025.

It is important to note that the total project construction cost including executed change orders to date is \$12,354,528. While there is still work to be done and additional change orders in process, staff estimates that the total project construction cost will be less than the original estimated construction cost of \$12,773,870.

The digester, cogeneration unit, and associated equipment are anticipated to be eligible for the Investment Tax Credit under the Inflation Reduction Act. If received, a direct payment of approximately \$2,000,000 is expected for this project.

Solids Handling Improvement Project (SHIP): A Mitigated Negative Declaration (MND) under the California Environmental Quality Act has been approved and adopted by the Board of Directors. The Santa Barbara Air Pollution Control District has issued an Authority to Construct letter, signifying their approval of the planned project. The County of Santa Barbara permitting process is ongoing.

In order to prevent delays in construction, the District initiated a pre-selection process for the thermal dryer technology. BCR Environmental, Inc. (BCR) was selected from two proposals as the preferred vendor. In addition to having a capital cost \$620,000 lower than Komline-Sanderson, the BCR proposal offered a 20-year project cost that was \$9,000,000 lower. The District and BCR will soon negotiate a “best and final” price for the equipment to be included in the construction contract.

The 90% design has been completed by Hazen, and final design is close to completion. The project is expected to go to bid early in fiscal year 2026-2027.

Energy Storage Project: This project entails the installation of an 807-kW array of 1,552 solar panels on District property, a 408-kW/1632-kWh battery array to store generated electricity, and a microgrid controller to manage the District’s energy sources based on real-time grid electricity costs.

Funding sources for this project include a Community Project Grant which was secured by Congressman Salud Carbajal, a Self-Generation Incentive Program grant administered by Southern California Edison, and a direct-pay Investment Tax Credit (ITC) under the Inflation Reduction Act (IRA). The estimated project construction cost is \$4,700,000, with approximately \$2,600,000 of funding available to offset that cost. The net savings of the project over its 30-year lifespan, including construction and operational costs, is conservatively estimated to be between \$2,800,000 and \$5,400,000, depending on which funding sources come to fruition.

The District’s Board of Directors authorized staff to pursue an alternative project delivery method under Government Code §§4217.10–4217.18 (GC 4217). GC 4217 authorizes public agencies to enter into energy service contracts for these types of projects without competitive bidding if the governing body finds that the anticipated costs of the energy supplied by the project will be less than the anticipated costs without the project. GC 4217 also allows the District the flexibility to select a supplier based on the best overall value to the District, not just the lowest bid.

Hazen provided preliminary 30% design drawings and specifications for this project. The 30% design was included in the recently-issued Request for Qualifications and Proposals for an energy services provider to complete the design and construct the project. Langan Environmental Services is working on an administrative draft of an MND and other permit applications. Terra Verde Energy continues to act as owner’s representative assisting the District with many aspects of the project.

Requests for Proposals were issued for the procurement of solar and battery equipment in anticipation of changes to IRA funding. After reviewing bids, the Board of Directors authorized the purchase of 1,564 solar panels in order to insure ITC eligibility for that equipment. The panels are expected be delivered in the last week of March, 2026. Battery equipment bids are still being reviewed; however, the leading bids are for domestic products which do not trigger the IRA funding restrictions. The Request for Qualifications and Proposals for final design and construction of the project was issued on January 5, 2026, and the response deadline is February 17, 2026.

CIP Loan Expenditures to Date: The District closed on a \$14,135,000 Installment Sale Agreement Loan from Banc of America on June 23, 2022, for implementation of the BESP and SHIP capital improvement projects. The District needed to spend 95% of the loan proceeds by the extended date of December 31, 2025, to avoid additional loan fees. The loan escrow account was drawn down to below the required threshold, and no penalty fee was assessed by the lender. Because the escrow account is effectively empty, no further updates will be provided on the CIP loan. Below is a summary of loan activity through December 31, 2025.

Loan Principal	\$ 14,135,000
Escrow Earning	\$ 1,349,419
Escrow Loan Draws	(\$ 15,311,862)
Net Escrow Balance	\$ 172,557

The existing 10-year CIP schedule has been reviewed and updated to reflect the latest cost and schedule assumptions. This information will eventually be incorporated into the 10-year CIP as shown on the District’s website.

A summary of the updated 10-year CIP project schedule with estimated project costs is attached to this report. This information will be forwarded to GWSD and the District’s other plant partners for their information pursuant to the project notification policy.

This item is for the Board’s information only. No action is required at this time. Actions related to the individual projects will be brought to the Board for consideration as needed in the future.

IV. REFERENCE MATERIALS

Goleta Sanitary District Revised 10-year CIP Project Schedule and Estimated Costs Summary, January 2026

Goleta Sanitary District Capital Improvement Program Active Projects Update, January 2026

**GOLETA SANITARY DISTRICT
10-YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SCHEDULE AND ESTIMATED COSTS SUMMARY
JANUARY 2026**

Project Name	High Priority				Medium Priority				Low Priority		TOTAL
	FY 23	FY 24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Influent Pump Station Rehabilitation Project	\$ 1,000,000	\$ 3,100,000									\$ 4,100,000
Biosolids and Energy Phase 1 (Construction)	\$ 132,404	\$ 4,227,688	\$ 5,848,354	\$ 2,491,554							\$ 12,700,000
Solids Handling Improvement Project (Design/Permitting) ¹	\$ 97,203	\$ 419,241	\$ 1,350,000	\$ 978,000							\$ 2,844,444
Solids Handling Improvement Project (Construction) ¹					\$ 800,000	\$ 9,500,000	\$ 9,750,000	\$ 7,350,000			\$ 27,400,000
Energy Storage Project ²			\$ 50,000	\$ 2,200,000	\$ 3,075,000						\$ 5,325,000
WRP Filter Building Instrumentation CIP ³				\$ 42,900	\$ 160,000	\$ 100,000					\$ 302,900
WRP Filter Building Mechanical CIP ³				\$ 100,000	\$ 500,000	\$ 675,000	\$ 250,000				\$ 1,525,000
WRP PLC and Comms Upgrade							\$ 300,000				\$ 300,000
Chemical Storage Building CIP						\$ 420,000					\$ 420,000
PLC CIP							\$ 213,160				\$ 213,160
Increased Biogas Utilization Project						\$ 200,000	\$ 3,500,000	\$ 3,500,000			\$ 7,200,000
Outfall Cathodic Protection CIP ⁴				\$ 150,000			\$ 85,260				\$ 235,260
Secondary MCC Building CIP							\$ 100,270				\$ 100,270
Secondary Aeration Basin CIP							\$ 429,630				\$ 429,630
Effluent Area CIP								\$ 566,450	\$ 566,450	\$ 566,450	\$ 1,699,350
Headworks CIP									\$ 389,585	\$ 389,585	\$ 779,170
Secondary Clarifier CIP								\$ 376,700			\$ 376,700
Solids Stabilization Area CIP									\$ 426,400	\$ 426,400	\$ 852,800
New Office Building CIP									\$ 546,330	\$ 546,330	\$ 1,092,660
Total	\$ 1,229,607	\$ 7,746,929	\$ 7,248,354	\$ 5,962,454	\$ 4,535,000	\$ 10,895,000	\$ 14,628,320	\$ 11,793,150	\$ 1,928,765	\$ 1,928,765	\$ 67,896,344

Completed Projects
 Active Projects

Changes for JANUARY 2026:

- ¹ Revised construction timeline to align with expected bid period
- ² Revised construction timeline and budget to match current rate of spending
- ³ Revised construction timelines
- ⁴ Added outfall investigation budget to match District's FY26 Budget line item

**GOLETA SANITARY DISTRICT
Capital Improvement Program
Active Projects Update
January 2026**

Project Name	Description	Status	Cost Estimate	Next Step	Changes
BESP Phase 1	Installation of new 500k gal. digester, new 160kW Combined Heat and Power System, gas conditioning system, and associated utility and electrical work.	Digester has been water tested and coated, and sludge mixers have been installed. Digester roof piping and Primary Effluent relocation are complete. Underground digester piping is complete, and aboveground piping is nearing completion.	\$12.7M	Installation of electrical equipment and wiring. Programming for controls.	Completion of construction is now estimated in March 2025, with completion of commissioning in June 2026.
Solids Handling Improvement Project	Installation of new thermal dryer, and pelletizer to be located in a new solids building adjacent to sludge drying beds. New utility and electrical equipment associated with facility.	Environmental documents are complete, and County of Santa Barbara permitting is in progress. 100% Design is nearing completion.	\$27.4M	Complete environmental process and final design to determine project impacts, scope and estimated costs.	No Changes.
Energy Storage Project	Installation of new solar panels, battery storage, and microgrid controller on District campus pursuant to GC 4217. New utility and electrical equipment associated with infrastructure.	Feasibility Study and 30% design are complete. Environmental and permitting documents are in progress. Solar panels purchased to ensure funding eligibility.	\$5.3M	Execute battery equipment purchase agreement, select energy services provider to complete design and install project. Complete environmental, permitting, and funding documents as appropriate.	No Changes.

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from January 06, 2026, through January 19, 2026. 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 Windsor Avenue and Stow Canyon Road. Staff has also been conducting priority lines cleaning throughout the District.

CCTV INSPECTION

In coordination with lines cleaning operations, staff has also been conducting routine CCTV inspections in the area of Windsor Avenue and Stow Canyon Road. Staff has been conducting priority CCTV inspections throughout the District.

WINTER STORM PREPARATIONS

Staff continues with winter storm preparation activities. Staff continues with easement manhole inspections along the Atascadero Creek trunk line. Staff is also working on the prequalification of emergency service contractors.

CUESTA VERDE ODOR ISSUE

Staff continues to collect gas monitor readings on Cuesta Verde in response to an ongoing odor issue associated with the force main lateral from the Santa Barbara Wildlife Care Network (SBWCN) effluent pump station.

GREASE AND OIL INSPECTIONS

Staff continues with annual Grease and Oil inspections at food service establishments within the District

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT

The Plant flow for the month of January 2026 is averaging 7.13 million gallons a day. The Reclamation Plant has been offline due to the rain.

Construction on the BESP Phase 1 project continues with the power and control lines for the 24-inch Primary Effluent line connection to Biofilter #1. The Heat Loop modifications are almost ready to be reinstalled and connected to the boiler system. On January 12-13, 2026 we shut down the power switch gear for the Plant and installed the new switch gear. The Operations and Maintenance Managers were onsite for the shutdown with added personnel to help run the Plant while on generator power.

We have a new sample shed for the Reclamation Plant. Over the next few weeks, staff will be getting it set up and plumbed for use this summer.

INDUSTRIAL WASTE SOURCE CONTROL PROGRAM

Wastewater Discharge Permit Renewal Stickers have been sent to “Class A” SIUs (Significant Industrial Users) who submitted their renewal applications and fees, there is one unpaid SIU invoice. Twenty-five of thirty-one Class B & C permits have been written and were issued on January 9, 2026. The remaining permits will be issued when the annual discharge permit fees are received; a notice of violation will be sent to Industrial Users who have not paid by 01/16/26. Class B & C permits are valid through 12/31/29.

Staff continues enforcement of Santa Barbara Wildlife Care Network by including a compliance schedule into the 2026 discharge permit to reduce/eliminate hydrogen sulfide impacts associated with their effluent pump system. Staff has also initiated enforcement against Bowlero for excessive grease that continues to enter GSD’s collection system due to improper plumbing of their grease interceptor. Staff will attend the 53rd Annual *Pretreatment, Pollution Prevention and Stormwater (P3S) Conference* February 10-12, 2026.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of January 19, 2026, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	\$ 611,892
Investment Accounts (including interest earned):	<u>\$ 46,791,015</u>
Total District Funds:	\$ 47,402,907

The following transactions are reported herein for the period 01/06/2026 – 01/19/2026

Regular, Overtime, Cash-outs, and Net Payroll:	\$ 240,996
Claims:	\$ 860,416
Total Expenditures:	\$ 1,101,412
Total Deposits:	\$ 151,238

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$ - 0 -
CWB Operational to CWB Money Market:	\$ - 0 -
CWB Money Market to CWB Operational:	\$ 750,000
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 – December, 2025
 LAIF Quarterly Report – Previously reported
 PMIA/LAIF Performance – December, 2025

PMIA Effective Yield – December, 2025

Community West Bank (CWB)

CWB Money Market and ICS Accounts – December, 2025

CA-Class Investment Account

CA-Class Investment Account – December, 2025

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – Previously reported
Lincoln 457 Deferred Compensation Plan – December, 2025

Personnel

A verbal personnel update will be provided at the meeting.

Future Agenda Items

- Sewer Service Rate Study Cost of Service Analysis
- Summary of Nitrogen Removal Alternatives Findings
- Website accessibility improvements and update
- Review of Board member pre-approved meetings listed in District Admin Code

California State Treasurer *Fiona Ma, CPA*



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

January 02, 2026

[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

December 2025 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,238.37
Total Withdrawal:	0.00	Ending Balance:	4,238.37



PMIA/LAIF Performance Report as of 01/07/25



Quarterly Performance Quarter Ended 9/30/25

LAIF Apportionment Rate ⁽²⁾ :	4.34
LAIF Earnings Ratio ⁽²⁾ :	0.00011893333163814
LAIF Administrative Cost ^{(1)*} :	0.26
LAIF Fair Value Factor ⁽¹⁾ :	1.001929581
PMIA Daily ⁽¹⁾ :	4.19
PMIA Quarter to Date ⁽¹⁾ :	4.24
PMIA Average Life ⁽¹⁾ :	254

PMIA Average Monthly Effective Yields⁽¹⁾

December	4.025
November	4.096
October	4.150
September	4.212
August	4.251
July	4.258

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 11/30/25 \$155.9 billion

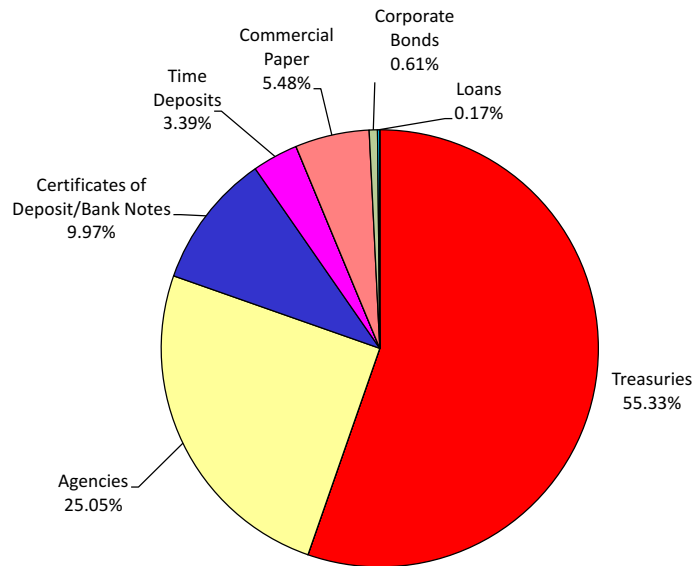


Chart does not include \$936,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) .

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

01/14/26

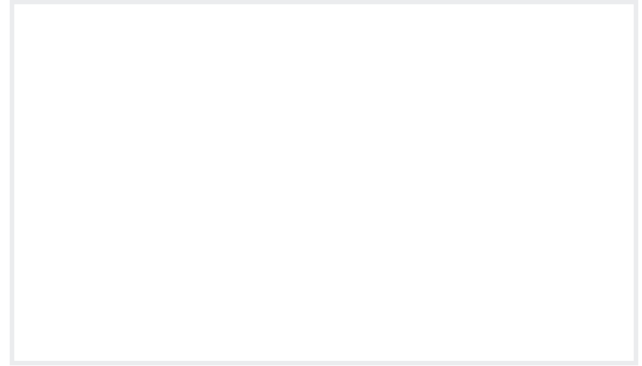
Max: 12.844

Min: 0.203

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.063	2.144	2.208	2.291
2019	2.355	2.392	2.436	2.445	2.449	2.428	2.379	2.341	2.280	2.190	2.103	2.043
2020	1.967	1.912	1.787	1.648	1.363	1.217	0.920	0.784	0.685	0.620	0.576	0.540
2021	0.458	0.407	0.357	0.339	0.315	0.262	0.221	0.221	0.206	0.203	0.203	0.212
2022	0.234	0.278	0.365	0.523	0.684	0.861	1.090	1.276	1.513	1.772	2.007	2.173
2023	2.425	2.624	2.831	2.870	2.993	3.167	3.305	3.434	3.534	3.670	3.843	3.929
2024	4.012	4.122	4.232	4.272	4.332	4.480	4.516	4.579	4.575	4.518	4.477	4.443
2025	4.336	4.333	4.313	4.281	4.272	4.269	4.258	4.251	4.212	4.150	4.096	4.025

7100 N. Financial Dr. STE 101
Fresno, CA 93720

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



Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXXXXXX554	\$250,000.00

PUBLIC MONEY MARKET - XXXXXXXXXXXXX554

Account Summary

Date	Description	Amount
11/29/2025	Beginning Balance	\$250,000.00
	2 Credit(s) This Period	\$3,945,819.04
	2 Debit(s) This Period	\$3,945,819.04
12/31/2025	Ending Balance	\$250,000.00

Interest Summary

Description	Amount
Interest Earned From 11/29/2025 Through 12/31/2025	
Annual Percentage Yield Earned	3.68%
Interest Days	33
Interest Earned	\$819.04
Interest Paid This Period	\$819.04
Interest Paid Year-to-Date	\$16,549.84
Minimum Balance	\$250,000.00
Average Ledger Balance	\$250,000.00

Other Credits

Date	Description	Amount
12/29/2025	SB Co SSC Prop Tax Installment	\$3,945,000.00
12/31/2025	INTEREST	\$819.04
		2 item(s) totaling \$3,945,819.04

Other Debits

Date	Description	Amount
12/29/2025	TRANSFER TO ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXX8650	\$3,945,000.00
12/31/2025	TRANSFER TO ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXX8650	\$819.04
		2 item(s) totaling \$3,945,819.04



Community West Bank
7100 N Financial Dr Ste 101
Fresno, CA 93720



RETURN SERVICE REQUESTED



139697-31A
Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117

Contact Us
559-298-1775
www.communitywestbank.com



Account
Goleta Sanitary District

Date
12/31/2025

Page
1 of 6

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

The following information is a summary of activity in your account(s) for the month of December 2025 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. Certain conditions must be satisfied for "pass-through" FDIC deposit insurance coverage to apply. To meet the conditions for pass-through FDIC deposit insurance, deposit accounts at FDIC-insured banks in IntraFi's network that hold deposits placed using an IntraFi service are titled, and deposit account records are maintained, in accordance with FDIC regulations for pass-through coverage.

Summary of Accounts

Account ID	Deposit Option	Interest Rate	Opening Balance	Ending Balance
*****554	Demand	3.60%	\$37,347,128.36	\$41,417,238.68
TOTAL			\$37,347,128.36	\$41,417,238.68

DETAILED ACCOUNT OVERVIEW

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

Account Summary - Demand			
Statement Period	12/1-12/31/2025	Average Daily Balance	\$37,606,420.79
Previous Period Ending Balance	\$37,347,128.36	Interest Rate at End of Statement Period	3.60%
Total Program Deposits	3,945,765.17	Annual Percentage Yield Earned	3.96%
Total Program Withdrawals	(0.00)	YTD Interest Paid	1,633,821.60
Interest Capitalized	124,345.15		
Current Period Ending Balance	\$41,417,238.68		

Account Transaction Detail

Date	Activity Type	Amount	Balance
12/01/2025	Deposit	\$765.17	\$37,347,893.53
12/30/2025	Deposit	3,945,000.00	41,292,893.53
12/31/2025	Interest Capitalization	124,345.15	41,417,238.68

Summary of Balances as of December 31, 2025

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
1st Security Bank of Washington	Mountlake Terrace, WA	57633	\$247,048.72
Alerus Financial, N.A.	Grand Forks, ND	3931	247,817.21
Amerant Bank, N.A.	Coral Gables, FL	22953	247,817.21
Ameris Bank	Atlanta, GA	20504	247,817.21
Apple Bank	New York, NY	16068	247,817.20
Associated Bank, N.A.	Green Bay, WI	5296	247,817.21
Atlantic Union Bank	Glen Allen, VA	34589	247,817.21
Avidbank	San Jose, CA	57510	247,817.21
Axos Bank	San Diego, CA	35546	247,817.21
BOKF, National Association	Tulsa, OK	4214	247,817.21
Banc of California	Los Angeles, CA	24045	247,817.21
Bangor Savings Bank	Bangor, ME	18408	247,817.21
Bank 7	Oklahoma City, OK	4147	247,048.72
Bank Five Nine	Oconomowoc, WI	12517	247,048.72
Bank OZK	Little Rock, AR	110	247,613.16
Bank of Baroda	New York, NY	33681	247,817.21
Bank of China	New York, NY	33653	247,048.72
Bank of India	New York, NY	33648	247,817.20
Bank of New Hampshire	Laconia, NH	18012	247,817.21
BankUnited	Miami Lakes, FL	58979	247,817.21
Bankers Trust Company	Des Moines, IA	953	247,817.21
Banner Bank	Walla Walla, WA	28489	247,817.21
Banterra Bank	Marion, IL	17514	247,048.72
Bar Harbor Bank & Trust	Bar Harbor, ME	11971	247,817.21

DETAILED ACCOUNT OVERVIEW

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



Summary of Balances as of December 31, 2025

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Barclays Bank Delaware	Wilmington, DE	57203	247,817.21
Bell Bank	Fargo, ND	19581	247,817.21
Benchmark Community Bank	Kenbridge, VA	20484	247,817.21
Bradesco Bank	Coral Gables, FL	21265	247,048.72
Bridgewater Bank	Saint Louis Park, MN	58210	247,817.21
Busey Bank	Champaign, IL	16450	247,817.21
CIBC Bank USA	Chicago, IL	33306	247,817.21
Cadence Bank	Tupelo, MS	11813	247,817.21
California Bank of Commerce, N.A.	San Diego, CA	57044	247,817.21
Cathay Bank	Los Angeles, CA	18503	247,817.20
Cedar Rapids Bank and Trust Company	Cedar Rapids, IA	57244	247,817.21
Centennial Bank	Conway, AR	11241	247,817.21
Central National Bank	Waco, TX	22396	247,817.21
Choice Financial Group	Grafton, ND	9423	247,817.21
Citizens Bank, National Association	Providence, RI	57957	247,731.30
City National Bank of Florida	Miami, FL	20234	247,817.21
Columbia Bank	Fair Lawn, NJ	28834	247,602.26
Columbia Bank	Roseburg, OR	17266	247,817.21
Commercial Bank of California	Irvine, CA	57417	247,817.21
Customers Bank	Malvern, PA	34444	247,817.21
Dacotah Bank	Aberdeen, SD	17437	247,048.72
Dime Community Bank	Hauppauge, NY	6976	247,817.21
EagleBank	Silver Spring, MD	34742	247,817.21
East West Bank	Pasadena, CA	31628	247,817.21
Eastern Bank	Boston, MA	32773	247,817.21
Encore Bank	Little Rock, AR	34562	247,817.21
Equity Bank	Andover, KS	25858	247,817.21
Farmers National Bank of Danville	Danville, KY	2740	247,817.21
First Bank	Creve Coeur, MO	12229	247,817.21
First Bank Chicago	Highland Park, IL	17470	247,817.21
First Carolina Bank	Rocky Mount, NC	35530	247,817.21
First Commonwealth Bank	Indiana, PA	7468	247,817.21
First Financial Bank	Abilene, TX	3066	247,817.21
First Foundation Bank	Irvine, CA	58647	247,731.33
First Guaranty Bank	Hammond, LA	14028	247,797.86
First Horizon Bank	MEMPHIS, TN	4977	247,817.21
First Interstate Bank	Billings, MT	1105	247,817.21
First Merchants Bank	Muncie, IN	4365	247,817.21
First Mid Bank & Trust N.A.	Mattoon, IL	3705	247,048.72

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Summary of Balances as of December 31, 2025

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
First National Bank of Oklahoma	Oklahoma City, OK	4211	247,817.21
First National Bank of Omaha	Omaha, NE	5452	247,817.21
First National Bank of Pennsylvania	Greenville, PA	7888	247,817.21
First Resource Bank	Savage, MN	58039	247,048.72
First State Community Bank	Farmington, MO	17323	247,817.21
First United Bank and Trust Company	Durant, OK	4239	247,817.20
First Utah Bank	Salt Lake City, UT	22738	247,817.21
First-Citizens Bank & Trust Company	Raleigh, NC	11063	247,817.21
FirstBank	Nashville, TN	8663	247,048.72
Five Star Bank	Warsaw, NY	659	247,817.21
Flagstar Bank, N.A.	Hicksville, NY	32541	247,817.21
Fulton Bank, N.A.	Lancaster, PA	7551	247,817.21
Glacier Bank	Kalispell, MT	30788	247,817.21
Grasshopper Bank, N.A.	New York, NY	59113	247,028.69
Great Southern Bank	Reeds Spring, MO	29546	247,817.21
Gulf Coast Bank and Trust Company	New Orleans, LA	32974	247,817.21
Hanover Community Bank	Mineola, NY	58675	247,817.21
Heritage Bank	Olympia, WA	29012	247,817.21
INB	Springfield, IL	3664	247,817.21
INTRUST Bank NA	Wichita, KS	4799	247,817.21
Independent Bank	Ionia, MI	27811	247,817.21
InterBank	Oklahoma City, OK	27210	247,048.72
Inwood National Bank	Dallas, TX	19080	247,817.21
Israel Discount Bank of New York	New York City, NY	19977	247,817.21
KeyBank National Association	Cleveland, OH	17534	247,817.21
Lake City Bank	Warsaw, IN	13102	247,817.21
Lead Bank	Kansas City, MO	8283	247,817.21
Liberty National Bank	Lawton, OK	11522	247,817.21
MVB Bank, Inc	Fairmont, WV	34603	247,817.21
Mascoma Bank	Lebanon, NH	18013	247,817.21
Mechanics Bank	Walnut Creek, CA	1768	247,817.21
Mercantile Bank	Grand Rapids, MI	34598	247,817.21
Merchants Bank of Indiana	Carmel, IN	8056	247,048.72
Metro City Bank	Doraville, GA	58181	247,817.21
MidFirst Bank	Oklahoma City, OK	4063	247,817.21
Middletown Valley Bank	Middletown, MD	14017	247,817.21
Midland States Bank	Effingham, IL	1040	247,817.21
Midwest BankCentre	St. Louis, MO	1058	247,817.21
Morton Community Bank	Morton, IL	18429	247,817.21

DETAILED ACCOUNT OVERVIEW

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



Summary of Balances as of December 31, 2025

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
NBH Bank	Greenwood Village, CO	59052	247,817.21
NexBank	Dallas, TX	29209	247,817.21
Northeast Bank	Lewiston, ME	19690	247,817.21
Northern Bank & Trust Company	Woburn, MA	18266	247,817.21
Old National Bank	Evansville, IN	3832	247,817.20
Outdoor Bank	Manhattan, KS	17685	247,817.21
People's Bank of Seneca	Seneca, MO	34146	247,817.21
Peoples National Bank, N.A.	Mt. Vernon, IL	3809	247,817.21
Pinnacle Bank	Omaha, NE	10634	247,817.21
Pinnacle Bank	Nashville, TN	35583	247,817.21
Pinnacle Bank	Keene, TX	20231	247,817.21
PlainsCapital Bank	Lubbock, TX	17491	247,817.21
Planters Bank, Inc.	Hopkinsville, KY	34254	247,817.21
Popular Bank	New York, NY	34967	247,817.21
Potomac Bank, Inc.	Charles Town, WV	9023	247,817.21
Preferred Bank	Los Angeles, CA	33539	247,817.21
Primis Bank	Mclean, VA	57968	247,817.21
Provident Bank	Jersey City, NJ	12010	247,817.21
Raymond James Bank	St. Petersburg, FL	33893	247,817.21
Renasant Bank	Tupelo, MS	12437	247,048.72
River City Bank	Sacramento, CA	18983	247,817.21
Rockland Trust Company	Rockland, MA	9712	247,817.21
Seacoast National Bank	Stuart, FL	131	247,817.21
Security First Bank	Rapid City, SD	5415	247,817.21
Shore United Bank, N.A.	Easton, MD	4832	247,817.21
Simmons Bank	Pine Bluff, AR	3890	247,817.21
South State Bank, N.A.	Winter Haven, FL	33555	247,817.21
SouthEast Bank	Farragut, TN	57348	247,817.21
Southern Bank	Poplar Bluff, MO	28332	247,817.21
Southside Bank	Tyler, TX	18297	247,817.18
State Bank of India	New York City, NY	33682	247,817.21
Stifel Bank	St. Louis, MO	57358	247,817.21
Summit State Bank	Santa Rosa, CA	32203	247,817.21
Sunflower Bank NA	Salina, KS	4767	247,817.21
Susser Bank	Arlington, TX	34885	247,817.21
Synovus Bank	Columbus, GA	873	247,817.20
Texas Capital Bank	Dallas, TX	34383	247,817.21
Texas Partners Bank	San Antonio, TX	58581	247,817.21
The Camden National Bank	Camden, ME	4255	247,817.21

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Summary of Balances as of December 31, 2025

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
The Farmers & Merchants State Bank	Archbold, OH	5969	247,817.21
The Huntington National Bank	Columbus, OH	6560	247,817.21
The Middlefield Banking Company	Middlefield, OH	13716	247,817.21
Titan Bank, N.A.	Mineral Wells, TX	3225	43,922.22
TowneBank	Portsmouth, VA	35095	247,817.21
Tradition Capital Bank	Edina, MN	58057	247,817.21
Traditional Bank, Inc.	Mount Sterling, KY	2711	247,817.21
Tri Counties Bank	Chico, CA	21943	247,817.21
TriState Capital Bank	Pittsburgh, PA	58457	247,817.21
Truist Bank	Charlotte, NC	9846	247,817.21
Trustmark Bank	Jackson, MS	4988	247,817.21
UBank	Huntington, TX	18344	247,048.72
UMB Bank, National Association	Kansas City, MO	8273	247,817.21
UniBank for Savings	Whitinsville, MA	90290	247,817.21
Union Bank & Trust	Lincoln, NE	13421	247,817.21
United Bank	Fairfax, VA	22858	247,817.21
United Community Bank	Greenville, SC	16889	247,817.21
Univest Bank and Trust Co.	Souderton, PA	7759	247,817.21
Valley National Bank	Morristown, NJ	9396	247,817.21
Washington Federal Bank	Seattle, WA	28088	247,817.21
Webster Bank, National Association	Waterbury, CT	18221	247,817.21
WesBanco Bank, Inc.	Wheeling, WV	803	247,817.21
West Bank	West Des Moines, IA	15614	247,817.21
Western Alliance Bank	Phoenix, AZ	57512	247,817.21
Wilmington Savings Fund Society, FSB	Wilmington, DE	17838	247,817.21
Woodforest Natl Bank	The Woodlands, TX	23220	247,817.21
Zions Bancorporation, N. A.	Salt Lake City, UT	2270	247,817.21



Summary Statement

December 31, 2025

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Investor ID: CA-01-0030

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Goleta Sanitary District
1 William Moffett Place
Goleta, CA 93117

California CLASS

California CLASS

Average Monthly Yield: 3.8767%

		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
CA-01-0030-0001	Goleta Sanitary District	5,849,458.26	0.00	0.00	19,260.14	245,451.33	5,850,079.55	5,868,718.40
TOTAL		5,849,458.26	0.00	0.00	19,260.14	245,451.33	5,850,079.55	5,868,718.40



Account Statement

December 31, 2025

Page 2 of 3

Account Number: CA-01-0030-0001

Goleta Sanitary District

Account Summary

Average Monthly Yield: 3.8767%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	5,849,458.26	0.00	0.00	19,260.14	245,451.33	5,850,079.55	5,868,718.40

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
12/01/2025	Beginning Balance			5,849,458.26	
12/31/2025	Income Dividend Reinvestment	19,260.14			
12/31/2025	Ending Balance			5,868,718.40	



California CLASS

California CLASS

Date	Dividend Rate	Daily Yield
12/01/2025	0.000111607	4.0703%
12/02/2025	0.000111341	4.0640%
12/03/2025	0.000109861	4.0099%
12/04/2025	0.000108995	3.9783%
12/05/2025	0.000326559	3.9731%
12/06/2025	0.000000000	3.9731%
12/07/2025	0.000000000	3.9731%
12/08/2025	0.000109137	3.9835%
12/09/2025	0.000108986	3.9780%
12/10/2025	0.000108590	3.9636%
12/11/2025	0.000106753	3.8965%
12/12/2025	0.000313020	3.8084%
12/13/2025	0.000000000	3.8084%
12/14/2025	0.000000000	3.8084%
12/15/2025	0.000104665	3.8203%
12/16/2025	0.000104605	3.8181%
12/17/2025	0.000103916	3.7929%
12/18/2025	0.000104064	3.7983%
12/19/2025	0.000312213	3.7986%
12/20/2025	0.000000000	3.7986%
12/21/2025	0.000000000	3.7986%
12/22/2025	0.000104458	3.8127%
12/23/2025	0.000104475	3.8134%
12/24/2025	0.000208438	3.8040%
12/25/2025	0.000000000	3.8040%
12/26/2025	0.000314034	3.8208%
12/27/2025	0.000000000	3.8208%
12/28/2025	0.000000000	3.8208%
12/29/2025	0.000105620	3.8551%
12/30/2025	0.000105603	3.8545%
12/31/2025	0.000105696	3.8579%

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.**

Multi-Fund[®] Select

Performance Update

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

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

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

Monthly hypothetical performance adjusted for contract fees *

INVESTMENT OPTIONS	ASSET CLASS	INCEP. DATE	CHANGE FROM PREVIOUS DATA 01/13/2026	YTD AS OF 01/13/2026	YTD AS OF 12/31/2025	1 MO. AS OF 12/31/2025	3 MO. AS OF 12/31/2025	AVERAGE ANNUAL TOTAL RETURN (%) AS OF 12/31/2025				
								1 YR	3 YR	5 YR	10 YR	SINCE INCEP.
MAXIMUM CAPITAL APPRECIATION MCA												
DWS Alternative Asset Allocation VIP Portfolio - Class B1, 2, 3, 4, 5	Maximum Capital Appreciation	02/02/2009	0.21	2.01	8.94	-0.52	0.85	8.94	5.91	3.84	3.48	3.92
LVIP Baron Growth Opportunities Fund - Service Class8, 9	Maximum Capital Appreciation	10/01/1998	-0.62	1.53	-10.97	0.29	-2.49	-10.97	2.72	-1.32	7.70	9.20
LVIP Franklin Templeton Multi-Factor Emerging Markets Equity Fund - Service Class1, 7, 9	Maximum Capital Appreciation	06/18/2008	0.42	4.79	32.64	2.84	5.23	32.64	15.74	7.72	6.55	3.54
LVIP Macquarie SMD Cap Core Fund - Service Class8, 9, 12	Maximum Capital Appreciation	07/12/1991	-0.19	3.61	7.45	-0.25	5.38	7.45	11.83	7.69	8.25	8.69
LVIP SSGA Small-Cap Index Fund - Service Class8, 9, 22	Maximum Capital Appreciation	04/18/1986	-0.10	6.05	11.06	-0.70	1.78	11.06	11.94	4.42	7.82	6.50
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Service Class8, 9	Maximum Capital Appreciation	02/03/1994	0.26	3.71	9.66	-1.72	-3.16	9.66	17.02	6.08	11.50	7.06
LONG TERM GROWTH LTG												
American Funds [®] IS Global Growth Fund - Class 21	Long Term Growth	04/30/1997	-0.40	4.29	20.41	1.68	2.57	20.41	18.05	7.16	11.06	9.19
American Funds [®] IS Growth Fund - Class 2	Long Term Growth	02/08/1984	-0.35	2.14	19.03	0.22	1.30	19.03	28.60	12.24	16.79	12.38
American Funds [®] IS International Fund - Class 21	Long Term Growth	05/01/1990	-0.47	4.78	25.50	2.96	3.98	25.50	13.70	2.37	5.94	6.38
Fidelity [®] VIP Contrafund [®] Portfolio - Service Class 2	Long Term Growth	01/03/1995	-0.24	1.85	19.99	1.23	2.51	19.99	27.84	13.93	14.33	11.06
Fidelity [®] VIP Growth Portfolio - Service Class 2	Long Term Growth	10/09/1986	-0.15	1.70	13.47	-0.79	0.48	13.47	25.27	12.28	15.99	10.31
LVIP BlackRock Real Estate Fund - Service Class1, 8, 9, 14, 15	Long Term Growth	04/30/2007	0.19	2.29	7.55	-1.56	-1.20	7.55	6.42	1.43	2.39	0.74
LVIP Dimensional U.S. Core Equity 1 Fund - Service Class9	Long Term Growth	12/28/1981	-0.16	2.52	14.11	0.24	2.16	14.11	18.09	11.62	12.14	9.70
LVIP Macquarie Mid Cap Value Fund - Service Class8, 9, 12	Long Term Growth	12/28/1981	0.18	3.87	11.83	-0.69	2.33	11.83	11.61	10.22	9.19	9.88
LVIP Mondrian International Value Fund - Service Class1, 9	Long Term Growth	05/01/1991	-0.71	0.98	34.69	1.67	6.87	34.69	18.21	9.85	6.55	5.63
LVIP SSGA International Index Fund - Service Class1, 9, 22, 23	Long Term Growth	04/30/2008	-0.46	2.90	29.55	2.57	4.29	29.55	15.31	7.31	6.65	2.91
LVIP SSGA S&P 500 Index Fund - Service Class9, 22, 24	Long Term Growth	05/01/2000	-0.20	1.72	16.13	-0.07	2.27	16.13	21.19	12.74	13.13	6.59
LVIP Vanguard Domestic Equity ETF Fund - Service Class3, 4	Long Term Growth	04/29/2011	-0.18	2.10	15.02	-0.10	1.95	15.02	19.70	11.31	12.37	11.10
LVIP Vanguard International Equity ETF Fund - Service Class1, 3, 4	Long Term Growth	04/29/2011	-0.59	3.54	29.92	2.38	4.28	29.92	14.93	5.95	6.79	4.26
Macquarie VIP Small Cap Value Series - Service Class8, 12	Long Term Growth	12/27/1993	0.21	4.23	6.75	0.52	2.79	6.75	8.22	7.85	7.75	8.60
MFS [®] VIT Utilities Series - Service Class14	Long Term Growth	01/03/1995	0.46	1.00	13.61	-4.30	0.48	13.61	6.59	6.30	8.13	9.26
GROWTH AND INCOME GI												
American Funds [®] IS Growth-Income Fund - Class 2	Growth and Income	02/08/1984	-0.28	2.00	16.89	-0.50	2.02	16.89	21.54	12.77	12.78	10.42
Fidelity [®] VIP Freedom 2020 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	-0.08	1.56	11.87	0.34	1.08	11.87	9.74	3.53	6.04	5.33
Fidelity [®] VIP Freedom 2025 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	-0.12	1.84	13.10	0.42	1.19	13.10	10.80	4.21	6.67	5.90
Fidelity [®] VIP Freedom 2030 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	-0.17	2.02	14.02	0.54	1.34	14.02	11.76	4.92	7.53	6.25
Fidelity [®] VIP Freedom 2035 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	-0.20	2.24	15.26	0.69	1.49	15.26	13.40	6.21	8.63	10.15
Fidelity [®] VIP Freedom 2040 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	-0.27	2.71	17.26	0.95	1.75	17.26	15.43	7.64	9.49	10.76
Fidelity [®] VIP Freedom 2045 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	-0.29	2.96	18.34	1.18	1.92	18.34	16.21	8.07	9.71	10.95
Fidelity [®] VIP Freedom 2050 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	-0.29	2.99	18.31	1.18	1.90	18.31	16.21	8.07	9.71	11.03
LVIP BlackRock Equity Dividend Fund - Service Class9, 12	Growth and Income	07/28/1988	-0.26	2.35	11.96	1.90	4.90	11.96	6.56	6.90	7.19	7.40
LVIP JPMorgan Retirement Income Fund - Service Class2, 9, 12	Growth and Income	04/27/1983	-0.05	1.22	10.71	0.11	1.34	10.71	9.17	3.09	4.23	6.10
LVIP Macquarie U.S. REIT Fund - Service Class8, 9, 12, 14, 15	Growth and Income	05/04/1998	0.51	1.93	-0.29	-1.89	-2.29	-0.29	5.67	4.19	2.70	6.30
LVIP Macquarie Wealth Builder Fund - Service Class2, 9, 12	Growth and Income	08/03/1987	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

									AVERAGE ANNUAL TOTAL RETURN (%) AS OF 12/31/2025				
INCOME I													
LVIP BlackRock Inflation Protected Bond Fund - Service Class1, 9, 13	Income	04/30/2010	0.06	0.37	4.44	-0.39	-0.14	4.44	3.18	1.34	1.73	1.40	
LVIP Fidelity Institutional AM Total Bond Fund - Service Class9, 12, 13	Income	05/16/2003	0.09	0.27	5.34	-0.40	0.64	5.34	3.60	-1.64	1.23	3.01	
LVIP Franklin Templeton Core Bond Fund - Service Class9, 12, 13	Income	12/28/1981	0.07	0.27	5.81	-0.34	0.65	5.81	3.49	-1.78	0.87	5.56	
LVIP Macquarie Diversified Floating Rate Fund - Service Class9, 12, 13, 18, 19	Income	04/30/2010	0.02	0.27	3.47	0.35	0.79	3.47	4.16	2.06	1.49	0.88	
LVIP Macquarie High Yield Fund - Service Class9, 12, 13, 20	Income	07/28/1988	0.07	0.36	7.85	0.62	1.37	7.85	8.09	2.72	4.53	5.03	
LVIP Mondrian Global Income Fund - Service Class1, 9, 10, 13	Income	05/04/2009	-0.18	-0.15	5.08	-0.40	-1.05	5.08	0.37	-4.50	-0.89	0.42	
LVIP SSGA Bond Index Fund - Service Class9, 13, 22	Income	04/30/2008	0.09	0.24	5.47	-0.44	0.56	5.47	3.06	-1.96	0.41	1.26	
PIMCO VIT Total Return Portfolio - Administrative Class7, 13	Income	12/31/1997	0.01	0.39	7.80	-0.26	1.31	7.80	4.70	-0.98	1.34	3.44	
PRESERVATION OF CAPITAL PC													
LVIP Government Money Market Fund - Service Class 7-Day Current (Net/Gross) Yield as of 11/30/2025: 3.41%/4.04%9, 17	Preservation of Capital	01/07/1982	0.01	0.08	2.68	0.19	0.61	2.68	3.25	1.76	0.68	2.49	
RISK MANAGED - ASSET ALLOCATION RMAA													
LVIP Global Conservative Allocation Managed Risk Fund - Service Class1, 2, 3, 9, 16	Risk Managed - Asset Allocation	05/03/2005	-0.06	1.27	8.42	-0.10	1.30	8.42	7.71	2.10	3.59	4.03	
LVIP Global Growth Allocation Managed Risk Fund - Service Class1, 2, 3, 9, 16	Risk Managed - Asset Allocation	05/03/2005	-0.16	2.01	12.13	0.28	1.98	12.13	11.26	4.26	4.88	4.21	
LVIP Global Moderate Allocation Managed Risk Fund - Service Class1, 2, 3, 9, 16	Risk Managed - Asset Allocation	05/03/2005	-0.13	1.74	10.13	0.12	1.70	10.13	9.80	3.40	4.33	4.19	
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Service Class1, 2, 3, 9, 11	Risk Managed - Asset Allocation	05/03/2005	-0.20	2.00	12.96	0.49	2.14	12.96	11.20	5.28	5.30	3.83	
ASSET ALLOCATION ASA													
Fidelity VIP Freedom 2055 Portfolio - Service Class 23, 7	Asset Allocation	04/11/2019	-0.31	3.00	18.34	1.21	1.96	18.34	16.22	8.08	N/A	10.22	
Fidelity VIP Freedom 2060 Portfolio - Service Class 23, 7	Asset Allocation	04/11/2019	-0.32	3.00	18.34	1.16	1.93	18.34	16.23	8.08	N/A	10.23	
LVIP BlackRock Global Allocation Fund - Service Class1, 2, 9	Asset Allocation	04/26/2019	-0.21	1.73	17.23	1.03	2.71	17.23	12.47	4.78	N/A	7.24	
LVIP T. Rowe Price 2020 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	-0.06	1.56	11.62	0.21	1.56	11.62	10.38	4.16	5.54	3.93	
LVIP T. Rowe Price 2030 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	-0.10	1.96	13.57	0.35	1.90	13.57	12.41	5.52	6.52	4.38	
LVIP T. Rowe Price 2040 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	-0.14	2.61	16.67	0.58	2.45	16.67	15.31	7.54	7.85	4.77	
LVIP T. Rowe Price 2050 Fund - Service Class3, 6, 9	Asset Allocation	04/29/2011	-0.17	2.90	18.16	0.72	2.72	18.16	16.55	8.37	8.68	6.22	
LVIP T. Rowe Price 2060 Fund - Service Class3, 6, 9	Asset Allocation	04/30/2020	-0.17	2.92	18.29	0.70	2.68	18.29	16.61	8.56	N/A	13.04	
RISK MANAGED - US LARGE CAP RMUSL													
LVIP BlackRock Dividend Value Managed Volatility Fund - Service Class9, 10, 11	Risk Managed - US Large Cap	02/03/1994	-0.11	2.86	10.45	1.35	3.79	10.45	9.52	9.03	7.62	6.59	
LVIP Blended Large Cap Growth Managed Volatility Fund - Service Class9, 10, 11	Risk Managed - US Large Cap	02/03/1994	-0.44	0.99	4.21	-0.87	0.42	4.21	21.15	10.70	10.69	7.31	
RISK MANAGED - US MID CAP RMUSM													
LVIP Blended Mid Cap Managed Volatility Fund - Service Class9, 10, 11	Risk Managed - US Mid Cap	05/01/2001	0.24	3.62	1.63	-1.59	-3.88	1.63	11.64	3.28	8.54	4.39	
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Service Class8, 9, 10, 11	Risk Managed - US Mid Cap	05/01/2001	0.03	3.19	0.25	-0.17	1.07	0.25	8.15	7.66	6.00	5.72	
RISK MANAGED - GLOBAL/INTERNATIONAL RMGI													
LVIP Franklin Templeton Global Equity Managed Volatility Fund - Service Class1, 9, 10, 11	Risk Managed - Global/International	08/01/1985	-0.37	2.98	12.09	1.17	3.75	12.09	12.99	7.74	6.95	6.79	
LVIP SSGA International Managed Volatility Fund - Service Class1, 3, 9, 11	Risk Managed - Global/International	12/31/2013	-0.42	2.90	23.44	2.54	4.27	23.44	13.27	5.48	4.26	2.43	
ESG/SOCIALLY CONSCIOUS ESC													
AB VPS Sustainable Global Thematic Portfolio - Class B1	ESG/Socially Conscious	01/11/1996	-0.78	1.12	4.97	-0.87	-3.35	4.97	8.05	1.99	8.71	5.31	
LVIP Macquarie Social Awareness Fund - Service Class9, 12, 21	ESG/Socially Conscious	05/02/1988	-0.35	0.98	13.51	-0.75	2.58	13.51	20.31	11.46	12.00	9.93	

* 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.

Risk disclosures: 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: Asset Allocation Portfolios:** Asset allocation does not ensure a profit, nor protect against loss in a declining market.
- 3: 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.

- 4: 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.
- 5: Alternative Funds:** Certain funds (sometimes called "alternative funds") expect to invest in (or may invest in some) positions that emphasize alternative investment strategies and/or nontraditional asset classes and, as a result, are subject to the risk factors of those asset classes and/or investment strategies. Some of those risks may include general economic risk, geopolitical risk, commodity-price volatility, counterparty and settlement risk, currency risk, derivatives risk, emerging markets risk, foreign securities risk, high-yield bond exposure, index investing risk, exchange-traded notes risk, industry concentration risk, leveraging risk, real estate investment risk, master limited partnership risk, master limited partnership tax risk, energy infrastructure companies risk, sector risk, short sale risk, direct investment risk, hard assets sector risk, active trading and "overlay" risks, event-driven investing risk, global macro strategies risk, temporary defensive positions and large cash positions. If you are considering investing in alternative investment funds, you should ensure that you understand the complex investment strategies sometimes employed and be prepared to tolerate the risks of such asset classes. For a complete list of risks, as well as a discussion of risk and investment strategies, please refer to the fund's prospectus. The fund may invest in derivatives, including futures, options, forwards and swaps. Investments in derivatives may cause the fund's losses to be greater than if it invested only in conventional securities and can cause the fund to be more volatile. Derivatives involve risks different from, or possibly greater than, the risks associated with other investments. The fund's use of derivatives may cause the fund's investment returns to be impacted by the performance of securities the fund does not own and may result in the fund's total investment exposure exceeding the value of its portfolio.
- 6: 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.
- 7: 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.
- 8: 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.
- 9: 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.
- 10: 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.
- 11: Managed Volatility Strategy:** The fund's managed volatility strategy is not a guarantee, and the fund's shareholders may experience losses. The fund employs hedging strategies designed to reduce overall portfolio volatility. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.
- 12: Macquarie Investment Management:** Investments in Macquarie VIP Series, Delaware Funds, Ivy Funds, LVIP Macquarie 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 46008 583 542 and its holding companies, including their subsidiaries or related companies, and are subject to investment risk, including possible delays in prepayment and loss of income and capital invested. No Macquarie Group company guarantees or will guarantee the performance of the series or funds or accounts, the repayment of capital from the series or funds or account, or any particular rate of return.
- 13: 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.
- 14: Sector Funds:** Funds that target exposure to one region or industry may carry greater risk and higher volatility than more broadly diversified funds.
- 15: 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.
- 16: Risk Management Strategy:** The fund's risk management strategy is not a guarantee, and the funds shareholders may experience losses. The fund employs hedging strategies designed to provide downside protection during sharp downward movements in equity markets. The use of these hedging strategies may limit the upside participation of the fund in rising equity markets relative to other unhedged funds, and the effectiveness of such strategies may be impacted during periods of rapid or extreme market events.
- 17: LVIP Government Money Market Fund:** You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$10.00 per share for LVIP Government Money Market Fund, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

The 7-day yield quotation more closely reflects the current earnings of the money market fund than the total return quotation.

- 18: Ultra Short Bond Funds:** During periods of extremely low short-term interest rates, the fund may not be able to maintain a positive yield and, given a historically low interest rate environment, may experience risks associated with rising rates.
- 19: 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.
- 20: 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.
- 21: 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.
- 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:** The Index to which this fund is managed is a product of S&P Dow Jones Indices LLC (SPDJI) and has been licensed for use by one or more of the portfolio's service providers (licensee). Standard & Poor's®; and S&P®, S&P GSCI® and S&P 500® are registered trademarks of S&P Global, Inc. or its affiliates (S&P); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). The trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the licensee. The licensee's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or their third party licensors, and none of these parties or their respective affiliates or third party licensors make any representation regarding the advisability of investing in such products, nor do they have liability for any errors, omissions, or interruptions of the Index.

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Limitations and exclusions may apply.

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**DISTRICT
CORRESPONDENCE**
Board Meeting of January 19, 2026



Date: **Correspondence Sent To:**

1. 12/31/2025 Nelly Traitcheva, Atomica Corp
Goleta, CA

Subject: Industrial Wastewater Discharge Permit # A-429-26

Letters also sent to:

- Derek Meek, IntriPlex Technologies
- John Paulo Quinto, MANN & HUMMEL Fluid Solutions, Inc.
- Mason King, UCSB

2. 01/12/2026 William Dole
Santa Barbara, CA

Subject: Sewer Service Availability and Proposed Lot Split APN# 061-273-003 at 4640 Vieja Drive

Date: **Correspondence Received From:**

None

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