

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/88351533965?pwd=V0FhmZ5OoZvMBbfIWnu5Ysi8EhbHnu.1>

Meeting ID: 883 5153 3965

Passcode: 370463

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

February 18, 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 February 02, 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. PRESENTATION ON THE CURRENT STATE OF OPERATIONS AT THE DISTRICT’S WATER RESOURCE RECOVERY FACILITY
2. CONSIDERATION OF APPROVAL OF RESOLUTION NO. 26-729 ADOPTING FINDINGS, APPROVING CERTIFICATE OF DETERMINATION AND AUTHORIZING PREPARATION AND FILING OF NOTICE OF EXEMPTION UNDER CEQA FOR THE GSD RHOADS SEWER REPAIR / MANHOLE REPLACEMENT PROJECT
(Board may take action on this item.)
3. CONSIDERATION OF PROPOSALS FOR THE GSD RHOADS SEWER REPAIR / MANHOLE REPLACEMENT PROJECT
(Board may take action on this item.)

4. CONSIDERATION OF SEWER SERVICE RATE AND FEE STUDY COST OF SERVICE ANALYSIS AND PROPOSED RATE MODEL
(Board may take action on this item.)
5. DISCUSSION OF GOLETA WEST SANITARY DISTRICT SEWER SPILL AND THE CENTRAL COAST REGIONAL WATER QUALITY CONTROL BOARD PROPOSED SETTLEMENT AGREEMENT
(Board may take action on this item.)
6. GENERAL MANAGER'S REPORT
7. LEGAL COUNSEL'S REPORT
8. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES
9. PRESIDENT'S REPORT
10. ITEMS FOR FUTURE MEETINGS
11. CORRESPONDENCE
(The Board will consider correspondence received by and sent by the District since the last Board Meeting.)
12. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT
(The Board will be asked to ratify claims.)

ADJOURNMENT

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@goletasanitary.org.

Any public records which are distributed less than 72 hours prior to this meeting to all, or a majority of all, of the District's Board members in connection with any agenda item (other than closed sessions) will be available for public inspection at the time of such distribution at the District's office located at One William Moffett Place, Goleta, California 93117.

MINUTES

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

February 2, 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, Ryan Guiboa, General Counsel (via Zoom)

OTHERS PRESENT:

Tom Evans, Director, Goleta Water District (via Zoom)
Bob Thomas, Director, Goleta West Sanitary District

APPROVAL OF MINUTES:

Director Nevins made a motion, seconded by Director Frye, to approve the minutes of the Regular Board meeting of 01/19/2026. The motion carried by the following vote:

(26/02/2085)

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 AND CONSIDERATION OF SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) ELECTION OF A REGULAR SPECIAL DISTRICT MEMBER
Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Nevins to Direct Board President to submit LAFCO Official Ballot, voting for Dorinne Lee Johnson of Montecito Sanitary as Regular Special District Member.

The motion carried by the following vote:

(26/02/2086)

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

2. CONSIDERATION OF PRE-APPROVED DIRECTOR ACTIVITIES

Mr. Wagner gave the staff report.

Director Fuller made a motion, seconded by Director Nevins to direct staff to return with a resolution updating the preapproved Director Activities to include approval for all Directors to attend CSDA annual conferences.

The motion carried by the following vote:

(26/02/2087)

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

3. CONSIDERATION OF FY26 ACTION PLAN STATUS REPORT

Mr. Wagner gave the staff report.

No Board action was taken on the Status Report item.

4. GENERAL MANAGER'S REPORT

Mr. Wagner gave the report.

5. LEGAL COUNSEL'S REPORT

Mr. Guiboa reported that notices for Form 700 completion have just gone out and the submission is due on or before April 1, 2026. He also reported that the mandatory training under SB 827, can be satisfied by attending a BBK webinar scheduled for March 24, 2026.

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

Director Nevins – Reported on the Goleta West Sanitary District meeting he attended.

Director Frye – No report.

Director Fuller – No report.

Director Glancy – No report.

7. PRESIDENT'S REPORT

President Majoewsky – No report.

8. ITEMS FOR FUTURE MEETINGS

Board consensus to place an annual calendar as an agenda item including rescheduling meetings that may fall on a Holiday.

9. CORRESPONDENCE

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

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

Director Nevins made a motion, seconded by Director Fuller, to ratify and approve the claims, for the period 01/20/2026 to 02/02/2026 as follows:

Running Expense Fund #4640	\$	312,190.61
Capital Reserve Fund #4650	\$	674.47
Depreciation Replacement Reserve Fund #4655	\$	1,100.00

The motion carried by the following vote:

(26/02/2088)

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

ADJOURNMENT

There being no further business, the meeting was adjourned at 7:18 p.m.

ATTEST

Steven T. Majoewsky
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: February 18, 2026

I. NATURE OF ITEM

Presentation on the Current State of Operations at the District's Water Resource Recovery Facility

II. BACKGROUND INFORMATION

The District owns and operates a state-of-the-art Water Resource Recovery Facility (WRRF) that can process up to 9.8 million gallons of wastewater and up to three million gallons of recycled water daily, while simultaneously recovering energy for system heating and nutrients for soil amendment. To do this, the District has developed a highly trained team of certified plant operators to work in staggered daily shifts seven days a week to ensure the ongoing protection of our community's public health and its environment.

Our Plant Operations Manager, Pete Regis, will provide an overview of the status of our treatment process along with an update on the various maintenance and operations improvement projects that were initiated/completed over the last year, as well as those being planned for FY26-27.

III. COMMENTS AND RECOMMENDATIONS

This presentation is for informational purposes only. As such, no Board action is required.

IV. REFERENCE MATERIALS

None

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: February 18, 2026

I. NATURE OF ITEM

Consideration of Approval of Resolution No. 26-729 Adopting Findings, Approving Certificate of Determination and Authorizing Preparation and Filing of Notice of Exemption under CEQA for the GSD Rhoads Sewer Repair / Manhole Replacement Project

II. BACKGROUND INFORMATION

The District's long-range capital plan includes replacement and rehabilitation of existing sewer lines to mitigate structural deficiencies and/or capacity constraints. Staff identified a high priority deficiency in the 8-inch sewer main on Rhoads Avenue and designed a sewer main rehabilitation project to remedy the issue. This project includes the investigation and repair of a significant sag and vertical offset in the sewer main which is currently causing standing water and grease buildup in approximately 150 feet of sewer main.

Preliminary project plans to repair the sewer main have been prepared by staff and have been reviewed by the District's Environmental Committee. The committee has determined that the project is exempt from the California Environmental Quality Act (CEQA). Approval of a CEQA Notice of Exemption by the Governing Board is required to allow this project to proceed. Upon approval, the CEQA Notice of Exemption will be filed with the Santa Barbara County Clerk and State Clearinghouse as required.

III. COMMENTS AND RECOMMENDATIONS

Staff recommends the Board approve Resolution No. 26-729 to adopt findings, approve the Certificate of Determination form, and authorize the preparation and filing of a CEQA Notice of Exemption for the GSD Rhoads Sewer Repair / Manhole Replacement Project.

IV. REFERENCE MATERIAL

Draft Resolution No. 26-729

Notice of Exemption

Certificate of Determination

RESOLUTION NO. 26-729

**RESOLUTION OF THE GOVERNING BOARD OF THE GOLETA
SANITARY DISTRICT ADOPTING FINDINGS, APPROVING CERTIFICATE OF
DETERMINATION FORM AND AUTHORIZING PREPARATION AND FILING OF
NOTICE OF EXEMPTION UNDER CEQA FOR THE GSD RHOADS SEWER REPAIR /
MANHOLE REPLACEMENT PROJECT**

WHEREAS, the District’s Environmental Committee has conducted a preliminary review of the GSD Rhoads Sewer Repair / Manhole Replacement Project (the “Project”) and has concluded that this activity is exempt from environmental review under the California Environmental Quality Act (“CEQA”) pursuant to Sections 15301 of Title 14 of the California Code of Regulations (the “CEQA Guidelines”). Said conclusion is set forth in the Certificate of Determination form prepared by the Environmental Committee, a copy of which is attached hereto as Exhibit “A”.

WHEREAS, the District’s Governing Board desires to approve the Certificate of Determination form, set forth its findings that the Project is exempt from environmental review under CEQA and authorizes the filing of a Notice of Exemption.

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

1. The Governing Board hereby approves the Certificate of Determination form attached hereto as Exhibit “A” and finds that the Project is exempt from environmental review under Sections 15301 of the CEQA Guidelines.

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

PASSED AND ADOPTED this 18th day of February 2026, by the following vote of the Governing Board of the Goleta Sanitary District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven T. Majoewsky
President of the Board of Directors

ATTEST:

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

NOTICE OF EXEMPTION

TO: Office of Land Use and Climate Innovation <input type="checkbox"/> State Clearinghouse P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	FROM: Name: Goleta Sanitary District (Public Address: 1 William Moffett Place Agency) Goleta, CA 93117-3901 Telephone: 805-967-4519
<input type="checkbox"/> Clerk of the Board of Supervisors or County Clerk (Include County name) Address:	

1. Project Title:	GSD Rhoads Sewer Repair / Manhole Replacement Project
2. Project Applicant (include address, telephone number and email address):	Goleta Sanitary District 1 William Moffett Place Goleta, CA 93117-3901
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	5082 Rhoads Avenue to intersection of Walnut Lane Santa Barbara, CA 93111
4. (a) Project Location – City: Santa Barbara	(b) Project Location – County: Santa Barbara
5. Description of nature, purpose, and beneficiaries of Project:	Investigation and repair of up to 450 feet of existing sewer main found to be damaged.
6. Name of Public Agency approving project:	Goleta Sanitary District
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	Goleta Sanitary District
8. Exempt status: (check one)	
(a) <input type="checkbox"/> Ministerial project.	(Pub. Resources Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b) <input type="checkbox"/> Not a project.	(State CEQA Guidelines §§ 15050(c)(2)-(3), 15378)
(c) <input type="checkbox"/> Declared Emergency	(Pub. Resources Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(d) <input type="checkbox"/> Emergency Project.	(Pub. Resources Code § 21080(b)(4); State CEQA Guidelines § 15269(b),(c))
(e) <input checked="" type="checkbox"/> Categorical Exemption. State type and section number:	CEQA Guidelines Sections 15301 (Repair of Existing Facilities), 15302 (Replacement of Existing Facilities)
(f) <input type="checkbox"/> Statutory Exemption. State Code section number:	

(g) <input type="checkbox"/> Other. Explanation:	(State CEQA Guidelines § 15061(b)(3) Common Sense exemption)
9. Reason why project was exempt:	Repair/replacement of existing facilities.
10. Lead Agency Contact Person: Telephone:	Steve D. Wagner, P.E. 805-967-4519
11. If filed by applicant: Attach Certificate of Determination (Form "B") before filing.	
12. Was a public hearing held by the Lead Agency to consider the exemption? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, the date of the public hearing was:	

Date:

Signature

Name: Steve D. Wagner

Title: General Manager / District Engineer

☒ Signed by Lead Agency

☒ Signed by Applicant

Date Received for Filing:

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

CERTIFICATE OF DETERMINATION

(If Notice of Exemption filed by Project Applicant, Project Applicant must Attach to Notice of Exemption)

1. Name or description of project:	GSD Rhoads Sewer Repair / Manhole Replacement Project	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	5082 Rhoads Avenue to intersection of Walnut Lane Santa Barbara, CA 93111	
3. Entity or person undertaking project:	A. Goleta Sanitary District	
	B. Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination: The District's Environmental Committee, having undertaken and completed a preliminary review of this project in accordance with the California Environmental Quality Act (CEQA) and the Lead Agency's Local Guidelines for Implementing CEQA has concluded that this project does not require further environmental assessment because:		
a. <input type="checkbox"/>	The proposed action does not constitute a project under CEQA.	
b. <input type="checkbox"/>	The project is a Ministerial Project.	
c. <input type="checkbox"/>	The project is an Emergency Project.	
d. <input type="checkbox"/>	The project constitutes a feasibility or planning study.	
e. <input checked="" type="checkbox"/>	The project is categorically exempt.	
	Applicable Exemption Class:	CEQA Guidelines Sections 15301 (Repair of Existing Facilities), 15302 (Replacement of Existing Facilities)
f. <input type="checkbox"/>	The project is statutorily exempt.	
	Applicable Exemption:	
g. <input type="checkbox"/>	The project is otherwise exempt on the following basis:	
h. <input type="checkbox"/>	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date:

Signature: _____

Name: Steve D. Wagner

Title: General Manager / District Engineer

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: February 18, 2026

I. NATURE OF ITEM

Consideration of Proposals for the GSD Rhoads Sewer Repair / Manhole Replacement Project

II. BACKGROUND INFORMATION

The District's long-range capital plan includes replacement and rehabilitation of existing sewer lines to mitigate structural deficiencies and/or capacity constraints. Staff identified a high priority deficiency in the 8-inch sewer main on Rhoads Avenue and designed a sewer main rehabilitation project to remedy the issue. This project includes the investigation and repair of a significant sag and vertical offset in the sewer main which is currently causing standing water and grease buildup in approximately 150 feet of sewer main.

The scope of work includes the development of a traffic control plan, obtaining a County of Santa Barbara encroachment permit, maintaining temporary sewer bypass and rehabilitation of the sewer main including asphalt saw-cutting, excavation, pipe replacement, backfilling, and disposal of waste material. Informal proposals to perform this work were solicited from the District's list of qualified contractors. Two bids were received, and the totals are tabulated, below:

BIDDER	COST
Tierra Contracting, Inc.	\$167,750
Cedro Construction, Inc.	\$192,000

The apparent low bidder is Tierra Contracting, Inc (Tierra). Tierra is an experienced contractor with this type of project and has performed similar work for the District in the past.

III. COMMENTS AND RECOMMENDATIONS

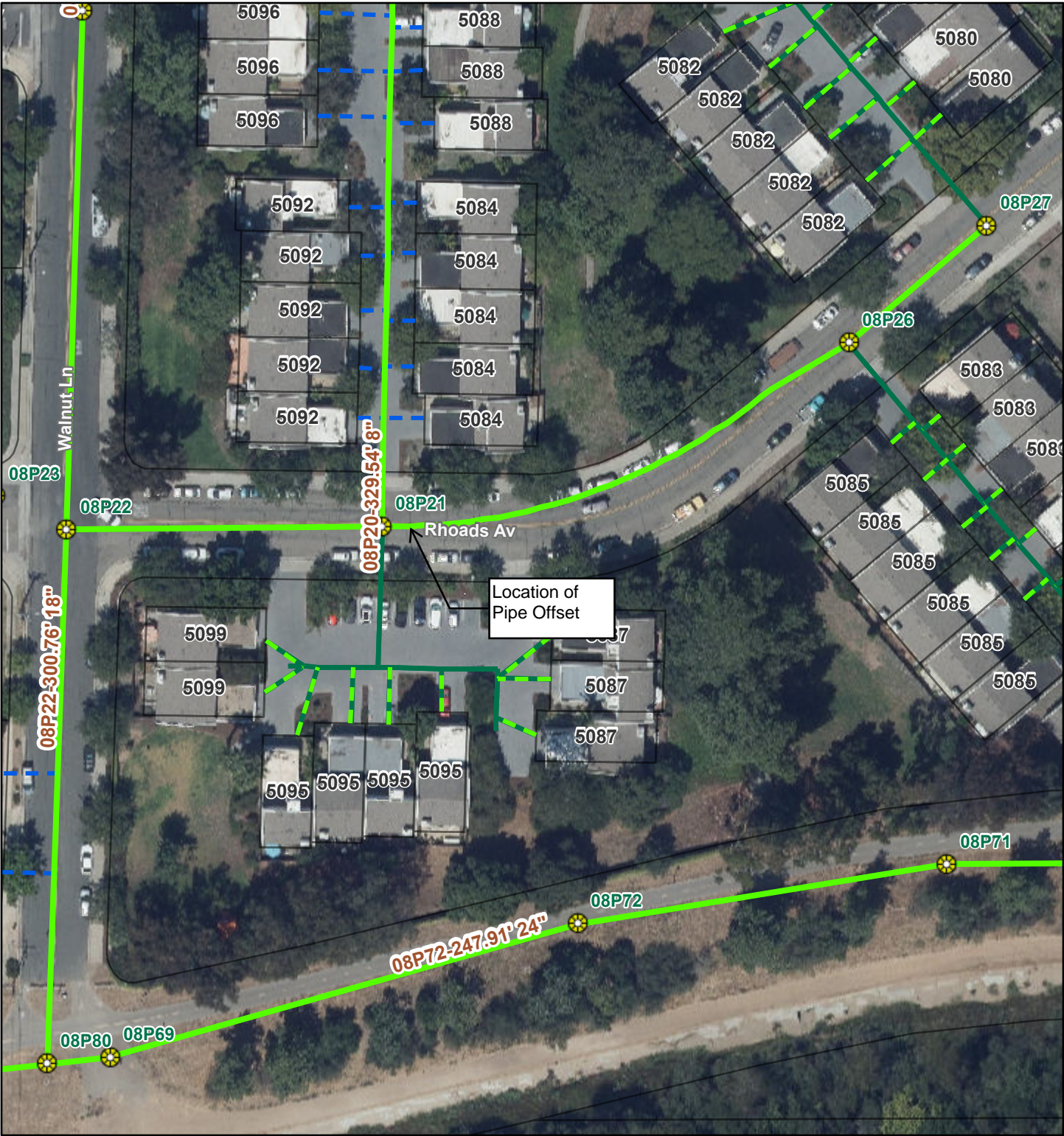
Staff recommends the Board approve the General Manager to enter into a construction contract with Tierra Contracting Inc., in the amount of \$167,750, for the GSD Rhoads Sewer Repair / Manhole Replacement Project, subject to legal review of any changes the Board may wish to make to the draft construction contract.

IV. REFERENCE MATERIAL

Vicinity Map of Rhoads

Draft Construction Contract with Tierra Contracting, Inc.

Goleta Sanitary District



11/18/2025, 4:59:09 PM

ZWG_Santa_Barbara_Southcoast_Region_3INCH_2024.sid

- Red: Band_1
- Green: Band_2
- Blue: Band_3

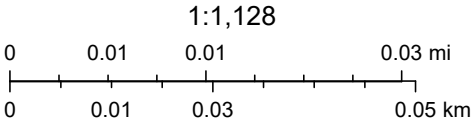
Structures

- MH

Sewer Pipe

- SANITARY SEWER

- Service Laterals
- Private Laterals
- Pipes - Private
- Goleta Sanitary District Boundary
- Parcels
- Street Labels



Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community. Sources: Esri, Maxar, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap, and the GIS user community

GOLETA SANITARY DISTRICT

CONSTRUCTION CONTRACT

GSD RHOADS SEWER REPAIR / MANHOLE REPLACEMENT PROJECT

1. PARTIES AND DATE.

This Contract is made and entered into this [] day of February, 2026 by and between the Goleta Sanitary District, a public agency of the State of California ("District") and Tierra Contracting, Inc., an S-corporation with its principal place of business at 5484 Overpass Road, Santa Barbara, CA 93111 ("Contractor"). District and Contractor are sometimes individually referred to as "Party" and collectively as "Parties" in this Contract.

2. RECITALS.

2.1 District. District is a public agency organized under the laws of the State of California, with power to contract for services necessary to achieve its purpose.

2.2 Contractor. Contractor desires to perform and assume responsibility for the provision of certain construction services required by the District on the terms and conditions set forth in this Contract. Contractor represents that it is duly licensed and experienced in providing heating ventilating and air conditioning related construction services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of District. The following license classifications are required for this Project: Class A – General Engineering Contractor, Class C34 – Pipeline Contractor, Class C36 – Plumbing Contractor.

2.3 Project. District desires to engage Contractor to render such services for the GSD Rhoads Sewer Repair / Manhole Replacement Project ("Project") as set forth in this Contract.

2.4 Project Documents & Certifications. Contractor has obtained, and delivers concurrently herewith, a performance bond, a payment bond, and all insurance documentation, as required by the Contract.

3. TERMS

3.1 Incorporation of Documents. This Contract includes and hereby incorporates in full by reference the following documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Services/Schedule (Exhibit "A")
- Plans and Specifications (Exhibit "B")
- Special Conditions (Exhibit "C")
- Contractor's Certificate Regarding Workers' Compensation (Exhibit "D")
- Public Works Contractor Registration Certification (Exhibit "E")
- Payment Bond and Performance Bond (Exhibit "F")
- Fleet Compliance Certification. (Exhibit "G")
- Addenda
- Change Orders executed by the District

3.2 Contractor's Basic Obligation; Scope of Work. Contractor promises and agrees, at its own cost and expense, to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project, including all structures and facilities necessary for the Project or described in the Contract (hereinafter sometimes referred to as the "Work"), for a Total Contract Price as specified pursuant to this Contract. All Work shall be subject to, and performed in accordance with the above referenced documents, as well as the exhibits attached hereto and incorporated herein by reference. The plans and specifications for the Work are further described in Exhibit "B" attached hereto and incorporated herein by this reference. Special Conditions, if any, relating to the Work are described in Exhibit "C" attached hereto and incorporated herein by this reference.

3.2.1 Change in Scope of Work. Any change in the scope of the Work, method of performance, nature of materials or price thereof, or any other matter materially affecting the performance or nature of the Work shall not be paid for or accepted unless such change, addition or deletion is approved in writing by a valid change order executed by the District. Should Contractor request a change order due to unforeseen circumstances affecting the performance of the Work, such request shall be made within five (5) business days of the date such circumstances are discovered or shall waive its right to request a change order due to such circumstances. If the Parties cannot agree on any change in price required by such change in the Work, the District may direct the Contractor to proceed with the performance of the change on a time and materials basis.

3.2.2 Substitutions/"Or Equal". Pursuant to Public Contract Code Section 3400(b), the District may make a finding that designates certain products, things, or services by specific brand or trade name. Unless specifically designated in this Contract, whenever any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such Specifications shall be deemed to be used for the purpose of facilitating the description of the material, process or article desired and shall be deemed to be followed by the words "or equal."

Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified in this Contract. However, the District may have adopted certain uniform standards for certain materials, processes and articles. Contractor shall submit requests, together with substantiating data, for substitution of any "or equal" material, process or article no later than thirty-five (35) days after award of the Contract. To facilitate the construction schedule and sequencing, some requests may need to be submitted before thirty-five (35) days after award of Contract. Provisions regarding submission of "or equal" requests shall not in any way authorize an extension of time for performance of this Contract. If a proposed "or equal" substitution request is rejected, Contractor shall be responsible for providing the specified material, process or article. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

The District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Data required to substantiate requests for substitutions of an "or equal" material, process or article shall include a signed affidavit from Contractor stating that, and describing how, the substituted "or equal" material, process or article is equivalent to that specified in every way except as listed on the affidavit. Substantiating data shall include any and all illustrations, specifications, and other relevant data including catalog information which describes the requested substituted "or equal"

material, process or article, and substantiates that it is an “or equal” to the material, process or article. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted “or equal” material, process or article. Failure to submit all the required substantiating data, including the signed affidavit, to the District in a timely fashion will result in the rejection of the proposed substitution.

Contractor shall bear all of the District’s costs associated with the review of substitution requests. Contractor shall be responsible for all costs related to a substituted “or equal” material, process or article. Contractor is directed to the Special Conditions (if any) to review any findings made pursuant to Public Contract Code section 3400.

3.3 Period of Performance.

3.3.1 Contract Time. Contractor shall perform and complete all Work under this Contract within **X WORKING** days, beginning the effective date of the Notice to Proceed (“Contract Time”). Contractor shall perform its Work in strict accordance with any completion schedule, construction schedule or project milestones developed by the District. Such schedules or milestones may be included as part of Exhibits “A” or “B” attached hereto, or may be provided separately in writing to Contractor. Contractor agrees that if such Work is not completed within the aforementioned Contract Time and/or pursuant to any such completion schedule, construction schedule or project milestones developed pursuant to provisions of the Contract, it is understood, acknowledged and agreed that the District will suffer damage.

3.3.2 Force Majeure. Neither District nor Contractor shall be considered in default of this Contract for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Contract, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; pandemics or epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Contract. Contractor’s exclusive remedy in the event of delay covered under this section shall be a non-compensable extension of the Contract Time.

3.3.3 Liquidated Damages. Pursuant to Government Code Section 53069.85, Contractor shall pay to the District as fixed and liquidated damages the sum of Five Hundred (\$500) per day for each and every calendar day of delay beyond the Contract Time or beyond any completion schedule, construction schedule or Project milestones established pursuant to the Contract.

3.4 Standard of Performance; Performance of Employees. Contractor shall perform all Work under this Contract in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Work. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, including any required business license, and that such licenses and approvals shall be maintained throughout the term

of this Contract. As provided for in the indemnification provisions of this Contract, Contractor shall perform, at its own cost and expense and without reimbursement from the District, any work necessary to correct errors or omissions which are caused by Contractor's failure to comply with the standard of care provided for herein. Any employee who is determined by the District to be uncooperative, incompetent, a threat to the safety of persons or the Work, or any employee who fails or refuses to perform the Work in a manner acceptable to the District, shall be promptly removed from the Project by Contractor and shall not be re-employed on the Work.

3.5 Control and Payment of Subordinates; Contractual Relationship. District retains Contractor on an independent contractor basis and Contractor is not an employee of District. Any additional personnel performing the work governed by this Contract on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Contract and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

3.6 District's Basic Obligation. District agrees to engage and does hereby engage Contractor as an independent contractor to furnish all materials and to perform all Work according to the terms and conditions herein contained for the sum set forth above. Except as otherwise provided in the Contract, the District shall pay to Contractor, as full consideration for the satisfactory performance by Contractor of the services and obligations required by this Contract, the below-referenced compensation in accordance with compensation provisions set forth in the Contract.

3.7 Compensation and Payment.

3.7.1 Amount of Compensation. As consideration for performance of the Work required herein, District agrees to pay Contractor the Total Contract Price of **\$167,750.00** ("Total Contract Price") provided that such amount shall be subject to adjustment pursuant to the applicable terms of this Contract or written change orders approved and signed in advance by the District.

3.7.2 Payment of Compensation. If the Work is scheduled for completion in thirty (30) or less calendar days, District will arrange for payment of the Total Contract Price upon completion and approval by District of the Work. If the Work is scheduled for completion in more than thirty (30) calendar days, District will pay Contractor on a monthly basis as provided for herein. On or before the fifth (5th) day of each month, Contractor shall submit to the District an itemized application for payment in the format supplied by the District indicating the amount of Work completed since commencement of the Work or since the last progress payment. These applications shall be supported by evidence which is required by this Contract and such other documentation as the District may require. The Contractor shall certify that the Work for which payment is requested has been done and that the materials listed are stored where indicated. Contractor may be required to furnish a detailed schedule of values upon request of the District and in such detail and form as the District shall request, showing the quantities, unit prices, overhead, profit, and all other expenses involved in order to provide a basis for determining the amount of progress payments.

3.7.3 Prompt Payment. District shall review and pay all progress payment requests in accordance with the provisions set forth in Section 20104.50 of the California Public

Contract Code. However, no progress payments will be made for Work not completed in accordance with this Contract. Contractor shall comply with all applicable laws, rules and regulations relating to the proper payment of its employees, subcontractors, suppliers or others.

3.7.4 Contract Retentions. From each approved progress estimate, five percent (5%) will be deducted and retained by the District, and the remainder will be paid to Contractor. All Contract retention shall be released and paid to Contractor and subcontractors pursuant to California Public Contract Code Section 7107.

3.7.5 Other Retentions. In addition to Contract retentions, the District may deduct from each progress payment an amount necessary to protect District from loss because of: (1) liquidated damages which have accrued as of the date of the application for payment; (2) any sums expended by the District in performing any of Contractor's obligations under the Contract which Contractor has failed to perform or has performed inadequately; (3) defective Work not remedied; (4) stop notices as allowed by state law; (5) reasonable doubt that the Work can be completed for the unpaid balance of the Total Contract Price or within the scheduled completion date; (6) unsatisfactory prosecution of the Work by Contractor; (7) unauthorized deviations from the Contract; (8) failure of Contractor to maintain or submit on a timely basis proper and sufficient documentation as required by the Contract or by District during the prosecution of the Work; (9) erroneous or false estimates by Contractor of the value of the Work performed; (10) any sums representing expenses, losses, or damages as determined by the District, incurred by the District for which Contractor is liable under the Contract; and (11) any other sums which the District is entitled to recover from Contractor under the terms of the Contract or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the District to deduct any of these sums from a progress payment shall not constitute a waiver of the District's right to such sums.

3.7.6 Substitutions for Contract Retentions. In accordance with California Public Contract Code Section 22300, the District will permit the substitution of securities for any monies withheld by the District to ensure performance under the Contract. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the District, or with a state or federally chartered bank in California as the escrow agent, and thereafter the District shall then pay such monies to Contractor as they come due. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor. For purposes of this Section and Section 22300 of the Public Contract Code, the term "satisfactory completion of the contract" shall mean the time the District has issued written final acceptance of the Work and filed a Notice of Completion as required by law and provisions of this Contract. Contractor shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon. The escrow agreement used for the purposes of this Section shall be in the form provided by the District.

3.7.7 Title to Work. As security for partial, progress, or other payments, title to Work for which such payments are made shall pass to the District at the time of payment. To the extent that title has not previously been vested in the District by reason of payments, full title shall pass to the District at delivery of the Work at the destination and time specified in this Contract. Such transferred title shall in each case be good, free and clear from any and all security interests, liens, or other encumbrances. Contractor promises and agrees that it will not pledge, hypothecate, or otherwise encumber the items in any manner that would result in any lien, security interest, charge, or claim upon or against said items. Such transfer of title shall not imply

acceptance by the District, nor relieve Contractor from the responsibility to strictly comply with the Contract, and shall not relieve Contractor of responsibility for any loss of or damage to items.

3.7.8 Labor and Material Releases. Contractor shall furnish District with labor and material releases from all subcontractors performing work on, or furnishing materials for, the Work governed by this Contract prior to final payment by District.

3.7.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. District shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract upon request. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Contractor and any subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

3.7.10 Apprenticeable Crafts. When Contractor employs workmen in an apprenticeable craft or trade, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor. The Contractor or any subcontractor that is determined by the Labor Commissioner to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding \$100 for each full calendar day of noncompliance, or such greater amount as provided by law.

3.7.11 Hours of Work. Contractor is advised that eight (8) hours labor constitutes a legal day's work. Pursuant to Section 1813 of the California Labor Code, Contractor shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

3.7.12 Payroll Records. Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Contractor shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this section. Should noncompliance still be evident after such 10-day period, Contractor shall, as a penalty to District, forfeit not more than \$100.00

for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Contractor. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

3.7.13 Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Contractor is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Exhibit "E" prior to contract execution. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

3.7.14 Labor Compliance; Stop Orders. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Contractor's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor's performance of Work, including any delay, shall be Contractor's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay subject to any applicable liquidated damages and shall not be compensable by the District. Contractor shall defend, indemnify and hold the District, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

3.8 Performance of Work; Jobsite Obligations.

3.8.1 Water Quality Management and Compliance.

3.8.1.1 Water Quality Management and Compliance. Contractor shall keep itself and all subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); local ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State.

3.8.1.2 Compliance with the Statewide Construction General Permit. Contractor shall comply with all conditions of the most recent iteration of the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity, issued by the California State Water Resources Control Board ("Permit"). It shall be Contractor's sole responsibility to file a Notice of Intent and procure coverage under the Permit for all construction activity which results in the disturbance of more than one acre of total land area or which is part of a larger common area of development or sale. Prior to initiating work, Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (SWPPP) as required by the Permit. Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, and monitoring and reporting requirements as required by the Permit. The Permit requires the SWPPP to be a "living document" that changes as necessary to meet the conditions and requirements of the job site as it progresses through difference phases of construction and is subject to different weather conditions. It shall be Contractor's sole responsibility to update the SWPPP as necessary to address conditions at the project site.

3.8.1.3 Other Water Quality Rules Regulations and Policies. Contractor shall comply with the lawful requirements of any applicable municipality, drainage District, or local agency regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

3.8.1.4 Cost of Compliance. Storm, surface, nuisance, or other waters may be encountered at various times during construction of The Work. Therefore, the Contractor, by submitting a Bid, hereby acknowledges that it has investigated the risk arising from such waters, has prepared its Bid accordingly, and assumes any and all risks and liabilities arising therefrom.

3.8.1.5 Liability for Non-Compliance. Failure to comply with the Permit is a violation of federal and state law. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to defend, indemnify and hold harmless the District and its officials, officers, employees, volunteers and agents for any alleged violations. In addition, District may seek damages from Contractor for any delay in completing the Work in accordance with the Contract, if such delay is caused by or related to Contractor's failure to comply with the Permit.

3.8.1.6 Reservation of Right to Defend. District reserves the right to defend any enforcement action brought against the District for Contractor's failure to comply with the Permit or any other relevant water quality law, regulation, or policy. Pursuant to the indemnification provisions of this Contract, Contractor hereby agrees to be bound by, and to reimburse the District for the costs (including the District's attorney's fees) associated with, any settlement reached between the District and the relevant enforcement entity.

3.8.1.7 Training. In addition to the standard of performance requirements set forth in paragraph 3.4, Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Work assigned to them without impacting water quality in violation of the laws, regulations and policies described in paragraph 3.8.1. Contractor further warrants that it, its employees and subcontractors will receive adequate training, as determined by District, regarding the requirements of the laws, regulations and policies described in paragraph 3.8.1 as they may relate to the Work provided under this

Contract. Upon request, District will provide the Contractor with a list of training programs that meet the requirements of this paragraph.

3.8.2 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. Contractor shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out its Work, Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which the Work is to be performed. Safety precautions as applicable shall include, but shall not be limited to, adequate life protection and lifesaving equipment; adequate illumination for underground and night operations; instructions in accident prevention for all employees, such as machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and adequate facilities for the proper inspection and maintenance of all safety measures. Furthermore, Contractor shall prominently display the names and telephone numbers of at least two medical doctors practicing in the vicinity of the Project, as well as the telephone number of the local ambulance service, adjacent to all telephones at the Project site.

3.8.3 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Contract or the Work, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Work. If Contractor observes that the drawings or specifications are at variance with any law, rule or regulation, it shall promptly notify the District in writing. Any necessary changes shall be made by written change order. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Contractor shall be solely responsible for all costs arising therefrom. District is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. Contractor shall defend, indemnify and hold District, its officials, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.8.4 Permits and Licenses. Contractor shall be responsible for securing District permits and licenses necessary to perform the Work described herein, including, but not limited to, any required business license. While Contractor will not be charged a fee for any District permits, Contractor shall pay the District's business license fee, if any. Any ineligible contractor or subcontractor pursuant to Labor Code Sections 1777.1 and 1777.7 may not perform work on this Project.

3.8.5 Trenching Work. If the Total Contract Price exceeds \$25,000 and if the Work governed by this Contract entails excavation of any trench or trenches five (5) feet or more in depth, Contractor shall comply with all applicable provisions of the California Labor Code, including Section 6705. To this end, Contractor shall submit for District's review and approval a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or

trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer.

3.8.6 Hazardous Materials and Differing Conditions. As required by California Public Contract Code Section 7104, if this Contract involves digging trenches or other excavations that extend deeper than four (4) feet below the surface, Contractor shall promptly, and prior to disturbance of any conditions, notify District of: (1) any material discovered in excavation that Contractor believes to be a hazardous waste that is required to be removed to a Class I, Class II or Class III disposal site; (2) subsurface or latent physical conditions at the site differing from those indicated by District; and (3) unknown physical conditions of an unusual nature at the site, significantly different from those ordinarily encountered in such contract work. Upon notification, District shall promptly investigate the conditions to determine whether a change order is appropriate. In the event of a dispute, Contractor shall not be excused from any scheduled completion date and shall proceed with all Work to be performed under the Contract, but shall retain all rights provided by the Contract or by law for making protests and resolving the dispute.

3.8.7 Underground Utility Facilities. To the extent required by Section 4215 of the California Government Code, District shall compensate Contractor for the costs of: (1) locating and repairing damage to underground utility facilities not caused by the failure of Contractor to exercise reasonable care; (2) removing or relocating underground utility facilities not indicated in the construction drawings; and (3) equipment necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay caused by failure of District to provide for removal or relocation of such utility facilities.

3.8.8 Air Quality.

Contractor shall fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the Bay Area Air Quality Management District (Air District) and/or California Air Resources Board (CARB). Although the Air District and CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by Air District and CARB to include any item of equipment with a fuel-powered engine.

Contractor shall comply, and shall ensure all subcontractors comply, with all applicable requirements of Title 13, California Code of Regulations Division 3, Chapter 9 and all pending amendments ("Regulation").

Throughout the Project, and for three (3) years thereafter, Contractor shall make available for inspection and copying any and all documents or information associated with Contractor's and any subcontractors' fleet including, without limitation, all Certificates of Reported Compliance, fuel/refueling records, maintenance records, emissions records, and any other information the Contractor is required to produce, keep or maintain pursuant to the Regulation upon two (2) calendar days' notice from the District.

Contractor shall indemnify District against any fines or penalties imposed by Air District, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.8.9 State Recycling Mandates. Contractor shall comply with State Recycling Mandates. Any recyclable materials/debris collected by the contractor that can be feasibly diverted via reuse or recycling must be hauled by the appropriate handler for reuse or recycling.

3.9 Completion of Work. When Contractor determines that it has completed the Work required herein, Contractor shall so notify District in writing and shall furnish all labor and material releases required by this Contract. District shall thereupon inspect the Work. If the Work is not acceptable to the District, the District shall indicate to Contractor in writing the specific portions or items of Work which are unsatisfactory or incomplete. Once Contractor determines that it has completed the incomplete or unsatisfactory Work, Contractor may request a reinspection by the District. Once the Work is acceptable to District, District shall pay to Contractor the Total Contract Price remaining to be paid, less any amount which District may be authorized or directed by law to retain. Payment of retention proceeds due to Contractor shall be made in accordance with Section 7107 of the California Public Contract Code.

3.10 Claims; Government Code Claim Compliance.

3.10.1 Intent. Effective January 1, 1991, Section 20104 et seq., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

3.10.2 Claims. For purposes of this Section, "Claim" means a separate demand by the Contractor, after a change order duly requested in accordance with the terms of this Contract has been denied by the District, for (A) a time extension, (B) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the Contract, or (C) an amount the payment of which is disputed by the District. A "Claim" does not include any demand for payment for which the Contractor has failed to provide notice, request a change order, or otherwise failed to follow any procedures contained in the Contract Documents. Claims governed by this Section may not be filed unless and until the Contractor completes all procedures for giving notice of delay or change and for the requesting of a time extension or change order, including but not necessarily limited to the change order procedures contained herein, and Contractor's request for a change has been denied in whole or in part. Claims governed by this Section must be filed no later than fourteen (14) days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to the District and shall include on its first page the following in 16 point capital font: "THIS IS A CLAIM." Furthermore, the claim shall include the documents necessary to substantiate the claim. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims, including all requirements pertaining to compensation or payment for extra Work, disputed Work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

3.10.3 Supporting Documentation. The Contractor shall submit all claims in the following format:

3.10.3.1 Summary of claim merit and price, reference Contract Document provisions pursuant to which the claim is made

3.10.3.2 List of documents relating to claim:

- (A) Specifications
- (B) Drawings
- (C) Clarifications (Requests for Information)
- (D) Schedules
- (E) Other

3.10.3.3 Chronology of events and correspondence

3.10.3.4 Analysis of claim merit

3.10.3.5 Analysis of claim cost

3.10.3.6 Time impact analysis in CPM format

3.10.3.7 If Contractor's claim is based in whole or in part on an allegation of errors or omissions in the Drawings or Specifications for the Project, Contractor shall provide a summary of the percentage of the claim subject to design errors or omissions and shall obtain a certificate of merit in support of the claim of design errors and omissions.

3.10.3.8 Cover letter and certification of validity of the claim, including any claims from subcontractors of any tier, in accordance with Government Code section 12650 *et seq.*

3.10.4 District's Response. Upon receipt of a claim pursuant to this Section, District shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the public entity issues its written statement.

3.10.4.1 If District needs approval from its governing body to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, District shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

3.10.4.2 Within 30 days of receipt of a claim, District may request in writing additional documentation supporting the claim or relating to defenses or claims District may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of District and the Contractor.

3.10.4.3 District's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

3.10.5 Meet and Confer. If the Contractor disputes District's written response, or District fails to respond within the time prescribed, the Contractor may so notify District, in writing, either within 15 days of receipt of District's response or within 15 days of District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, District shall schedule a meet and confer conference within 30 days for settlement of the dispute.

3.10.6 Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, District shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after District issues its written statement. Any disputed portion of the claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with District and the Contractor sharing the associated costs equally. District and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing, unless the parties agree to select a mediator at a later time.

3.10.6.1 If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3.10.6.2 For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

3.10.6.3 Unless otherwise agreed to by District and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

3.10.6.4 The mediation shall be held no earlier than the date the Contractor completes the Work or the date that the Contractor last performs Work, whichever is earlier. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

3.10.7 Procedures After Mediation. If following the mediation, the claim or any portion remains in dispute, the Contractor must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her

written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation.

3.10.8 Civil Actions. The following procedures are established for all civil actions filed to resolve claims subject to this Section:

3.10.8.1 Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of these procedures.. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

3.10.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

3.10.8.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

3.10.9 Government Code Claims. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the District. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the District. A Government Code claim must be filed no earlier than the date the work is completed or the date the Contractor last performs work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted.

3.10.10 Non-Waiver. District's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. District's failure to respond shall not waive District's rights to any subsequent procedures for the resolution of disputed claims.

3.11 Loss and Damage. Except as may otherwise be limited by law, Contractor shall be responsible for all loss and damage which may arise out of the nature of the Work agreed to

herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Work until the same is fully completed and accepted by District. In the event of damage proximately caused by an Act of God, as defined by Section 7105 of the Public Contract Code, the District may terminate this Contract pursuant to Section 3.17.3; provided, however, that the District needs to provide Contractor with only one (1) day advanced written notice.

3.12 Indemnification.

3.12.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the District, its officials, employees, agents and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's services, the Project or this Contract, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Contractor's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the District or the District's agents, servants, or independent contractors who are directly responsible to the District, or for defects in design furnished by those persons.

3.12.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of District's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against District or its officials, employees, agents and authorized volunteers. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse District for the cost of any settlement paid by District or its officials, employees, agents and authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for District's attorney's fees and costs, including expert witness fees. Contractor shall reimburse District and its officials, employees, agents and authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its officials, employees, agents and authorized volunteers.

3.13 Insurance.

3.13.1 Time for Compliance. Contractor shall not commence Work under this Contract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the District to terminate this Contract for cause.

3.13.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Work hereunder by Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

3.13.2.1 Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01) OR Insurance Services Office Owners and Contractors Protective Liability Coverage Form (CG 00 09 11 88) (coverage for operations of designated contractor); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 00 01, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance. Policies shall not contain exclusions contrary to this Contract.

3.13.2.2 Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$2,000,000 per occurrence and \$4,000,000 aggregate for bodily injury, personal injury and property damage; (2) *Automobile Liability*: \$2,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 each accident, policy limit bodily injury or disease, and each employee bodily injury or disease. Defense costs shall be available in addition to the limits. Notwithstanding the minimum limits specified herein, any available coverage shall be provided to the parties required to be named as additional insureds pursuant to this Contract.

3.13.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Contractor shall provide endorsements (amendments) on forms supplied or approved by the District to add the following provisions to the insurance policies:

3.13.3.1 General Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status using ISO endorsements CG20 10 10 01 plus CG20 37 10 01, or endorsements providing the exact same coverage, with respect to the Work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work; (2) all policies shall waive or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it.

3.13.3.2 Automobile Liability. (1) Such policy shall give the District, its officials, employees, agents and authorized volunteers additional insured status with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Contractor or for which Contractor is responsible; (2) all policies shall waive

or shall permit Contractor to waive all rights of subrogation which may be obtained by the Contractor or any insurer by virtue of payment of any loss or any coverage provided to any person named as an additional insured pursuant to this Contract, and Contractor agrees to waive all such rights of subrogation; and (3) the insurance coverage shall be primary insurance as respects the District, its officials, employees, agents and authorized volunteers, or if excess, shall stand in an unbroken chain of coverage excess of Contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its officials, employees, agents and authorized volunteers shall be excess of Contractor's insurance and shall not be called upon to contribute with it in any way.

3.13.3.3 Workers' Compensation and Employer's Liability Coverage.

The insurer shall agree to waive all rights of subrogation against the District, its officials, employees, agents and authorized volunteers for losses paid under the terms of the insurance policy which arise from work performed by Contractor.

3.13.3.4 All Coverages.

Each insurance policy required by this Contract shall be endorsed to state that: (1) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its officials, employees, agents and authorized volunteers.

3.13.4 Separation of Insureds; No Special Limitations.

All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its officials, employees, agents and authorized volunteers.

3.13.5 Deductibles and Self-Insurance Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the District. Contractor shall guarantee that, at the option of the District, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and authorized volunteers; or (2) the Contractor shall procure a bond or other financial guarantee acceptable to the District guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

3.13.6 Acceptability of Insurers.

Insurance is to be placed with insurers with a current A.M. Best's rating no less than A-:VII, licensed to do business in California, and satisfactory to the District. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

3.13.7 Verification of Coverage.

Contractor shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Contract on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the District. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.13.8 Subcontractors.

All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and

endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the District, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the District in writing.

3.13.9 Reporting of Claims. Contractor shall report to the District, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Work under this Contract.

3.14 Bond Requirements.

3.14.1 Payment Bond. If required by law or otherwise specifically requested by District in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Payment Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.2 Performance Bond. If specifically requested by District in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to District concurrently with this Contract a Performance Bond in an amount required by the District and in a form provided or approved by the District. If such bond is required, no payment will be made to Contractor until the bond has been received and approved by the District.

3.14.3 Bond Provisions. Should, in District's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the effected bond within (ten) 10 days of receiving notice from District. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the District, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Contract until any replacement bonds required by this Section are accepted by the District. To the extent, if any, that the Total Contract Price is increased in accordance with the Contract, Contractor shall, upon request of the District, cause the amount of the bond to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the District. If Contractor fails to furnish any required bond, the District may terminate the Contract for cause.

3.14.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in California Code of Civil Procedure Section 995.120, shall be accepted. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the District.

3.15 Warranty. Contractor warrants all Work under the Contract (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Contract or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever

is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the District of any defect in the Work or non-conformance of the Work to the Contract, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the District in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the District may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the District, regardless of whether or not such warranties and guarantees have been transferred or assigned to the District by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the District. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Contract, to the reasonable satisfaction of the District, the District shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the District for any expenses incurred hereunder upon demand.

3.16 Employee/Labor Certifications.

3.16.1 Contractor's Labor Certification. By its signature hereunder, Contractor certifies that he is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Work. A certification form for this purpose, which is attached to this Contract as Exhibit "D" and incorporated herein by reference, shall be executed simultaneously with this Contract.

3.16.2 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

3.16.3 Verification of Employment Eligibility. By executing this Contract, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subcontractors and sub-subcontractors to comply with the same.

3.17 General Provisions.

3.17.1 District's Representative. The District hereby designates Kent Scown, COO or his or her designee, to act as its representative for the performance of this Contract ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Contractor shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.17.2 Contractor's Representative. Before starting the Work, Contractor shall submit in writing the name, qualifications and experience of its proposed representative who shall be subject to the review and approval of the District ("Contractor's Representative"). Following approval by the District, Contractor's Representative shall have full authority to represent and act on behalf of Contractor for all purposes under this Contract. Contractor's Representative shall supervise and direct the Work, using his best skill and attention, and shall be responsible for all construction means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Contract. Contractor's Representative shall devote full time to the Project and either he or his designee, who shall be acceptable to the District, shall be present at the Work site at all times that any Work is in progress and at any time that any employee or subcontractor of Contractor is present at the Work site. Arrangements for responsible supervision, acceptable to the District, shall be made for emergency Work which may be required. Should Contractor desire to change its Contractor's Representative, Contractor shall provide the information specified above and obtain the District's written approval.

3.17.3 Termination. This Contract may be terminated by District at any time, either with or without cause, by giving Contractor three (3) days advance written notice. In the event of termination by District for any reason other than the fault of Contractor, District shall pay Contractor for all Work performed up to that time as provided herein. In the event of breach of the Contract by Contractor, District may terminate the Contract immediately without notice, may reduce payment to Contractor in the amount necessary to offset District's resulting damages, and may pursue any other available recourse against Contractor. Contractor may not terminate this Contract except for cause. In the event this Contract is terminated in whole or in part as provided, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated. Further, if this Contract is terminated as provided, District may require Contractor to provide all finished or unfinished documents, data, diagrams, drawings, materials or other matter prepared or built by Contractor in connection with its performance of this Contract. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed Work including, without limitation, any overhead and profit on the portion of the Work that is terminated and shall not be entitled to damages or compensation of any kind or nature for termination of Work.

3.17.4 Contract Interpretation. Should any question arise regarding the meaning or import of any of the provisions of this Contract or written or oral instructions from District, the matter shall be referred to District's Representative, whose decision shall be binding upon Contractor.

3.17.5 Anti-Trust Claims. This provision shall be operative if this Contract is applicable to California Public Contract Code Section 7103.5. In entering into this Contract to supply goods, services or materials, Contractor hereby offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2, commencing with Section 16700, of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and

become effective at the time the District tender final payment to Contractor, without further acknowledgment by the Parties.

3.17.6 Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

CONTRACTOR:

Tierra Contracting, Inc
5484 Overpass Road, Santa Barbara, CA 93111
Attn: Chad Williford, Estimator

DISTRICT:

Goleta Sanitary District
1 William Moffett Place, Goleta, CA 93117
Attn: Steve Wagner, General Manager

Any notice so given shall be considered received by the other Party three (3) days after deposit in the U.S. Mail as stated above and addressed to the Party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.17.7 Time of Essence. Time is of the essence in the performance of this Contract.

3.17.8 Assignment Forbidden. Contractor shall not, either voluntarily or by action of law, assign or transfer this Contract or any obligation, right, title or interest assumed by Contractor herein without the prior written consent of District. If Contractor attempts an assignment or transfer of this Contract or any obligation, right, title or interest herein, District may, at its option, terminate and revoke the Contract and shall thereupon be relieved from any and all obligations to Contractor or its assignee or transferee.

3.17.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.17.10 Laws and Venue. This Contract shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Contract, the action shall be brought in the Superior Court of California for the County of Santa Barbara.

3.17.11 Counterparts. This Contract may be executed in counterparts, each of which shall constitute an original.

3.17.12 Successors. The Parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract.

3.17.13 [Reserved]

3.17.14 Solicitation. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Contract. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to terminate this Contract without liability.

3.17.15 Conflict of Interest. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to rescind this Contract without liability. For the term of this Contract, no official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom. In addition, Contractor agrees to file, or to cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Work.

3.17.16 Certification of License.

3.17.16.1 Contractor certifies that as of the date of execution of this Contract, Contractor has a current contractor's license of the classification indicated below under Contractor's signature.

3.17.16.2 Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

3.17.17 Authority to Enter Contract. Each Party warrants that the individuals who have signed this Contract have the legal power, right and authority to make this Contract and bind each respective Party.

3.17.18 Entire Contract; Modification. This Contract contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Contract may only be modified by a writing signed by both Parties.

3.17.19 Non-Waiver. None of the provisions of this Contract shall be considered waived by either party, unless such waiver is specifically specified in writing.

3.17.20 District's Right to Employ Other Contractors. District reserves right to employ other contractors in connection with this Project or other projects.

DRAFT

[SIGNATURES ON NEXT PAGE]

DRAFT

**SIGNATURE PAGE FOR CONSTRUCTION CONTRACT
BETWEEN THE GOLETA SANITARY DISTRICT
AND TIERRA CONTRACTING, INC.**

IN WITNESS WHEREOF, the Parties have entered into this Contract as of the
[***INSERT DAY***] day of February, 2026

Goleta Sanitary District

Tierra Contracting Inc.

By: _____

By: _____

Its: General Manager

Its: _____

Printed Name: Steve Wagner

Printed Name: _____

DRAFT

EXHIBIT "A"
SERVICES / SCHEDULE

DRAFT

EXHIBIT “B”

PLANS AND SPECIFICATIONS

**STANDARD SPECIFICATION FOR DESIGN AND CONSTRUCTION OF SANITARY
SEWERS 2008 INCORPORATED BY REFERENCE**

EXHIBIT "C"**SPECIAL CONDITIONS****ARTICLE 1. BOND**

Within ten (10) calendar days from the date the Contractor is notified of award of the Contract, the Contractor shall deliver to the District four identical counterparts of Payment Bond on the form supplied by the District and included as Exhibit "F" to the Contract. The surety supplying the bond must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as such in the State of California and satisfactory to the District. The Payment Bond shall be for one hundred percent (100%) of the Total Contract Price.

EXHIBIT "D"

**CERTIFICATION
LABOR CODE - SECTION 1861**

I, the undersigned Contractor, am aware of the provisions of Section 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I, the undersigned Contractor, agree to and will comply with such provisions before commencing the performance of the Work on this Contract.

Tierra Contracting, Inc.

By: _____
Signature

Name (Print)

Title (Print)

EXHIBIT “E”

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Contractor hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Contractor: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: _____ Yes or _____ No

Unless Contractor is exempt pursuant to the small project exemption, Contractor further acknowledges:

- Contractor shall maintain a current DIR registration for the duration of the project.
- Contractor shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Contractor _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark “Yes” in response to “Small Project Exemption.”

EXHIBIT "F"
BONDS

Performance Bond.

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Goleta Sanitary District, (hereinafter referred to as "District") has awarded to _____, (hereinafter referred to as the "Contractor") an agreement for **Contract No.** _____, (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless the District, its officials, officers, employees, and authorized volunteers, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by District in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by District, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the District's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure Section 337.15.

Whenever Contractor shall be, and is declared by the District to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the District's option:

- i. Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- ii. Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the District, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.
- iii. Permit the District to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the District under the Contract and any modification thereto, less any amount previously paid by the District to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the District, when declaring the Contractor in default, notifies Surety of the District's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

By their signatures hereunder, Surety and Contractor hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

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DRAFT

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
 ☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of Attorney to local representatives of the bonding company must also be attached.

END OF PERFORMANCE BOND

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Goleta Sanitary District (hereinafter designated as the "District"), by action taken or a resolution passed _____, 20____ has awarded to _____ hereinafter designated as the "Principal," a contract for the work described as follows:

GSD Rhoads Sewer Repair / Manhole Replacement Project (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated _____ ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the District in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to

recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

Title _____

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Notary Acknowledgment

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

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

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

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

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

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 ☐ General

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

**Exhibit G
Fleet Compliance Certification.**

Bidder hereby acknowledges that they have reviewed the California Air Resources Board's policies, rules and regulations and are familiar with the requirements of Title 13, California Code of Regulations, Division 3, Chapter 9, effective on January 1, 2024 (the "Regulation"). Bidder hereby certifies, subject to penalty for perjury, that the option checked below relating to the Bidder's fleet, and/or that of their subcontractor(s) ("Fleet") is true and correct:

- ☐ The Fleet is subject to the requirements of the Regulation, and the appropriate Certificate(s) of Reported Compliance have been attached hereto.
- ☐ The Fleet is exempt from the Regulation under section 2449.1(f)(2), and a signed description of the subject vehicles, and reasoning for exemption has been attached hereto.
- ☐ Bidder and/or their subcontractor is unable to procure R99 or R100 renewable diesel fuel as defined in the Regulation pursuant to section 2449.1(f)(3). Bidder shall keep detailed records describing the normal refueling methods, their attempts to procure renewable diesel fuel and proof that shows they were not able to procure renewable diesel (i.e. third party correspondence or vendor bids).
- ☐ The Fleet is exempt from the requirements of the Regulation pursuant to section 2449(i)(4) because this Project has been deemed an Emergency, as defined under section 2449(c)(18). Bidder shall only operate the exempted vehicles in the emergency situation and records of the exempted vehicles must be maintained, pursuant to section 2449(i)(4).
- ☐ The Fleet does not fall under the Regulation or are otherwise exempted and a detailed reasoning is attached hereto.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Date: _____

AGENDA ITEM #4

AGENDA ITEM: 4

MEETING DATE: February 18, 2026

I. NATURE OF ITEM

Consideration of Sewer Service Rate and Fee Study Cost of Service Analysis and Proposed Rate Model

II. BACKGROUND INFORMATION

The District charges sewer service fees to its customers for the collection, treatment, and disposal of wastewater based on detailed rate studies in conformance with the Clean Water Act and other related laws and regulations. The District also charges connection fees for new service connections to its sewer system and fees for the annexation of parcels into the District's service territory. These fees are adjusted periodically as the costs associated with providing sewer services increase over time. The last time the District adjusted its sewer service fees was in 2019. Since then, the District has been able to implement various efficiency measures to partially offset the ongoing increases in operational costs. The District's connection and annexation fees are adjusted annually based on an approved consumer price index.

In 2019, the California Association of Sanitation Agencies (CASA) initiated a statewide flow and loadings study to provide updated wastewater generation rates and characteristics for various user categories for use in sewer service rate studies. The District elected to participate in the CASA study in order to have local sampling sites included and to use the updated wastewater generation data as a basis for an updated Fee and Sewer Rate Study.

In January 2025, the District hired Raftelis to conduct a comprehensive sewer service rate and fee study based in part on the new CASA flow and loadings data. In December 2025, the Board reviewed the rate study financial plan which documented the current and future revenues needed to fully fund the District's wastewater services over the next 10 years. Since then, staff has been working with the Raftelis team to develop a cost-of-service analysis and a proposed rate model.

The cost-of-service analysis documents how various treatment costs are allocated between user categories. This information and the results of the financial plan were used to determine the proposed adjustments to sewer service rates for the various user categories over the next 5 years.

Given the desire to use updated flow and loadings information from the CASA study, we have consolidated our existing user categories to better match the categories used in the CASA study. We have also used the CASA data, as

appropriate, to reallocate costs between the consolidated user categories. As expected, the cost-of-service analysis based on the CASA data resulted in modest changes to our existing residential rates and varied changes to our commercial rates.

A summary presentation on the cost-of-service analysis and proposed rate model is presented herein for Board consideration.

III. COMMENTS AND RECOMMENDATIONS

The Board's Finance Committee reviewed the cost-of-service analysis and recommended rate model on February 5, 2026. The attached presentation has been updated based on the finance committee's comments and recommendations.

At this time, staff is seeking approval of the proposed rate model and authority to move forward with the preparation of a Proposition 218 notice subject to legal review and any further changes the Board wishes to make. If approved, staff would bring the final Proposition 218 notice and a proposed date for the Proposition 218 public hearing back to the Board for review and approval at a subsequent meeting.

IV. REFERENCE MATERIAL

2025 GSD Rate Study Cost of Service Analysis and Proposed Rate Model



Goleta Sanitary

Water Resource Recovery District

2026 Rate Study

Cost of Service Results and
Proposed Rate Model
February 2026

Financial Plan Updates Following 12/15/25 Board Meeting

- Notes/Comments
 - › **Are power / utilities costs discounted after completion of the Cogen and Energy Storage Project?**
 - Yes, 30% year-over-year reductions in plant power costs are accounted for in FY 2027 and FY 2028
 - › **Are costs for outfall pipeline assessment included in projections?**
 - Yes, one-time professional services costs put in FY 2027, then return to baseline in FY 2028 and beyond

Financial Plan Options Detail

Status Quo (Example Only):

- CIP as planned
- All CIP cash funded
- No Sewer Service Charge revenue increases
- Debt coverage below minimum in FY 2031
- Projected cash balance below minimum in FY 2034

Option 1A / 1B “High Growth”:

- CIP as planned
- All CIP cash funded
- Option 1A:
 - Revenue increases of 3% per year for 10 years
- Option 1B:
 - Revenue increases of 3.5% per year for 10 years
 - Retire remaining principal on existing debt service in FY 2035, estimated at \$6.7M (Includes Penalty)

Option 2 “Moderate Growth”:

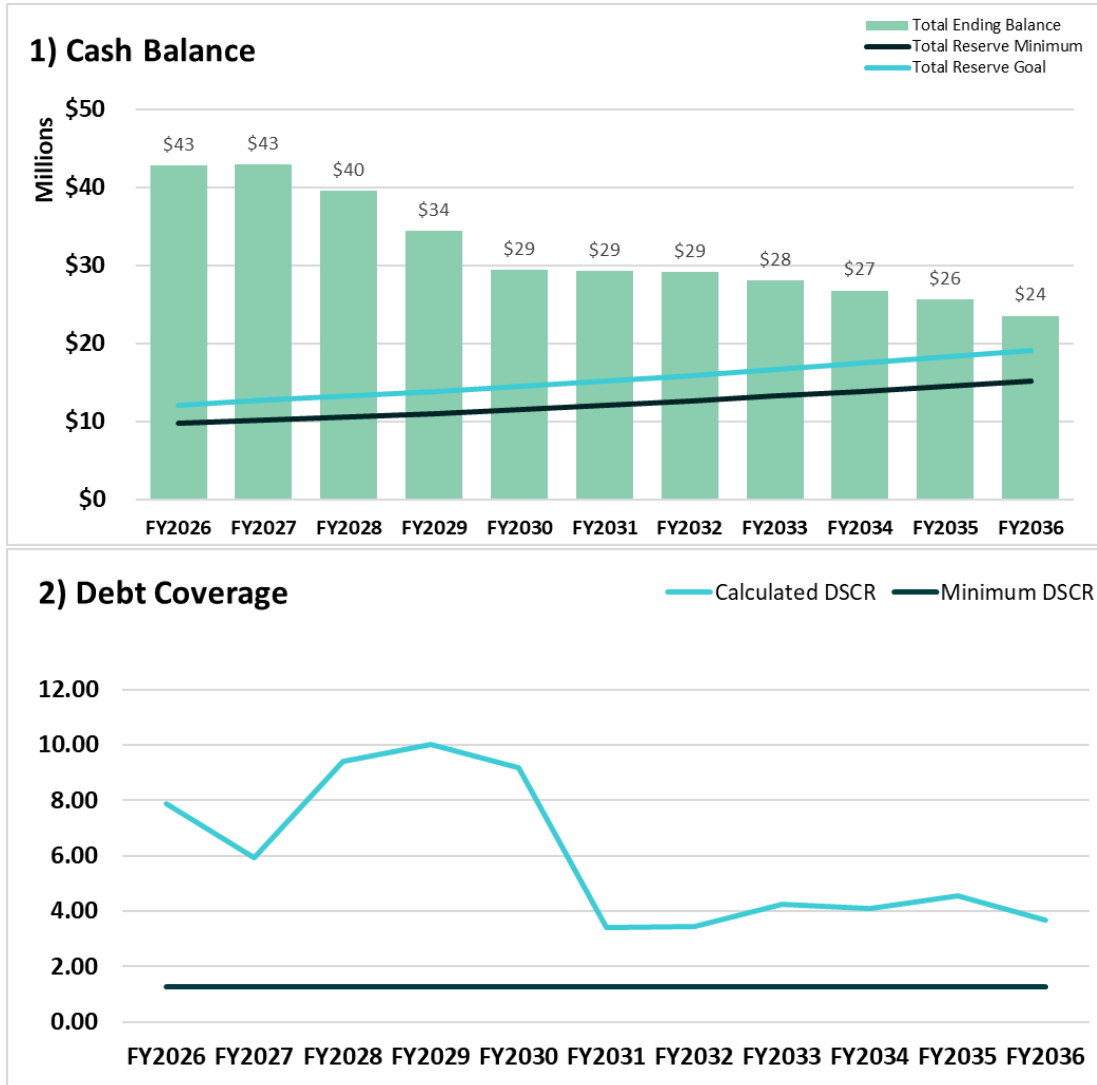
- CIP as planned
- All CIP cash funded
- 3.5% per year revenue increases for 10 years
- Draws cash reserves down to target at year 10

Option 3 “Low Growth”:

- CIP as planned
- All CIP cash funded
- 4% per year revenue increases for 10 years
- Draws cash reserves down to target at year 10

Financial Plan: Low RHNA Housing Growth Estimate (2,212 new units over 10 years)

Fiscal Year	Rate Revenue Increase	Debt Proceeds
2027	4%	\$0
2028	4%	\$0
2029	4%	\$0
2030	4%	\$0
2031	4%	\$0
2032	4%	\$0
2033	4%	\$0
2034	4%	\$0
2035	4%	\$0
2036	4%	\$0



Cost of Service Analysis

- Cost of service (“test year”) is FY26, (current year)
 - › Revenue Requirement: Sewer Service Charges (SSC)
 - › Plant mass balance: flows and strength in total and by agency
 - › Functional cost allocation: operating and capital
 - › Units of service determination: flows and loadings by user class
 - › Unit cost derivation: unit cost of service for flow and strength parameters
 - › Cost distribution to the user classes: cost to serve each

Revenue Requirement FY26

- SSC rates recover approximately \$9.3 M

Revenue Requirement			
	Operating	Capital	Total
Revenue Requirements			
O&M Expenses			
COLLECTION SYSTEM	\$1,735,136		\$1,735,136
TREATMENT FACILITIES	\$4,082,381		\$4,082,381
PUMP STATION	\$228,240		\$228,240
OUTFALL	\$36,173		\$36,173
ADMINISTRATION	\$2,036,262		\$2,036,262
LABORATORY	\$429,086		\$429,086
RECLAMATION	\$0		\$0
IWC	\$267,437		\$267,437
FIRESTONE LIFT STATION	\$49,549		\$49,549
Total Debt Service Expenses		\$944,048	\$944,048
Capital Expenditures - PAYGO		\$4,297,868	\$4,297,868
Total Revenue Requirement	\$8,864,263	\$5,241,916	\$14,106,179
Revenue Offsets			
Other GSD Operating Revenue - Fund 640	\$689,354		\$689,354
Capacity and Annexation Fees		\$128,366	\$128,366
Property Tax Revenues		\$213,000	\$213,000
Interest Earnings		\$1,432,054	\$1,432,054
Total Revenue Offsets	\$689,354	\$1,773,420	\$2,462,774
Adjustment			
Adjustment for Cash Balance	\$1,489,330	\$880,721	\$2,370,051
Adjustment for Mid-Year Increase			
Total Adjustments	\$1,489,330	\$880,721	\$2,370,051
Net Revenue Requirement (from Rates)	\$6,685,579	\$2,587,775	\$9,273,355

Cost of Service Table

Cost of Service					
Component	Flow	BOD	TSS	General	Total
Operating Revenue Requirement	\$3,255,881	\$1,188,339	\$705,576	\$1,535,783	\$6,685,579
Capital Revenue Requirement	\$1,952,175	\$279,465	\$165,932	\$190,204	\$2,587,775
Preliminary Cost of Service	\$ 5,208,056	\$1,467,803	\$871,508	\$1,725,987	\$9,273,355
General Cost Allocation	\$1,191,016	\$335,668	\$199,303	\$(1,725,987)	\$0
Final Cost of Service	\$6,399,072	\$1,803,471	\$1,070,811	\$-	\$9,273,355
% Allocation by Component	69.0%	19.4%	11.5%	0%	100%

- Operating and Capital revenue requirements are allocated based on the direct percentages of each
- General costs are reallocated pro rata based on the preliminary cost of service (i.e., direct cost allocations)
- BOD – Biological Oxygen Demand
- TSS – Total Suspended Solids

Equivalent Residential Unit (ERU) Daily Flow Definition

	GSD Existing Rates (gpd)	GSD 2025 Estimate AWC* (gpd)	Carollo / CASA Results (gpd)
SFR	203	150	161
Apartment	142	125**	135
Mobile Home	142	125**	135

**AWC = average winter consumption, based on GWD estimate at 6 HCF per user per month*

***Estimate based on ratio of CASA MFR to SFR multiplied by SFR AWC estimate: $(135 / 161) * 150 = 125$*

Residential Strength: mg/L

	GSD Existing Rates (mg/L)	CASA Results (Mean)	CASA Results (Median)	GSD Plant Influent*
BOD	220	248	203	387
TSS	329	239	202	476

**FY 2023-2025 Analysis*

Structural Alternatives

- Alt 1: Maintain Structure and update strengths
 - › Match strengths to most appropriate CASA study classification
 - › Results: Significant variance within commercial classifications and moderate impact to residential classes
- **Alt 2: Consolidate Existing User Classes to Fewer Rate Classes**
 - › **Group existing user classes into a consolidated set of user classes based on CASA study**
 - › **Results: Minimal impact to residential classes with a large degree of variability within the commercial classifications**

Step 2: User Class Consolidation

GSD Ordinance #90 Category	Proposed New Category
Single Family Residences (SFR)	Single Family Residence (SFR)
Multiple Family Residences	Multiple Family Residence
Mobile Homes and House Trailers	
Motels	Hotel
Bars, Cocktail Lounges	Mixed Commercial - Food
Commercial Establishments	Mixed Commercial - Food or Mixed Commercial - No Food
Markets	
Theaters	Mixed Commercial - No Food
Beauty/Barber	
Photo Processing Plant	
Auditoriums, Dance Halls and Recreation Rooms	
Private Clubs	
Restaurants	Restaurant
Restaurants (Takeout/Drive-ins)	
Churches	Church

GSD Ordinance #90 Category	Proposed New Category
Automobile Service Stations	Automobile Services
Car Wash	
Machine Shop/Auto Repair	
Automobile Service Stations/trailer dump facilities	
Hospitals	Hospital
Laundromats/Dry Cleaners	Industrial
Factories, Industrial Plants, Water Bottling and Water Treatment Facilities	
Medical Offices	Medical Office
Mortuaries	
Animal Shelters, Kennels, Veterinary Clinics & Hospitals	
Banks	Office
Offices	
Schools/ADA	School
Boys & Girls Clubs/ADA	

Step 3: ERU Summary

Units of Service - ERU Calculation Database										
User Classes (CASA Consolidated)	Parcel Count	Water Use (MG/Yr)	Return to Sewer Factor	Estimated Flow (MG/Yr.)	BOD (mg/L)	TSS (mg/L)	BOD (lbs)	TSS (lbs)	Res Dwelling Units	Calculated ERUs
Residential										
SFR	8,455			477	387	476	1,539,140	1,893,102	8,728	8728
MFR	3,022			302	387	476	974,773	1,198,946	6,592	5527
Residential Total	11,477	-	-	778			2,513,913	3,092,049	15,320	14,255
Commercial										
		Actual								
Automobile Services	3	0.15	75%	0.12	305	200	294	193		2
Car Wash	2	1.17	95%	1.11	104	72	961	665		17
Church	16	2.87	75%	1.91	602	886	9,619	14,156		44
Hospital	3	20.20	75%	15.15	340	485	42,987	61,319		272
Hotel	5	8.02	75%	8.99	200	161	15,007	12,080		137
Industrial	57	32.61	90%	42.05	68	80	23,860	28,071		615
Market	3	1.40	75%	1.05	403	186	3,530	1,629		18
Medical Office	14	5.65	75%	2.64	356	370	7,842	8,150		49
Mixed Commercial - F	34	39.44	75%	28.65	893	484	213,512	115,722		660
Mixed Commercial - NF	336	116.76	75%	52.62	694	341	304,784	149,757		1150
Office	40	4.14	75%	3.49	272	280	7,917	8,150		127
Restaurant	21	7.13	75%	5.01	981	363	41,031	15,183		117
Retail	1	0.02	75%	0.01	402	510	40	50		1
School	15	1.36	N/A	1.38	232	376	2,681	4,345		261
Total	550	241		127			625,219	342,684	-	3,468
GSD Total	12,027	241		906			3,139,132	3,434,733	15,320	17,723

Step 4: \$/ERU Calculation

ERU Unit Rate	
Cost of Service	\$ 9,273,355
<i>Calculated ERUs</i>	<i>17,723</i>
<hr/>	
\$/ERU/Year	\$ 523.22
<hr/>	
Minimum Charge (Commercial) 0.5 ERU	\$ 261.61

Rate Summary: Revenue Neutral

ERU Summary	Rate (\$/Yr.)	Rate (\$/Mo.)	measure
Single Family Residential ERUs	\$523.22	\$43.60	per unit
Multi-Family Residential ERUs	\$439.05	\$36.59	per unit
Commercial ERUs	\$523.22	\$43.60	per ERU
Schools	\$22.69	\$1.89	per ADA

Impact Analysis – Revenue Neutral

Simple Bill Impacts	Cost of Service Charge	Current Charge	\$ Difference	% Difference
Single Family Residential	\$523.22	\$530.38	\$(7.16)	-1.3%
Multi-Family Residential	\$439.05	\$429.71	\$9.34	2.2%
Schools	\$22.69	\$26.95	\$(4.26)	-15.8%
Commercial	GO TO APN	GO TO APN	#N/A	#N/A

Revenue Proof & Cost of Service Impact

Revenue Proof	Unit Count	Rate	Proposed COS	Current COS	\$ Difference	% Difference
Single Family Residential (Dwelling Units)	8,728	\$523.22	\$4,566,498	\$4,631,802	\$(65,304)	-1.4%
Multi-Family Residential (Dwelling Units)	6,592	\$439.05	\$2,894,163	\$2,832,621	\$61,542	2.2%
Commercial (ERUs)	3,208	\$523.22	\$1,678,418	\$1,650,516	\$27,902	1.7%
Schools (ADA)	6,010	\$22.69	\$136,368	\$158,416	\$(22,048)	-13.9%
Total	23,995		\$ 9,275,447	\$9,273,355	\$2,093	0.0%

Five Year Rate Forecast

Five Year Rate Schedule	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<i>Revenue Adjustment</i>	<i>Current</i>	<i>COS</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>	<i>4%</i>
Single Family Residential (\$/Year)	\$530.38	\$523.22	\$544.16	\$565.93	\$588.57	\$612.12	\$636.61
Multi-Family Residential (\$/Year)	\$429.71	\$439.05	\$456.61	\$474.88	\$493.88	\$513.64	\$534.19
Schools (\$/ADA)	\$26.95	\$22.69	\$23.60	\$24.55	\$25.54	\$26.57	\$27.64
Commercial (\$/ERU)	\$530.38	\$523.22	\$544.16	\$565.93	\$588.57	\$612.12	\$636.61

- SFR equates to an approximate **\$14 annual increase (3%)** in year one
 - › Approximate \$1 per month increase
- MFR equates to an approximate **\$27 annual increase (6%)** in year one
 - › Approximate \$2 per month increase
- Commercial varies based on estimated flow and new strength classification (see next slide)

Five Year Rate Forecast

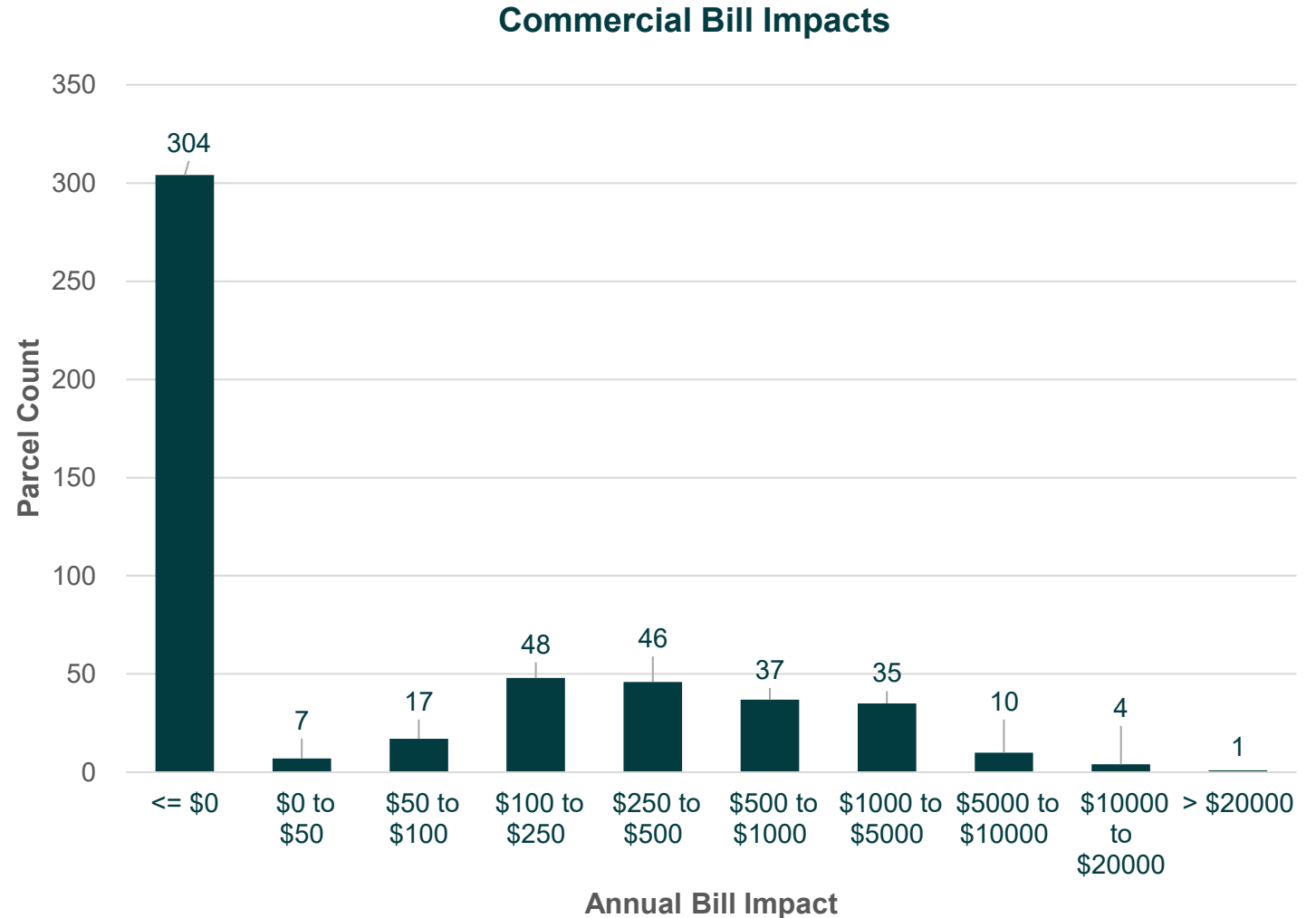
Monthly Changes in Residential SSC Rate Over Next 5 Years

	FY 26	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	
Revenue Adjustment	<i>Exist.</i> SSC	COS SSC	4%	4%	4%	4%	4%	5 yr Total
Single Family Residential	\$44.20	\$-0.60	\$1.15	\$1.81	\$1.89	\$1.96	\$2.04	\$8.85
Multi-Family Residential	\$35.81	\$0.78	\$2.24	\$1.52	\$1.58	\$1.65	\$1.71	\$8.71

- Monthly SFR rates to increase a total of \$8.85 (20%) over next 5 years
- Monthly MFR rates to increase a total of \$8.71 (24%) over next 5 years

Commercial Rate Impacts – Revenue Neutral

- On a cost-of-service basis, 60% of parcels see decreases while 40% see varying levels of increase
- Observations on impacts to commercial users:
 - › Decreases on several categories including theaters, restaurants, offices, & machine shops
 - › Larger increases in Car Washes, Industrial sites and laundromats



Study Synopsis

- Financial forecast requires rate revenue increases of 4% per year
 - › Assumes low level projection of new RHNA housing units in next 10 years
- Cost of service Analysis results in modest changes in the cost responsibility of the four primary classes:
 - › Single Family Residential, Multi-Family Residential, Commercial, and Schools
- Residential impacts are modest (\$1 to \$2 increase in monthly terms)
- High variability of impacts within Commercial properties. Impacts from:
 - › Change in structure and classifications
 - › Flow based estimates for calculating the ERU(s) on a parcel
 - › Strength concentrations from the CASA flow and loadings study

Next Steps

- Final review of results by Raftelis and GSD staff (in progress)
- Legal review of rate study and proposed rate structure (in progress)
- Preparation and issuance of Proposition 218 Notice (March)
- Public hearing on proposed rates pursuant to Proposition 218 (May)
- Adoption of new sewer service rates by ordinance (June)
- Submittal of updated sewer service charges to County of Santa Barbara for incorporation into property tax bills (July)

Questions



AGENDA ITEM #5

AGENDA ITEM: 5

MEETING DATE: February 18, 2026

I. NATURE OF ITEM

Discussion of Goleta West Sanitary District Sewer Spill and the Central Coast Regional Water Quality Control Board Proposed Settlement Agreement

II. BACKGROUND INFORMATION

In February 2024, the Goleta West Sanitary District (GWSD) 24" force main located on Santa Barbara Airport property ruptured, resulting in a significant sewer spill into the Goleta Slough that flowed into the Pacific Ocean. Once discovered, GWSD turned off flow to the ruptured force main, notified appropriate agencies, and initiated emergency cleanup procedures, water quality testing, and emergency repairs to the damaged pipe.

Goleta Sanitary District staff assisted GWSD with emergency response efforts following the spill event and with subsequent actions by GWSD to assess the overall condition of both the 24" and 18" force mains which run from GWSD's main pump station to the District's treatment plant.

However, given the estimated volume of the February spill (1,071,696 gallons) the Central Coast Regional Water Quality Control Board (CCRWQCB) notified GWSD that a fine would be issued for the spill event pursuant to their sewer spill enforcement regulations. Since then, GWSD has worked closely with CCRWQCB compliance staff in negotiating a settlement agreement related to the amount and terms of the fine.

On October 16, 2025, a proposed Settlement Agreement between GWSD and the CCRWQCB for discharge of untreated wastewater from the GWSD sewer system which included a \$1,551,145 fine was released to the public for review prior to final review and action.

On November 17, 2025, Santa Barbara County Board of Supervisors Chair Laura Capps, Goleta Mayor Paula Perotte and Councilmember Jennifer Smith, sent a letter to the CCRWQCB voicing their opposition to the Settlement Agreement and requesting consideration for a higher fine amount.

On January 20, 2026, the Goleta City Council (City Council) had a discussion item about the proposed settlement during their meeting, during which they asked GWSD staff various questions about the spill incident.

The City Council expressed the following concerns among other general comments:

- The lack of communication regarding this incident
- Ensuring the 24" pipeline in question was repaired
- Ensuring steps were taken to prevent a sewage discharge from happening in the future
- Ensuring timely communications to the public and to affected agencies

Furthermore, there were concerns expressed during the City Council meeting that an excessive fine for GWSD would likely impact ratepayers (local Goleta residents), and that the fines in question would be used in other areas of the county rather than being used locally to replace the pipeline in question.

At the conclusion of the City Council meeting, the City Council voted to have Mayor Paula Perotte and Mayor Pro Tem Jennifer Smith attend the upcoming CCRWQCB hearing on February 26-27, 2026, in San Luis Obispo, to speak on the City's behalf regarding the proposed settlement with GWSD. The City Council also asked that their representatives share the following requests with the CCRWQCB:

- Development of an Action Plan by GWSD to address emergency communications protocols
- Request that the sewer pipeline in question be repaired/replaced so that future sewage spills could be avoided
- Request for accountability and the most appropriate fine/penalty regarding the spill that occurred

III. COMMENTS AND RECOMMENDATIONS

On February 2, 2026, the Board directed staff to bring this item back for further discussion and possible action. The Board may take action on this item at its discretion.

IV. REFERENCE MATERIALS

Letter from County of Santa Barbara Board of Supervisors Chair, Laura Capps, to Regional Water Quality Control Board Dated November 17, 2025

Proposed Settlement Agreement for Goleta West Sanitary District

Laura Capps
Second District Supervisor,
Chair



County Administration Building
105 East Anapamu Street
Santa Barbara, California 93101
Telephone: (805) 568-2191

COUNTY OF SANTA BARBARA

November 17, 2025

Tamara Anderson Central Coast Regional Water Quality Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401
Email: Tamara.Anderson@waterboards.ca.gov

Re: Comments on Proposed Settlement Agreement and Administrative Civil Liability Order R3-2025-0074
– Goleta West Sanitary District Sewer Spill

Dear Ms. Anderson,

We submit the following comments regarding the proposed Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order R3-2025-0074 between the Central Coast Water Board and the Goleta West Sanitary District (GWSD). In our view, the agreement does not go far enough to address the devastation caused by the massive spill and the clear shortcomings in management by the District.

The February 2024 sewage spill, which discharged more than one million gallons of untreated wastewater into Tecolotito Creek, the Goleta Slough, and adjacent coastal waters, had a profound impact on the beaches of Goleta and Santa Barbara – negatively affecting untold thousands of community members who rely on these areas daily. This incident closed a cherished public recreation area, disrupted coastal ecosystems, and caused understandable public concern about the adequacy of local wastewater infrastructure and emergency notification procedures. The fact that the notification system did not work only added insult to injury, causing justifiable community alarm and doubts about the management of the District.

In Attachment A to the proposed Settlement Agreement between the Board and the District, the State Water Board's Enforcement Policy methodology is followed step-by-step and determines that this spill scores a 9 out of 10 in terms of severity and harm to the public and environment. But, in the 2nd step of the methodology, the Prosecution Team determines arbitrarily that the Water Board should only apply a \$2.00 per gallon fine, rather than the maximum \$10.00 per gallon fine (see page 9 of Attachment A).

However, the Board's Enforcement Policy clearly states:

"In most cases, the Water Boards shall apply the above per gallon factor to the maximum per gallon amounts allowed under the Water Code for the violations involved. However, recognizing that the volume of certain discharges can be very high, the Water Boards may elect to use a value between \$2.00 per gallon and \$10.00 per gallon..." (emphasis added)

The Section goes on to provide examples of the types of spills that would allow the Board to consider a per gallon amount less than \$10.00:

"Examples of discharges that could be subject to a reduction include, but are not limited to, wet weather sewage spills, partially-treated sewage spills, discharges from irrigated agricultural operations, potable water discharges, and construction or municipal stormwater discharges."

This spill is not one of the examples cited above. This spill was over 1,000,000 gallons of raw sewage that did incalculable damage to the environment, public health, and a loss to coastal recreation for 23 days—

Chris Henson
Chief of Staff
chenson@countyofsb.org

Daniela Aguirre
District Representative
daguirre@countyofsb.org

Eleanor Gartner
District Representative
egartner@countyofsb.org

hence the score of 9 out of 10.

Finally, from the same section of the Enforcement Policy, it states:

“The Water Boards should be thoughtful when reducing the per gallon liability in order to avoid rewarding or incentivizing the failure to mitigate the number of gallons discharged and to further consistency in enforcement.”

Using the appropriate \$10.00 per gallon fine, the correct assessment should be 5 times the amount in the Settlement, or **\$7,755,725**.

We recognize and appreciate that the proposed Supplemental Environmental Project (SEP) aims to expand access to safe drinking water for underrepresented communities in Santa Barbara County—a goal we strongly support and would hope happens without the force of settlement agreement. Given that the spill’s impacts were concentrated at Goleta Beach and the Goleta Slough, we respectfully urge the Regional Board to ensure that any settlement maintains a reasonable nexus between the violation and the resulting community harm.

Specifically, we recommend that the SEP addressing countywide drinking water access be in addition to other community benefit or financial mitigation actions directly tied to the spill area. The Goleta Beach corridor and adjacent environment remain vital ecological, economic, and recreational resources for our region. Restoration, monitoring, or public access improvements in that vicinity would more appropriately respond to the localized harm caused by this discharge event.

Additionally, we wish to emphasize the critical importance of upholding the public trust through transparent governance and rigorous accountability. Incidents such as the February 2024 spill—and the delays and discrepancies in public notification—underscore the need for the Goleta West Sanitary District to fully embrace its responsibility for open communication and responsive management, not just during emergencies but in all aspects of district operations. The entire incident has raised many questions about the management of the District, especially given the close proximity of a neighboring sanitary district.

Robust, transparent engagement with affected constituents and commitment to timely, accurate disclosure are essential to restoring trust and ensuring that future decisions protect both public health and the local environment. To that end, the Board should require the District to immediately develop and adopt a comprehensive Action Plan for public notification and response should another sewer spill occur. Additionally, to guarantee real accountability, the Action Plan must specify that meaningful financial penalties will be imposed if notification protocols and response measures are not strictly followed.

Thank you for considering these comments and for your ongoing efforts to protect our coastal and community health. We look forward to continued partnership to ensure strong accountability and meaningful recovery following this significant spill of more than a million gallons.

Sincerely,



Second District Supervisor, Chair
Santa Barbara County

DocuSigned by:

Paula Perotte

BBB5B6C7C0437

Paula Perotte, Goleta Mayor

Signed by:

Jennifer Smith

0712A71EF2062B

Jennifer Smith
Goleta City Councilmember

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

In the matter of:

**GOLETA WEST SANITARY DISTRICT;
UNAUTHORIZED DISCHARGE FROM
SANITARY SEWER SYSTEM**

**SETTLEMENT AGREEMENT AND
STIPULATION FOR ENTRY OF
ADMINISTRATIVE CIVIL LIABILITY
ORDER**

**PROPOSED
ORDER R3-2025-0074**

SECTION I: INTRODUCTION

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Stipulated Order or Order) is entered into by and between the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Prosecution Team (Prosecution Team) and Goleta West Sanitary District (Discharger) (collectively, Parties) and is presented to the Central Coast Water Board, or its delegate, for adoption as an order by settlement pursuant to California Water Code (Water Code) section 13323 and Government Code section 11415.60. This Stipulated Order resolves the violation alleged herein by the imposition of administrative civil liability against the Discharger in the amount of **\$1,551,145**.

SECTION II: RECITALS

1. The Discharger owns and operates a sanitary sewer system that provides wastewater collection for residents and businesses in Western Goleta Valley and Isla Vista in Santa Barbara County.
2. The Central Coast Water Board regulates the sanitary sewer system under the State Water Resources Control Board's (State Water Board) Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems, Order WQ 2022-0103-DWQ (Statewide General Order).
3. Prohibition 4.2 of the Statewide General Order prohibits any discharge from a sanitary sewer system to waters of the State, which includes waters of the United States (U.S.).
4. Federal Water Pollution Control Act (Clean Water Act) section 301 (33 U.S.C. § 1311) prohibits any person to discharge any pollutant into waters of the U.S. without authorization under specific Clean Water Act provisions, including section 402 (33 U.S.C. § 1342) National Pollutant Discharge Elimination System (NPDES) permits for point source discharges.

5. California is authorized to implement provisions of the Clean Water Act and issues NPDES permits in accordance with Water Code section 13376. Water Code section 13376 prohibits the discharge of pollutants to waters of the U.S. except as authorized by waste discharge requirements. The term “waste discharge requirements” is the equivalent of the term “permits” as used in the Clean Water Act. (Wat. Code, § 13374.) The Statewide General Order is not an NPDES permit.
6. The Discharger is required to convey its untreated wastewater, commonly referred to as sewage, to the Goleta Sanitary District Water Resource Recovery Facility (WRRF) for treatment before an authorized discharge to waters of the U.S. (Pacific Ocean) can occur.
7. The Prosecution Team alleges the following:
 - a. From around 7:22 PM on February 16, 2024, to 9:00AM on February 17, 2024, the Discharger discharged at least 1,071,696 gallons of untreated wastewater from a broken 24-inch force main near the Santa Barbara Municipal Airport in Goleta, California, to an un-named tributary to Tecolotito Creek, the Goleta Slough State Marine Conservation Area (Goleta Slough) and its estuary, and the Pacific Ocean, which are all waters of the U.S.
 - b. The fourteen-hour discharge of untreated wastewater violated Prohibition 4.2 of the Statewide General Order, Water Code section 13376, and/or Clean Water Act section 301.
8. Pursuant to Water Code section 13385, subdivision (a), a person that violates Water Code section 13376, an NPDES permit, and/or Clean Water Act section 301 is subject to administrative civil liability under Water Code section 13385, subdivision (c):

. . . in an amount not to exceed the sum of the following: (1) Ten thousand dollars (\$10,000) for each day in which the violation occurs. (2) Where there is a discharge, any portion of which is not susceptible to cleanup or is not cleaned up, and the volume discharged but not cleaned up exceeds 1,000 gallons, an additional liability not to exceed ten dollars (\$10) multiplied by the number of gallons by which the volume discharged but not cleaned up exceeds 1,000 gallons.
9. To resolve the alleged violation listed in Section II, paragraph 7, by consent and without further administrative proceedings, the Parties have agreed to the imposition of an administrative civil liability of **\$1,551,145** against the Discharger pursuant to Water Code section 13385. The Prosecution Team calculated the proposed liability using the Penalty Calculation Methodology in the State Water

Board's 2017 Water Quality Enforcement Policy (2017 Enforcement Policy)^{1,2} as shown in Attachment A, which is incorporated herein by reference.

10. The Parties have engaged in settlement negotiations and agree to settle the alleged violation without administrative or civil litigation by presenting this Stipulated Order to the Central Coast Water Board, or its delegate, for adoption as an order by settlement pursuant to Water Code section 13323 and Government Code section 11415.60.
11. The Prosecution Team believes that the resolution of the alleged violation is fair, reasonable, and fulfills all its enforcement objectives; that no further action is warranted concerning the alleged violation, except as provided in this Stipulated Order; and that this Stipulated Order is in the public's best interest.

SECTION III: STIPULATIONS

The Parties incorporate the foregoing Recitals and stipulate the following:

1. **Jurisdiction:** The Parties agree that the Central Coast Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over the Parties to this Stipulated Order.
2. **Administrative Civil Liability:** The Discharger hereby agrees to the imposition of **\$1,551,145** in administrative civil liability to resolve the violation alleged in Section II, paragraph 7. In accordance with the State Water Board's 2017 Policy on Supplemental Environmental Projects (SEP Policy),³ the Parties agree that **\$1,551,145** (SEP Amount) will be suspended pending the Discharger's completion of a supplemental environmental project (SEP) in accordance with Section III, paragraph 3 below. If any of the suspended liability becomes due and payable pursuant to Section III, paragraphs 3.k or 3.l, the Discharger must submit timely payment of the assessed amount by check. The check must be made payable to the "State Water Pollution Cleanup and Abatement Account," reference "Order No. R3-2025-0074 CAA Payment," and be mailed to:

¹ State Water Board, 2017 Water Quality Enforcement Policy, effective October 5, 2017, https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2017/040417_9_final%20adopted%20policy.pdf.

² The State Water Board amended the 2017 Enforcement Policy on December 5, 2023, and those amendments became effective on November 7, 2024. The Prosecution Team applied the 2017 Enforcement Policy's penalty methodology because the Parties were engaged in settlement negotiations prior to November 7, 2024, and the alleged violation occurred when the 2017 Enforcement Policy was in effect.

³ State Water Board, 2017 Policy on Supplemental Environmental Projects, effective May 3, 2018, https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/seps/20180503_sep_policy_amd.pdf

State Water Board Accounting Office
Attn: ACL Payment
P.O. Box 1888
Sacramento, CA 95812-1888

The Discharger must provide a copy of the check via e-mail to
the Central Coast Water Board attention:
Tamara.Anderson@waterboards.ca.gov.

3. **Supplemental Environmental Project:** The Discharger proposes to fund and implement a third party-performed SEP, the Santa Barbara County Point of Entry and Point of Use Pilot Project (the SEP), as set forth below and in the attached SEP Proposal (Attachment B), which is incorporated herein by reference. The SEP will provide well sampling for local and state small water systems and domestic drinking water wells in Santa Barbara County. For wells exceeding safe drinking water standards, the SEP will provide replacement drinking water for households and/or the construction and maintenance of Point of Entry (POE) or Point of Use (POU) treatment systems with a priority focus on providing access to safe drinking water for “Underrepresented Communities.”⁴ The complete SEP Description, Scope of Work, SEP Reporting Requirements, SEP Reporting Schedule, and Budget and Milestones are contained in Attachment B.
 - a. **Compliance with the SEP Policy:** The SEP Amount and the SEP Project Schedule comply with the SEP Policy for the following reasons:
 - i. **SEP Amount:** Generally, the SEP Policy limits the value of a SEP to 50 percent of the total administrative civil liability (50 percent limit). SEP Policy section VIII, however, provides an exception that allows the Director of the Office of Enforcement (OE Director) to approve a proposed settlement to fund a SEP up to 100 percent of the administrative civil liability when a SEP is located in or benefits a community with a financial hardship (Financial Hardship Community), an environmental justice community (EJ Community), or a disadvantaged community (DAC), or where the SEP substantially furthers the human right to water. As shown in Attachment B, the SEP substantially furthers the human right to water in Santa Barbara County. On September 25, 2025, the Prosecution team sent an e-mail to the OE Director and provided written notification that the SEP proposed by the Discharger exceeds the 50 percent limit (SEP Notification), as required by the OE Director’s August 8, 2023 memorandum (SEP Memo), which

⁴ The Central Coast Water Board has defined “Underrepresented Communities” to include, but are not limited to, Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), Economically Distressed Areas (EDAs), Tribes, Environmentally Disadvantaged Communities (EnvDACs), and members of Fringe Communities. See Attachment B for complete definitions of each term.

establishes a blanket approval to exceed the 50 percent limit for SEPs located in or benefiting a DAC, an EJ Community, or a Financial Hardship Community, or where the SEP substantially furthers the human right to water. The OE Director received the SEP Notification and did not respond within 10 days to notify the Prosecution Team that the blanket approval does not apply. In accordance with the SEP Memo, the blanket approval applies and 100 percent of the total administrative civil liability may be spent on the SEP.

- ii. **SEP Project Schedule:** Pursuant to SEP Policy section VIII, the OE Director may approve a project implementation schedule memorialized in a stipulated order allowing for a SEP to be completed within 48 months based on a finding that a SEP provides an exceptional environmental benefit. The SEP Notification also requested the OE Director's approval of the SEP's 48-month project implementation schedule based on a finding that the SEP provides an exceptional environmental benefit. On October 13, 2025, the OE Director approved the 48-month project implementation schedule through issuance of the *Director of the Office of Enforcement's Findings of Exceptional Environmental Benefit for Goleta West Sanitary District's Proposed Supplemental Environmental Project with a 48-month Project Schedule*,⁵ based on the following findings: the SEP substantially complies with the SEP Policy; the SEP furthers the human right to water and benefits public health; the SEP is consistent with and furthers the Central Coast Water Board's policies and objectives for SEPs; and approximately 90 percent of the SEP funds will be spent on the SEP within 36 months of the Stipulated Order's effective date.
- b. **SEP Completion Date:** As a material condition for the Central Coast Water Board's acceptance of this Stipulated Order, the Discharger agrees that it bears ultimate responsibility for completing the SEP in accordance with the SEP Milestones set forth in Table 4 of Attachment B, including expenditure of the full SEP Amount and the completion of the SEP no later than 48 months after this Stipulated Order's effective date (SEP Completion Date).
- c. **SEP Time Extensions:** The Central Coast Water Board's Executive Officer (Executive Officer) may extend the deadlines set forth in the SEP Milestones in Table 4 of Attachment B for good cause if the Discharger demonstrates delays from unforeseeable circumstances, provided that the Discharger and its third party-implementer, Stantec Consulting Services, Inc. (Stantec), continue to undertake all appropriate measures to meet the

⁵ A copy of the OE Director's October 13, 2025 Findings of Exceptional Environmental Benefit is available upon request.

deadlines. Should an extension be needed, the Discharger must notify the Executive Officer in writing at least 30 days prior to the deadline. The written notice must specifically refer to this Paragraph and describe the anticipated length of time the delay may persist, the cause or causes of the delay, the measures taken or to be taken by the Discharger and/or Stantec to prevent or minimize the delay, the schedule by which the measures will be implemented, and the anticipated date of compliance with this Stipulated Order. Any approval of an extension request by the Executive Officer will be sent to the Discharger in writing with the effect of revising this Stipulated Order.

- d. **Publicity:** Whenever the Discharger, or its agents or subcontractors, publicize one or more elements of the SEP, they must state in a **prominent manner** that the project is being undertaken as part of the settlement of an enforcement action by the Central Coast Water Board against the Discharger.
- e. **SEP Inspections:** The Discharger and Stantec agree that Central Coast Water Board staff has permission to inspect any documents associated with SEP implementation and the locations where the SEP is being implemented, but only after permission is obtained from the owner(s) and/or resident(s) where SEP worked was performed.
- f. **No Benefit to Central Coast Water Board Functions, Members, or Staff:** The SEP provides no direct fiscal benefit to the Central Coast Water Board's functions, its members, its staff, or any family member of staff.
- g. **Reporting Requirements:** The Discharger must submit the following written reports to the designated Central Coast Water Board contact identified in Section III, paragraph 5 below:
 - i. **Quarterly Reports:** Quarterly Reports must be submitted by the due dates specified in Table 3 of Attachment B. At a minimum, the Quarterly Reports must include a description and photos of the activities completed during the quarter being reported, an accounting of funds expended, and whether the Discharger is in compliance with the completion dates in Table 3 of Attachment B. If the Discharger is not in compliance with the schedule in Table 4 of Attachment B, the Quarterly Reports must explain the cause(s) of the delay(s) and the anticipated date of compliance with the schedule. The Quarterly Reports must also include any monitoring data collected during the reporting period.
 - ii. **Certification of SEP Completion:** No later than 30 days after the SEP Completion Date, the Discharger must submit a final written report that documents SEP completion and provides a certified

statement of SEP completion (Certification of SEP Completion), signed under penalty of perjury, that documents the following:

- 1) Completion of the SEP in accordance with the terms of this Stipulated Order;
- 2) Expenditures to implement the SEP, which may include external payments to outside vendors and other costs directly associated with completing the SEP, including the work undertaken to complete and submit the SEP Quarterly Reports and Certification of SEP Completion. In preparing the certification, the Discharger may rely upon normal organizational project tracking systems that capture employee time and external payments to outside vendors, such as environmental and information technology contractors or consultants. The Discharger may include photographs, invoices, receipts, certifications, and other materials reasonably necessary for the Central Coast Water Board to evaluate SEP completion and verify the costs incurred.
- 3) All applicable environmental laws and regulations were followed in implementing the SEP, including, but not limited to, the California Environmental Quality Act (CEQA), Water Code, and Clean Water Act.

The Discharger must provide Central Coast Water Board staff with any additional information reasonably necessary to verify the Discharger's SEP expenditures and completion.

- h. **SEP Oversight:** Central Coast Water Board staff will review the Quarterly Reports and Certification of SEP Completion completed by the Discharger to ensure that the SEP was completed in accordance with this Stipulated Order. The Discharger is responsible for any charged oversight costs, which are not included in the SEP Amount.
- i. **Third Party Audit:** If the Central Coast Water Board obtains information reasonably indicating that the Discharger has not expended money in the amounts claimed, or has not adequately completed any of the work in the SEP, the Central Coast Water Board may require, and the Discharger must submit, at its sole cost, a report prepared by an independent third party(ies) acceptable to the Central Coast Water Board, stating that in its professional opinion, the Discharger has or has not expended money in the amounts claimed. In the event of such an audit, the Discharger agrees that the third-party auditor will be provided access to all documents that the auditor requests. The audit must be provided to the designated Central

Coast Water Board contact in Section III, paragraph 5, within three months of the date on which the Central Coast Water Board requires the audit.

- j. **Central Coast Water Board Acceptance of Completed SEP:** Upon the Discharger's satisfaction of its obligations under this Stipulated Order, the completion of the SEP and any audits, the designated Central Coast Water Board contact will request the Central Coast Water Board, or its delegate, to issue a "Satisfaction of Order." The issuance of the Satisfaction of Order will terminate any further obligations under this Stipulated Order and permanently suspend the SEP Amount.
- k. **Failure to Expend the Entire SEP Amount on the Approved SEP:** If the Discharger is unable to demonstrate to the reasonable satisfaction of the Central Coast Water Board or its delegate that the entire SEP Amount has been spent on the completed SEP, the Discharger must pay the difference between the SEP Amount and the amount demonstrated was actually spent on the SEP (the Difference) as an administrative civil liability. The Central Coast Water Board or its delegate will issue a "Notice of Violation" (NOV) that will require the Discharger to pay the Difference to the "State Water Pollution Cleanup and Abatement Account" within 30 days of the NOV's issuance date. The Discharger must submit payment in accordance with the payment method described in Section III, paragraph 2. Payment of the Difference will satisfy the Discharger's remaining obligations to implement the SEP.
- l. **Failure to Complete the SEP:** If the SEP is not fully implemented by the SEP Completion Date, and the Executive Officer has not granted an extension pursuant to Section III, paragraph 3.c, Central Coast Water Board staff will issue an NOV. As a consequence, the Discharger will be liable to pay the entire SEP Amount, less any amount permanently suspended or excused based on the timely and successful completion of any interim project milestone with an identifiable and stand-alone environmental benefit. For the purposes of this Stipulated Order, the following will be considered an interim project milestone with an identifiable and stand-alone environmental benefit in accordance with Table 4 of Attachment B: (1) deliverables related to community outreach and increased community awareness related to domestic wells and small water systems and the SEP; (2) any water quality sampling conducted during Phase 1 and Phase 3; (3) any replacement water deliveries to qualifying households participating in the SEP; (4) each POE and/or POU system that was timely and successfully designed, installed, operated and maintained during Phase 2 and Phase 3 as set forth in Attachment B; and (5) the development of resources for POE/POU recipient use after the SEP-designated maintenance period and/or decommissioning POE/POU systems in Phase 4. Unless the Central Coast Water Board or its delegate determines otherwise, the Discharger will not be entitled to any credit, offset, or reimbursement from the Central Coast Water Board for

expenditures made on the SEP prior to the NOV's issuance date. The amount of the suspended liability owed must be determined via a written, stipulated agreement between the Parties or, if the Parties cannot reach an agreement on the amount owed, via a "Motion for Payment of Suspended Liability" before the Central Coast Water Board or its delegate. Within 30 days of the Central Coast Water Board's or its delegate's determination of the suspended liability assessed, the Discharger must pay the amount owed to the "State Water Pollution Cleanup and Abatement Account" in accordance with the payment method described in Section III, paragraph 2. Payment of the assessed amount will satisfy the Discharger's obligations to implement the SEP.

4. **Compliance with Applicable Laws and Regulatory Changes:** The Discharger understands that payment of administrative civil liabilities in accordance with the terms of this Stipulated Order and/or compliance with the terms of this Stipulated Order is not a substitute for compliance with applicable laws, and that additional violations of the type alleged herein may subject the Discharger to further enforcement, including additional administrative civil liability. Nothing in this Stipulated Order excuses the Discharger from meeting any more stringent requirements that may be imposed hereafter by changes in applicable and legally binding legislation or regulations.
5. **Party Contacts for Communications Related to this Stipulated Order:**

For the Central Coast Water Board:

Tamara Anderson
Supervising Water Resource Control Engineer
Aerovista Place, Suite 101
San Luis Obispo, CA 93401
(805) 549-3334
Tamara.Anderson@waterboards.ca.gov

For the Discharger:

Brian McCarthy and Joey Hilliard
Co-General Managers
PO Box 4
Goleta, CA 93116-0004
(805) 968-2617
BMcCarthy@goletawest.org; JHilliard@goletawest.org

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6. **Attorney's Fees and Costs:** Except as otherwise provided herein, each Party must bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
7. **Matters Addressed by this Stipulated Order:** Upon the Central Coast Water Board's or its delegate's adoption, this Stipulated Order represents a final and binding resolution and settlement of the alleged violation contained in Attachment A. The provisions of this Paragraph are expressly conditioned on the Discharger's full satisfaction of the obligations to implement the SEP in accordance with the terms of this Stipulated Order or full payment of any administrative civil liability amount assessed in accordance with Section III, paragraphs (k) and (l).
8. **Public Notice:** The Discharger understands that this Stipulated Order must be noticed for a 30-day public review and comment period prior to consideration by the Central Coast Water Board, or its delegate. If significant new information is received that reasonably affects the propriety of presenting this Stipulated Order to the Central Coast Water Board, or its delegate, for adoption, the Central Coast Water Board Prosecution Team may unilaterally declare this Stipulated Order void and decide not to present it to the Central Coast Water Board, or its delegate. The Discharger agrees that, once signed, the Discharger may not rescind or otherwise withdraw its approval of this proposed Stipulated Order unless there are significant modifications.
9. **Procedure:** The Parties agree the procedure contemplated for public review of this Stipulated Order and the Central Coast Water Board's, or its delegate's, adoption of this Stipulated Order is lawful and adequate. The Parties understand that the Central Coast Water Board, or its delegate, have the authority to require a public hearing on this Stipulated Order. In the event procedural objections are raised or the Central Coast Water Board, or its delegate, requires a public hearing before adopting this Stipulated Order, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure and/or this Stipulated Order as necessary or advisable under the circumstances.
10. **No Waiver of Right to Enforce:** The failure of the Central Coast Water Board to enforce any provision of this Stipulated Order must in no way be deemed a waiver of such provision, or in any way affect the validity of this Stipulated Order. The failure of the Central Coast Water Board to enforce any such provision must not preclude it from later enforcing the same or any other provision of this Stipulated Order. No oral advice, guidance, suggestions, or comments by employees or officials of any Party regarding matters covered under this Stipulated Order must be construed to relieve any Party regarding matters covered in this Stipulated Order. The Central Coast Water Board reserves all rights to take additional enforcement actions, including, without limitation, the issuance of administrative civil liability complaints or orders for violations other than those addressed by this Stipulated Order.

11. **Effect of this Stipulated Order:** Except as expressly provided in this Stipulated Order, nothing in this Stipulated Order is intended nor shall it be construed to preclude the Central Coast Water Board or any state agency, department, board or entity or any local agency from exercising its authority under any law, statute, or regulation.
12. **Interpretation:** This Stipulated Order must be construed as if the Parties jointly prepared it and any uncertainty or ambiguity must not be interpreted against any one party.
13. **Modification:** The Parties must not modify this Stipulated Order by oral representation made before or after its execution. Except as otherwise provided in Section III, paragraph 3.c, all modifications must be made in writing, signed by all Parties, and approved by the Central Coast Water Board or its delegate.
14. **Integration:** This Stipulated Order constitutes the entire agreement between the Parties and may not be amended or supplemented except as provided for in this Stipulated Order.
15. **If the Order Does Not Take Effect:** In the event that this Stipulated Order does not take effect because the Central Coast Water Board or its delegate does not approve it, or a court or the State Water Board vacates it in whole or in part, the Parties acknowledge that the Prosecution Team may issue an administrative civil liability complaint and proceed to a contested evidentiary hearing before the Central Coast Water Board, or may continue to pursue settlement. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions will not be admissible as evidence in any subsequent administrative or judicial proceeding or hearing and will be fully protected by California Evidence Code sections 1152 and 1154; California Government Code section 11415.60; and any other applicable privilege under federal and/or state law. The Parties also agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to:
 - a. Objections related to prejudice or bias of any of the Central Coast Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Central Coast Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing this Stipulated Order, and therefore may have formed impressions or conclusions, prior to conducting any contested evidentiary hearing in this matter; or
 - b. Laches or delay or other equitable defenses based on the time for administrative or judicial review to the extent this period was extended by these settlement proceedings.

16. **No Admission of Liability/No Waiver of Defenses:** In settling this matter, the Discharger does not admit to any violations of the Water Code, the Clean Water Act, any Central Coast Water Board or State Water Board order, or any other federal, State, or local laws or ordinances, but recognizes that this Stipulated Order may be used as evidence of a prior history of violation consistent with Water Code sections 13327 and 13385, subdivision (e), and the Enforcement Policy. By entering into this agreement, the Discharger does not waive any defenses or arguments related to any new enforcement action that may be brought by the Central Coast Water Board, including any brought under its discretionary enforcement authority reserved herein.
17. **Waiver of Hearing:** The Discharger has been informed of the rights Water Code section 13323, subdivision (b) provides and hereby waives its right to a hearing before the Central Coast Water Board prior to adoption of this Stipulated Order. However, the Discharger may appear at any Central Coast Water Board hearing where approval of this settlement is discussed, and if the settlement is not adopted and the matter proceeds to the Central Coast Water Board or State Water Board for a hearing, the Discharger does not waive its right to an adjudicatory hearing before any order other than this Stipulated Order is imposed.
18. **Waiver of Right to Petition or Appeal:** The Discharger hereby waives the right to petition the Central Coast Water Board's adoption of this Stipulated Order for review by the State Water Board, and further waives the rights, if any, to appeal the same to a California Superior Court and/or any California appellate-level court.
19. **Covenant Not to Sue:** Upon the effective date of this Stipulated Order, the Discharger covenants not to sue or pursue any administrative or civil claims against the State of California, any State agency, or its officers, Board members, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Stipulated Order or the SEP, except that this covenant is not intended to, and does not, limit the Discharger's rights to sue over other Central Coast Water Board orders (e.g., permits, cease and desist orders, etc.) or limit the Discharger's rights to defend against any additional enforcement or other actions taken by the Central Coast Water Board or its employees, representatives, agents, or attorneys, and shall not release any claims or complaints against any State agency, or the State of California or its officers, Central Coast Water Board members, employees, representatives, agents, or attorneys to the extent such covenant would be prohibited by California Business and Professions Code section 6090.5 or by any other statute, rule, regulation, or legal principle of similar effect.
20. **State and Central Coast Water Boards Not Liable:** Neither the State Water Board and Central Coast Water Board members, nor the State Water Board and Central Coast Water Board staff, attorneys, or representatives shall be liable for any injury or damage to persons or property resulting from the negligent or

intentional acts or omissions by the Discharger or its respective directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulated Order, nor shall the Central Coast Water Board, its members, staff, attorneys, or representatives be held as parties to or guarantors of any contract entered into by the Discharger, or its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulated Order.

21. **Authority to Bind:** Each person executing this Stipulated Order in a representative capacity represents and warrants that they are authorized to execute this Stipulated Order on behalf of and to bind the entity on whose behalf they execute this Stipulated Order.
22. **Necessity for Written Approvals:** All approvals and decisions of the Central Coast Water Board or its delegate under the terms of this Stipulated Order must be communicated to the Discharger in writing. No oral advice, guidance, suggestions, or comments by employees or officials of the Central Coast Water Board regarding submissions or notices must be construed to relieve the Discharger of its obligation to obtain any final written approval required by this Stipulated Order.
23. **No Third-Party Beneficiaries:** This Stipulated Order is not intended to confer any rights or obligation on any third party or parties, and no third party or parties shall have any right of action under this Stipulated Order for any cause whatsoever.
24. **Severability:** This Stipulated Order is severable; should any provision be found invalid, the remainder remains in full force and effect.
25. **Effective Date:** This Stipulated Order becomes effective and binding on the Parties upon the date the Central Coast Water Board, or its delegate, adopts the Order incorporating the terms of this Stipulated Order.
26. **Counterpart and Electronic Signatures:** This Stipulated Order may be executed and delivered in any number of counterparts, each of which when executed and delivered must be deemed to be an original, but such counterparts must together constitute one document. Further, this Stipulated Order may be executed by electronic signature, and any such electronic signature by any Party hereto must be deemed to be an original signature and must be binding on such Party to the same extent as if such electronic signature were an original signature.

IT IS SO STIPULATED.

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION, PROSECUTION TEAM**

By: Angela Schroeter
Angela Schroeter
Assistant Executive Officer
Central Coast Water Board

Digitally signed by
Angela Schroeter
Date: 2025.10.16
11:31:44 -07'00'

The logo for the Central Coast Water Board, featuring three stylized blue waves of increasing height from left to right, with the words "Water Boards" in a light blue sans-serif font positioned below the waves.

IT IS SO STIPULATED.

GOLETA WEST SANITARY DISTRICT

*Original Signed by Brian McCarthy
On October 15, 2025*

Date: _____ By: _____
Brian McCarthy
Co-General Manager
Goleta West Sanitary District

*Original Signed by Joey Hilliard
On October 15, 2025*

Date: _____ By: _____
Joey Hilliard
Co-General Manager
Goleta West Sanitary District

ORDER OF THE CENTRAL COAST WATER BOARD:

1. This Order is issued pursuant to Water Code section 13323 and Government Code section 11415.60 and incorporates the foregoing Sections I through III and Attachments A and B, by this reference as if set forth fully herein.
2. This is an action to enforce the laws and regulations administered by the Central Coast Water Board. The Central Coast Water Board finds that issuance of this Stipulated Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, sections 21000 et seq.), in accordance with California Code of Regulations, title 14, section 15321, subdivision (a)(2). Additionally, this Stipulated Order generally accepts the plans proposed for the SEP prior to implementation. Mere submittal of plans is exempt from CEQA because submittal will not cause a direct or indirect physical change in the environment.
3. The Central Coast Water Board's Executive Officer is authorized to refer this matter directly to the Attorney General for enforcement if the Discharger fails to perform any of its obligations under this Order.

IT IS HEREBY ORDERED, pursuant to Water Code section 13323 and Government Code section 11415.60, on behalf of the California Regional Water Quality Control Board, Central Coast Region.

Ryan Lodge
Executive Officer
Central Coast Water Board

Attachment A: Violation Factor Consideration and Penalty Calculation Methodology

Attachment B: Santa Barbara County Point of Entry and Point of Use Pilot SEP Proposal

ATTACHMENT A

FACTOR CONSIDERATION AND PENALTY CALCULATION METHODOLOGY FOR ADMINISTRATIVE CIVIL LIABILITY ORDER R3-2025-0074

GOLETA WEST SANITARY DISTRICT SANITARY SEWER SYSTEM SANTA BARBARA COUNTY

This document provides details on the proposed administrative civil liability penalty methodology related to Goleta West Sanitary District's (Discharger or District) sanitary sewer overflow (SSO) that resulted in an unauthorized discharge of untreated domestic/municipal wastewater (untreated wastewater) to waters of the United States (U.S.) from February 16, 2024, to February 17, 2024. The California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Prosecution Team derived the proposed administrative civil liability following the 2017 State Water Resources Control Board's (State Water Board) Water Quality Enforcement Policy (Enforcement Policy).¹

Application of the Water Board's Enforcement Policy

On April 4, 2017, the State Water Board adopted Resolution 2017-0020 amending the Enforcement Policy. The Office of Administrative Law approved the 2017 Enforcement Policy and it became effective on October 5, 2017. The Enforcement Policy establishes a penalty methodology for assessing administrative civil liability for violations of the California Water Code (Water Code) and Federal Water Pollution Control Act (Clean Water Act). Use of the methodology incorporates Water Code sections 13327 and 13385 that require the Central Coast Water Board to consider specific factors when determining the amount of civil liability to impose, including "...the nature, circumstance, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the discharge, and, with respect to the violator, the ability to pay, the effect on ability to continue its business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters that justice may require."

The penalty methodology calculation procedural steps are discussed and shown in detail below.

Regulatory Basis for Alleged Violation and Proposed Liability

The Discharger has been enrolled in the State Water Board's *Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems, Order WQ 2022-*

¹ The State Water Board's Water Quality Enforcement Policy (effective October 5, 2017) and penalty calculation methodology worksheet are available at:
https://www.waterboards.ca.gov/water_issues/programs/enforcement/water_quality_enforcement.html

0103-DWQ (Statewide General Order) or its preceding Order 2006-0003-DWQ since 2006.² Prohibition 4.2 of the Statewide General Order provides that “[a]ny discharge from a sanitary sewer system, discharged directly or indirectly through a drainage conveyance system or other route, to waters of the State is prohibited.” Waters of the State include waters of the U.S.

Clean Water Act section 301 prohibits the discharge of any pollutant to waters of the U.S. except as authorized by a National Pollutant Discharge Elimination System (NPDES) permit.

California is authorized to implement provisions of the Clean Water Act. (Wat. Code, §§ 13370-13389.) Water Code section 13376 prohibits the discharge of pollutants to waters of the U.S. except as authorized by waste discharge requirements. The term “waste discharge requirements” is the equivalent of the term “permits” as used in the Clean Water Act. (Wat. Code, § 13374.)

The Discharger is required to convey its untreated wastewater, commonly referred to as sewage, to the Goleta Sanitary District Water Resource Recovery Facility (WRRF) for treatment before an authorized discharge to waters of the U.S. (Pacific Ocean) can occur.

On February 16 through 17, 2024, the District discharged untreated wastewater from its 24-inch force main near the Santa Barbara Municipal Airport in Goleta, California, to an un-named tributary to Tecolotito Creek, the Goleta Slough State Marine Conservation Area (Goleta Slough) and its estuary, and the Pacific Ocean, which are all waters of the U.S. The Discharger estimated that the unauthorized discharge occurred from around 7:22 PM on February 16, 2024, to 9:00 AM on February 17, 2024, for a total of approximately 14 hours.³ A break in the force main caused the discharge. The Discharger estimated that a total volume of 1,071,696 gallons discharged to the creek, slough, and ocean.

The Prosecution Team alleges that the Discharger violated Prohibition 4.2 of the Statewide General Order,⁴ Water Code section 13376, and/or Clean Water Act section 301 for the unpermitted discharge of an estimated 1,071,696 gallons of untreated wastewater to waters of the U.S. on at least February 16 through 17, 2024.

A discharger who violates Water Code section 13376 and/or Clean Water Act section 301 is subject to administrative civil liability under Water Code section 13385, subdivisions (a) and (c).

² The State Water Board’s Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems, Order WQ 2022-0103-DWQ is available at:
https://www.waterboards.ca.gov/water_issues/programs/ssol/

³ The Prosecution Team exercised discretion to allege only one day of violation because the unauthorized discharge occurred overnight but less than twenty-four hours.

⁴ The Statewide General Order is not an NPDES permit.

Penalty Calculation Methodology Procedural Steps

Step 1. Actual or Potential for Harm for Discharge Violations

This initial step for discharge violations is used to determine the actual harm or potential harm to the waterbody's beneficial uses caused by the violation using a three-factor scoring system to quantify: (1) the degree of toxicity of the discharge (i.e., the physical, chemical, biological, or thermal characteristics of the discharge); (2) the actual harm or potential harm to beneficial uses; and (3) the discharge's susceptibility to cleanup or abatement.

Factor 1: The Degree of Toxicity of the Discharge

Factor 1 Background: The evaluation of the degree of toxicity considers the physical, chemical, biological, and/or thermal characteristics of the discharge, waste, fill, or material involved in the violation or violations, and the risk of damage the discharge could cause to the receptors or beneficial uses. Evaluation of the discharged material's toxicity should account for all the characteristics of the material **prior to discharge**, including, but not limited to, whether it is partially treated, diluted, concentrated, and/or a mixture of different constituents. Toxicity analysis should include assessment of both lethal and sublethal effects such as effects on growth and reproduction.

The Enforcement Policy specifies assigning a factor score ranging from 0 to 4 based on whether the risk or threat of the discharged material to potential receptors (i.e., human, environmental, ecosystem health exposure pathways) is negligible (0) to significant (4).

Factor 1 Consideration: Based on the physical, chemical, biological, or thermal characteristics of untreated wastewater before discharge, the risk or threat the discharged material poses to potential receptors and beneficial uses is **above moderate (3)**. "Above Moderate" is assigned when the physical, biological, and/or chemical characteristics of the discharged material exceed known risk factors and/or there is substantial concern regarding receptor protection.

The physical characteristics of untreated municipal wastewater include solids that may settle or stay in suspension causing deposition on the receiving water floor affecting aquatic habitats or aesthetic uses throughout the water column. Oil or grease may also be present and float at the receiving water surface causing aesthetic impacts. Biologically, wastewater also contains high levels of pathogenic organisms harmful to human health through direct contact or ingestion, or via foodborne pathways such as fish consumption. Organic material and ammonia can also deplete dissolved oxygen in receiving waters, adversely affecting aquatic organisms and wildlife. Excess nutrients in the forms of nitrogen or phosphorus can cause nutrient over-enrichment affecting plant life. Chemically, ammonia can cause toxicity in aquatic life, as can toxic pollutants from industrial, commercial, or business/household wastewater sources commonly present in municipal wastewater. While many such toxic pollutants are not directly removed by treatment methods commonly employed at wastewater treatment plants, overflows such as those considered here eliminate indirect or coincidental removal during treatment

(e.g., removal with solids/organic materials or volatilization during agitation) because the wastewater did not get treated at a wastewater treatment plant.

The characteristics of untreated wastewater as discussed above represents a substantial risk to marine life and human health. The levels of pathogenic organisms in untreated wastewater can cause serious illnesses and result in harm to human health. A score of **(3) Above Moderate** is assigned for this factor.

Factor 2: Actual Harm or Potential Harm to Beneficial Uses

Factor 2 Background: The evaluation of the actual harm or the potential harm to beneficial uses factor considers the harm to beneficial uses in the affected receiving water body that may result from exposure to the pollutants or contaminants in the discharge, consistent with the statutory factors of the nature, circumstances, extent, and gravity of the violation. The Central Coast Water Board may consider actual harm or potential harm to human health, in addition to harm to beneficial uses. Because actual harm is not always quantifiable due to untimely reporting, inadequate monitoring, and/or other practical limitations, potential harm can be used under this factor. Actual harm as used in this section means harm that is documented and/or observed. Potential harm should be evaluated in the context of the specific characteristics of the waste discharged and the specific beneficial uses of the impacted waters.

The Enforcement Policy specifies a score ranging from 0 to 5 based on a determination of whether direct or indirect harm, or potential for harm, from a violation is negligible (0) to major (5).

Factor 2 Consideration: The harm or potential harm to beneficial uses from the discharge is **major (5)**. “Major” is assigned when there is high harm or threat of harm to beneficial uses. A score of “Major” is typified by observed or reasonably expected potential significant impacts, and involves potential for or actual acute, and/or chronic (e.g., more than five days) restrictions on, or impairment of, beneficial uses, aquatic life, and/or human health. As explained in further detail below, the Santa Barbara County Health Department (County Health Department) closed a beach for more than five days, causing actual chronic restrictions on and impairment of beneficial uses. These impacts are significant.

The following paragraphs identify the beneficial uses for each receiving water body impacted or potentially impacted by the District’s unauthorized discharge of sewage.

Tecolotito Creek and Goleta Slough and Estuary Inland Surface Water Beneficial Uses

The Water Quality Control Plan for the Central Coastal Basin, 2019 Edition (2019 Basin Plan),⁵ identifies and defines beneficial uses in Chapter 2, *Present and Potential Beneficial Uses*. Chapter 2, Table 2-1, *Identified Uses of Inland Surface Waters*, lists

⁵ The 2019 Basin Plan was in effect at the time of the violation and is viewable at the Central Coast Water Board’s Basin Plan website:
https://www.waterboards.ca.gov/centralcoast/water_issues/programs/basin_plan/

the beneficial uses of Tecolotito Creek and the Goleta Slough and its estuary (referred to as Goleta Slough/Estuary in Table 2-1).

Both Tecolotito Creek and the Goleta Slough and its estuary have the following beneficial uses:

- Water contact recreation (REC-1)
- Non-contact water recreation (REC-2)
- Wildlife habitat (WILD)
- Warm fresh water habitat (WARM)
- Migration of aquatic organisms (MIGR)
- Commercial and sport fishing (COMM)

In addition to the above beneficial uses, Goleta Slough and its estuary also have the following beneficial uses:

- Spawning, reproduction, and/or early development (SPWN)
- Preservation of biological habitats of special significance (BIOL)
- Rare, threatened, or endangered species (RARE)
- Estuarine habitat (EST)
- Shellfish harvesting (SHELL)

In addition to REC-1, REC-2, WILD, WARM, MIGR, and COMM, Tecolotito Creek also has the following beneficial uses:

- Municipal and domestic supply (MUN)
- Groundwater recharge (GWR)
- Cold fresh water habitat (COLD)
- Fresh water replenishment (FRSH)

Of the designated beneficial uses for these waters, those most relevant to, and harmed or potentially harmed by, the District's discharge of untreated sewage are the beneficial uses associated with water recreation, human health, and aquatic life and habitat (REC-1, REC-2, COLD, WARM, MIGR, SPWN, BIOL, RARE, EST, SHELL, WILD, and COMM).

Coastal Waters Beneficial Uses

Chapter 2, Table 2-2, *Existing and Anticipated Uses of Coastal Waters*, also lists beneficial uses for the Goleta Slough. Table 2-2 shares the REC-1, REC-2, SHELL, RARE, and WILD beneficial uses listed above from 2019 Basin Plan Table 2-1, and adds marine habitat (MAR). These beneficial uses are adversely impacted by the discharge of untreated sewage.

Pacific Ocean Beneficial Uses

The 2019 Basin Plan also states that the State Water Board's Ocean Plan, and any revisions thereto, shall apply in their entirety to affected ocean waters of the basin. The State Water Board *2019 Water Quality Control Plan for Ocean Waters of California* (2019 Ocean Plan),⁶ Section I, *Beneficial Uses*, also lists the above 2019 Basin Plan beneficial uses, and adds, in relevant part, aesthetic enjoyment, and mariculture.⁷ These beneficial uses were potentially harmed by the unauthorized discharge to the Pacific Ocean at Goleta Beach.

General Characteristics of Untreated Wastewater that Harm or Potentially Harm the Above Water Recreation, Human Health, and Aquatic Life and Habitat Beneficial Uses

Untreated wastewater often contains feces, urine, blood, industrial wastewater, dissolved and solid metal, and organic materials. Untreated wastewater is susceptible to containing high levels of suspended solids, pathogenic organisms, toxic pollutants, nutrients, oxygen-demanding organic compounds, oil and grease, and other pollutants that can degrade water quality and impact beneficial uses. Untreated wastewater is known to cause the pollution of the receiving waters with pathogens (disease causing bacteria, viruses, and other organisms), the killing of aquatic life, and the pollution of beaches.

Included in untreated wastewater are debris such as trash that are flushed down toilets, organic material, dissolved organic material, and other contaminants such as pesticides, soaps, heavy metals, and other toxic compounds. The effects in the receiving water may include a decrease in dissolved oxygen because of the increase in bacteria that breakdown the organic waste and use up oxygen in the process. A decrease in dissolved oxygen can negatively affect aquatic species such as fish and macroinvertebrates. The release of excess nitrogen and phosphorus from the untreated wastewater during that process may also cause eutrophication (the over-enrichment of a waterbody with nutrients) and an increase in algal growth that may act further to decrease dissolved oxygen. These general characteristics of untreated domestic and municipal wastewater have the potential to harm beneficial uses related to water recreation, human health, and aquatic life and habitat, and therefore potentially harm the REC-1, REC-2, COLD, WARM, MIGR, SPWN, BIOL, RARE, EST, SHELL, WILD, COMM, MAR, and mariculture beneficial uses described above.

Beach Closure

The Central Coast Water Board received Governor's Office of Emergency Services (OES) Hazardous Material Spill Report # 24-1024 on February 21, 2024, at 5:16 PM (OES Spill Report). The Spill Report showed that Brian McCarthy from the Goleta West Sanitary District notified OES on February 17, 2024, at 5:55 PM. The initial OES Spill

⁶ See the 2019 Ocean Plan at the State Water Board's Plans and Policies website: https://www.waterboards.ca.gov/plans_policies/, under "Plans" select the "California Ocean Plan" link.

⁷ The culture of algae, plants, and animals in marine waters independent of any pollution source.

Report indicated that greater than 1,000 gallons of untreated sewage had been spilled to a grassy area near the airport before entering Goleta Slough, with potential further dispersion into the ocean. On February 21, 2024, and February 23, 2024, the District provided OES with additional updates of the estimated spill volume and other information. The District's most recent update estimated a total spill volume of 1,140,657 gallons, 68,961 gallons of which were recovered before reaching waters of the U.S.

As reported in the Discharger's certified Spill Technical Report dated April 2, 2024, the Discharger notified the Santa Barbara County Health Department (County Health Department) on February 17, 2024. The County Health Department responded to the discharge of untreated wastewater by issuing a beach closure and health warnings for the impacted area beginning on the evening of February 21, 2024.⁸ Based on the results of ocean sampling conducted on March 13, 2024, which indicated compliance with bacteriological water quality standards, the County Health Department lifted the beach closure on March 15, 2024. According to the County Health Department, the beach closure due to the sewage discharge was in place for 23 calendar days,⁹ representing an observed significant impact involving actual chronic (e.g., more than five days) restriction on and impairment of water contact beneficial uses¹⁰ and potential impacts to human health. A score of **(5) Major** is assigned for this factor.

Factor 3: Susceptibility to Cleanup or Abatement

Factor 3 Background: The Enforcement Policy specifies assigning a factor score of (0) if the discharger cleans up 50 percent or more of the discharge within a reasonable amount of time. A score of 1 is assigned for this factor if less than 50 percent of the discharge is susceptible to cleanup or abatement, or if 50 percent or more of the discharge is susceptible to cleanup or abatement, but the discharger failed to clean up 50 percent or more of the discharge within a reasonable time. Natural attenuation of

⁸ In the event of a known release of untreated sewage into waters adjacent to a public beach, the local health officer must immediately post and close the beach until the source of the sewage release is eliminated, sample the affected waters, and continue closure or restriction until test results satisfy the bacteriological standards established under California Code of Regulations, title 17, section 7958. (California Code of Regulations, title 17, section 7961, subdivision (d); see also Health and Safety Code, section 115885, subdivision (a)(6)(7).) The local health officer in this case is the Santa Barbara County Health Department.

⁹ The Prosecution Team acknowledges that in section II.C of the District's Technical Report dated April 2, 2024, the District suggests that the County could have decided to end the beach closure due to the sewage spill as early as March 4, 2024, or after being in place over the course of 12 calendar days. Regardless, the restriction of water contact beneficial uses exceeded five days and warrants a factor of (5) Major.

¹⁰ The Prosecution Team acknowledges its consideration of other potential sources of harm to beneficial uses, such as the general characteristics of untreated wastewater and its potential harm to the other designated beneficial uses listed above. The score warranted by the actual chronic restriction on water contact beneficial uses is the maximum available and therefore as high or higher than other considerations may warrant.

discharged pollutants in the environment is not considered cleanup or abatement for purposes of evaluating this factor.

Factor 3 Consideration: The Discharger reported¹¹ an estimated total spill volume of 1,140,657 gallons with recovery of approximately 68,961 gallons of untreated wastewater before it discharged into Tecolotito Creek, Goleta Slough and its estuary, and the Pacific Ocean. The reported wastewater volume recovered was comprised of wastewater in the immediate vicinity of the failed pipeline removed by vacuum truck, water that the District contained onsite, onsite saturated soil, and the water content volume from other impacted soil removed by dump truck. However, for the purposes of this analysis, the discharge is considered the volume of untreated wastewater discharged to waters of the U.S. as reported by the District. The 1,071,696 gallons (1,140,657 gallons minus 68,961 gallons) of untreated sewage that discharged to the receiving waters was not susceptible to cleanup or recovery. A score of **(1)** is assigned for this factor.

Step 1 Final Score – Harm or Potential Harm to Beneficial Uses

The sum of the above factor scores is **(9)**. This value is used in Step 2 as the “Potential for Harm” score.

Step 2. Assessments for Discharge Violations

Step 2 Background: The proposed administrative civil liability for the unpermitted discharge is based on a per day and per gallon liability pursuant to Water Code section 13385.

Per Gallon Assessments for Discharge Violations

The Enforcement Policy specifies that the Water Boards shall use the Potential for Harm score from Step 1 and the extent of Deviation from Requirement when determining an initial liability amount on a per gallon basis. The Deviation from Requirement reflects the extent the alleged violation deviated from the specific requirement at issue and characterizes it as minor, moderate, or major. The Potential for Harm score in Step 1 and the Deviation from Requirement determination in Step 2 are used to determine a Per Gallon Factor from Table 1 of the Enforcement Policy. The per gallon assessment is then determined by multiplying the Per Gallon Factor by the number of gallons subject to penalty and the maximum per gallon penalty amount allowed under the Water Code.

¹¹ As required by Statewide General Order Specification 5.13 and the Order's Attachment E1, the Discharger submitted its initial reports to OES, uploaded and certified its Spill Event in CIWQS, submitted its Spill Technical Report dated April 2, 2024, continued its investigation and analysis and submitted a Spill Technical Report Update dated May 17, 2024. The Prosecution Team used the latest information provided as related to each factor consideration.

Per Day Assessments for Discharge Violations

The Enforcement Policy also specifies that the Water Boards shall use the Potential for Harm score from Step 1 and the extent of Deviation from Requirement when determining an initial liability amount on a per day basis. Table 2 of the Enforcement Policy is used to determine a Per Day Factor for the alleged violation. The per day assessment is then determined by multiplying the Per Day Factor by the maximum per day amount allowed under the Water Code and number of days the violation occurred.

Step 2 Consideration:

As determined in Step 1, the Potential for Harm factor for this violation is **(9)**. The Prosecution Team determined that the Deviation from Requirement is **major**. “Major” is assigned when the requirement has been rendered ineffective in its essential functions. Water Code section 13376 and/or Clean Water Act section 301 prohibit unpermitted discharges of waste to waters of the U.S. This unpermitted discharge of untreated wastewater to waters of the U.S. renders the requirement ineffective in its essential function of protecting water quality. The Deviation from Requirement is **major**.

The Prosecution Team determined that the Per Gallon Factor from Table 1 and the Per Day Factor from Table 2 of the Enforcement Policy are each **0.80**.

Water Code section 13385, subdivision (c)(2) provides that an administrative civil liability of up to \$10 per gallon shall apply to volumes of waste discharged but not cleaned up in excess of 1,000 gallons. The volume subject to per gallon liability is 1,070,696 gallons (1,071,696 gallons minus 1,000 gallons).

Water Code section 13385, subdivision (c)(1) provides that an administrative civil liability of up to \$10,000 per day shall apply for each day of violation. The violation occurred for approximately 14 hours across two days (February 16 through 17, 2024).

High Volume Discharges

In accordance with the Enforcement Policy, the Water Boards shall apply the above Per Gallon Factor to the maximum per gallon penalty amount of \$10 per gallon. However, because the volume of certain discharges can be very high, the Water Boards may elect to use a value between \$2.00 per gallon and \$10.00 per gallon to determine the per gallon amount for discharges that are between 100,000 gallons and 2,000,000 gallons for each discharge event, whether it occurs on one or more days.

Given that the reported volume exceeds 1,000,000 gallons, the Prosecution Team determined that an assessment of \$2.00 per gallon is appropriate. Electing to use a maximum of \$2.00 per gallon for this alleged high-volume unpermitted discharge will not result in an inappropriately small administrative civil liability for this violation.

The per gallon and per day initial liability amounts, and the combined initial liability amount for the violation are as follows:

Per Gallon Liability:

$$\text{\$2/gallon} \times 1,070,696 \text{ gallons} \times 0.80 \text{ per gallon factor} = \text{\$1,713,114}$$

Per Day Liability:

$$\text{\$10,000/day} \times 1 \text{ day} \times 0.80 \text{ per day factor} = \text{\$8,000}$$

Initial Liability Amount:

$$\text{Per Gallon Liability} + \text{Per Day Liability} = \text{\$1,713,114} + \text{\$8,000} = \text{\$1,721,114}$$

Step 3. Per Day Assessment for Non-Discharge Violations

This step does not apply to a discharge violation.

Step 4. Adjustment Factors

The Enforcement Policy specifies the consideration of violator conduct using three additional factors for modification of the amount of the initial liability determined in Steps 1 through 3: the violator's culpability, the extent to which the violator voluntarily cooperated in returning to compliance including voluntary cleanup efforts, and the violator's history of violation.

Culpability Factor Background: The culpability factor addresses the violator's degree of culpability regarding the violation. Therefore, adjustment should result in a multiplier from 0.75 to 1.5, with a lower multiplier for accidental, non-negligent violations and a higher multiplier for intentional or negligent behavior. A first step to analyzing the culpability factor is to identify any performance standards related to the violation (or, in their absence, prevailing industry practices). The culpability factor then looks to what a reasonable and prudent person would have done or not done under similar circumstances.

Culpability Factor Consideration: The culpability factor for the violation is **1.0**. In the District's Spill Technical Report dated April 2, 2024, the District reported that the SSO occurred due to significant corrosion along the exterior surface of an approximately four-foot section of a 24-inch diameter force main. District staff and the District's construction consultant determined that the localized corrosion was likely due to damage to the pipe exterior during its original installation approximately 46 years ago. The damage would have broken the anti-corrosion seal of the asphaltic coating on the outside of the pipe as well as the metal surface of the pipe. Both types of damage would have left the pipe vulnerable to the corrosion observed in the failed section of pipe.

In the District's updated Spill Technical Report dated May 17, 2024, the District confirmed that the failure was caused by corrosion of the external pipe surface and added that further analysis indicated imperfect external corrosion protection and severely corrosive soils.

The District further reported that the pipe damage was on a lower portion of the pipe at a point furthest from the ground surface, and therefore would not have been caused by later activity on the ground surface above the failed pipe section. The District found the interior and exterior of the rest of the pipe on either side of the failed section to be in very good condition. The pipe is within its normal service life.

The District and its engineering consultant performed a condition assessment of the force main in 2002 and 2003 and determined the pipe to be in good operating condition at that time. The District and its engineering consultant performed another condition assessment in November 2022, and again found the pipe to be in good operating condition and based on the Statewide General Order requirements there was not a requirement to go above and beyond the condition assessment that was performed to determine condition of the pipeline.

The District also maintains an 18-inch parallel force main for redundant operations and was able to divert and limit the discharge of the spill by isolating the 24-inch force main and continuing operational wastewater flows through its backup 18-inch force main.

This information indicates that the Discharger took reasonable and prudent action within an expected standard of care to periodically assess the condition of the pipeline warranting a neutral multiplier factor of **1.0**.

Cleanup and Cooperation Factor Background: The cleanup and cooperation factor addresses the extent to which the violator voluntarily cooperated in returning to compliance and correcting environmental damage, including any voluntary cleanup efforts undertaken after a violation. Adjustment of this factor should result in a multiplier between 0.75 to 1.5, using the lower multiplier where there is exceptional cleanup and cooperation compared to what can reasonably be expected, and a higher multiplier where the response falls below what would be considered a reasonably expected response. A reasonable and prudent response to a discharge violation or timely response to a Water Board order should receive a neutral factor of 1.0 as it is assumed a reasonable amount of cooperation is the warranted baseline.

Cleanup and Cooperation Factor Consideration: No cleanup or spill recovery was conducted for the discharge to the receiving waters because the spill occurred mostly overnight prior to discovery. The Discharger cooperated in a reasonable and prudent manner to clean up the area between the failed pipeline and the first receiving water by vacuuming pooled wastewater, removing contaminated and/or saturated soil, and replacing the failed section of pipeline. In addition, the District and its engineering consultants continued to invest resources into further investigating and refining its analysis after it submitted its certified Spill Technical Report dated April 2, 2024. The District provided a formal update to its certified Spill Technical Report on May 17, 2024, and increased the estimated discharge volume on May 17, 2024, from 1,022,500 gallons to 1,071,696 gallons.

The District continued to periodically confirm vegetation recovery at the spill site and expanded condition assessment efforts. The District replaced and repaired several air

release valve adapters that showed mild to moderate signs of external corrosion and for instrument tracking purposes during the expanded assessment work. The District also installed deployment and retrieval infrastructure during an expanded pipe condition assessment work for improved access to assess its force mains internally and externally more frequently.

During settlement negotiations, the District made the following additional commitments to prevent future spills:

1. Completed an expanded pipe condition assessment of the 24-inch force main's integrity (inside and outside) with best available technology (BAT), using Xylem Technology's SmartBall and PipeDiver tools;
2. Updated its Sewer System Management Plan (SSMP), finalized in August 2025, to use BAT to check the force main's integrity (inside and outside) every five years initially and then on a recurring basis as reasonable and prudent, and to continue to properly fix problems/vulnerabilities identified through those inspections;
3. Identified capital improvement funds for the recurring BAT inspections and to immediately respond to and repair any force main integrity issues found during the inspections; and
4. Improved spill alarm and monitoring system to ensure timely notification of any spills from the force mains.

In May 2025, the District responded to preliminary data from the Xylem Technology assessment to remove and repair a section on the 24-inch force main that showed signs of external corrosion. The District externally inspected two preliminarily identified air pockets on its 18-inch force main, further inspecting the 24-inch force main in the same excavated locations and is completing additional soil corrosivity analyses. The District will incorporate these findings into an expanded condition assessment report. The District will use this report to inform its long-term decision to potentially rehabilitate, line, replace or realign its force mains to address highly corrosive soil conditions in the Goleta Slough and ensure prevention of future spill events from its force main operations.

Based on the considerations above, a multiplier of **0.9** is appropriate for this factor.

History of Violations Factor Background: Where there is a history of repeat violations by a Discharger, a minimum multiplier factor of 1.1 should be used. Where a discharger has no prior history of violations, this factor should be neutral, or 1.0.

History of Violations Factor Consideration: The Discharger has no recent history of violations within the last five years for which the Central Coast Water Board has taken formal enforcement action. A neutral multiplier of **1.0** is appropriate.

Step 5. Determination of Total Base Liability Amount

The Total Base Liability amount for the violation is calculated by multiplying the Initial Liability Amount by the adjustment factors for the alleged violation (Initial Liability Amount) x (Culpability) x (Cleanup/Cooperation) x (History of Violations). The applicable Total Base Liability amount for the violation is **\$1,549,002** as summarized below.

Total Base Liability Amount:

$\$1,721,114 \times 1.0 \times 0.9 \times 1.0 = \$1,549,002$ (rounded)

Step 6. Ability to Pay and Continue in Business

The Discharger's ability to pay an administrative civil liability is determined by its income (revenues minus expenses) and net worth (assets minus liabilities). The Total Base Liability amount may be adjusted to address ability to pay or to continue in business if the Central Coast Water Board has sufficient financial information necessary to assess the Discharger's ability to pay the Total Base Liability amount or to assess the effect of the Total Base Liability Amount on the Discharger's ability to continue in business. However, the Central Coast Water Board is under no obligation to ensure that a violator has the ability to pay or continue in business, rather, it is obligated to consider this potential outcome when imposing an administrative civil liability.

To assess the Discharger's ability to pay, the Prosecution Team reviewed publicly available financial information obtained from the Discharger's website as of April 10, 2024. Those documents included the *Goleta West Sanitary District Adopted Budget for Fiscal Year 2023-2024 (FY 23-24 Budget)*. The Discharger's FY 23-24 Budget indicates that the Discharger estimated an operations reserve fund (unrestricted) balance of \$3,273,746 for June 30, 2024, that may be used for any proper District purpose,¹² indicating the District's ability to pay the proposed liability.

Step 7. Other Factors as Justice May Require

The Water Boards may exercise their discretion to include some of the costs of investigation and enforcement in a total administrative civil liability. Including some staff investigation and enforcement costs is valid from an economic standpoint as it requires those who commit water quality violations to pay a greater percentage of the full costs of their violations. However, this important consideration must be balanced against the potential of discouraging a discharger from exercising its right to be heard and other important due process considerations.

The Prosecution Team spent 14 hours of staff time at \$153 per hour to investigate this case and prepare this analysis and supporting information. The Prosecution Team finds that it is appropriate to increase the Total Base Liability amount by **\$2,143** in consideration of these investigation and enforcement costs. Increasing the Total Base

¹² FY 23-24 Budget page 8, Fund Activity Table.

Liability Amount in this manner serves to create a more appropriate general and specific deterrent against future violations.

Step 8. Economic Benefit

The Prosecution Team estimates that the economic benefit of noncompliance was negligible.

Pursuant to the Enforcement Policy, the economic benefit, savings or monetary gain derived from the acts or omissions that constitute a violation, must be estimated for each violation. In cases where a violation occurred because a discharger postponed improvements or did not take other measures needed to prevent the violations, the economic benefit may be substantial. Estimating economic benefit includes consideration of actions that were necessary in the exercise of reasonable care to prevent the violation.

As stated above in the Step 4, the unpermitted discharge occurred due to damage on the exterior lining of a short, four-foot section of force main pipe during installation 46 years ago. After installation, the exterior damage was unforeseeable during two separate condition assessments performed by third-party engineering consultants in 2002 and 2022. Both engineering assessments determined that the pipeline was in good operating condition and would not benefit from relining, rehabilitation, or replacement. The District further reported that the type of force main at issue has a normal service life between 60 to 100 years. At 46 years in service, the pipe was considered within its normal service life. The District, therefore, did not postpone known improvement needs.

Based on the above circumstances, there are no distinct savings or monetary gain derived from the District's acts that constitute the violation. The economic benefit, if any, associated with this violation is negligible.

Step 9. Maximum and Minimum Liability Amounts

The Enforcement Policy states that the total liability shall be at least 10 percent higher than the economic benefit, "so that liabilities are not construed as the cost of doing business and the assessed liability provides meaningful deterrent to future violations."

The minimum liability associated with economic benefit is \$0 because the economic benefit is negligible.

Pursuant to Water Code section 13385, the maximum administrative liability amount is \$10,000 per day of violation and \$10 per gallon discharged for every gallon over 1,000 that is not cleaned up. The maximum liability amount is **\$10,716,960** as calculated below.

Maximum Per Gallon Liability Amount:

1,070,696 gallons x \$10/gallon = \$10,706,960

Maximum Per Day Liability Amount:

1 day x \$10,000/day = \$10,000

Maximum Liability Amount:

\$10,706,960 + \$10,000 = \$10,716,960

The Final Liability Amount is within the minimum and maximum liability amounts for the violation.

Step 10. Final Liability Amount

Based on the foregoing analysis, and consistent with the Enforcement Policy, the final liability amount proposed for the unpermitted discharge of untreated municipal wastewater to waters of the U.S., including staff costs, is **\$1,551,145** (\$1,549,002 + \$2,143).

ATTACHMENT B

Goleta West Sanitary District Supplemental Environmental Project (SEP) Proposal: Santa Barbara County Point of Entry (POE)/Point of Use (POU) Pilot Project

Name of Project:

Santa Barbara County Point of Entry (POE)/Point of Use (POU) Pilot Project (the “POE/POU Pilot” or “Project” or “Pilot”).

Project Applicant:

Goleta West Sanitary District
Sanitary Sewer System WDID 3SSO11465
P.O. Box 4
Santa Barbara, CA 93116-004

Contact Person, Title, Contact:

Brian McCarthy, Goleta West Sanitary District Co-General Manager
Joey Hilliard, Goleta West Sanitary District Co-General Manager
Phone: (805) 968-2617
Emails: BMcCarthy@goletawest.org; JHilliard@goletawest.org

Goleta West Sanitary District (“GWSD” or “Settling Party”) requests all communications and documents in connection with this POE/POU Pilot also be provided to counsel:

Jena Shoaf Acos
Brownstein Hyatt Farber Schreck, LLP
1021 Anacapa Street
Santa Barbara, CA 93101
Phone: (805) 882-1427
Email: JAcos@BHFS.com

Water Board Enforcement Action Number:

Stipulated Administrative Civil Liability Order R3-2025-0074 (“Stipulated Order”).

Community Special Status Category

The POE/POU Pilot prioritizes improving drinking water quality and/or quantity for eligible recipients located in Underrepresented Communities as defined and used by the Central Coast Regional Water Quality Control Board (“Central Coast Water Board”), including, but not limited to, Disadvantaged Communities, Severely Disadvantaged Communities, Economically Distressed Areas, Environmentally Disadvantaged

Communities and Fringe Communities as defined by the State Water Resources Control Board (State Water Board) (collectively, “Underrepresented Communities”).¹

According to publicly available data and confirmed with the Central Coast Water Board, significant portions of Santa Barbara County have Disadvantaged Communities and/or Severely Disadvantaged Communities, including but not limited to New Cuyama, Cuyama, Casmalia, Sisquoc, Isla Vista, and Garey, and the cities of Guadalupe, Lompoc, and Santa Maria, all of which are located in North County, except the City of Lompoc, which is located in mid-County, and the community of Isla Vista (South County).²

Project Category

The POE/POU Pilot furthers the human right to water and fits into the following two State Water Board’s Policy on Supplemental Environmental Projects, effective May 3, 2018, (“SEP Policy”) supplemental environmental project (“SEP”) categories: (1) public health and (2) other projects with environmental and/or public health benefits.³

Project Location

The POE/POU Pilot will comprise of several drinking water improvement projects for households located within Santa Barbara County, the same county in which GWSD’s February 2024 spill occurred. While the February 2024 spill did not directly impact groundwater drinking water supplies, GWSD is strongly aligned with the Central Coast Water Board’s drinking water replacement and treatment priorities and benefiting Underrepresented Communities in Santa Barbara County. Eligible participant households in Underrepresented Communities in Santa Barbara County will be identified in Phase 1 of the POE/POU Pilot through existing and additional groundwater quality monitoring efforts that otherwise lack treatment or other water quality improvement efforts. The list of participating households will be provided to the Central Coast Water Board through quarterly reporting. Where feasible with reporting requirements, specific locations will be obscured and otherwise identifying information will not be provided to protect participants’ anonymity and address barriers to participation.

¹ Definitions of “Disadvantaged Community,” “Severely Disadvantaged Community,” “Economically Distressed Area,” “Tribes,” “Environmentally Disadvantaged Communities,” and “Fringe Communities” are available at:

https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2025/jun/item09_att3.pdf.

² See the 2019 Update to the Santa Barbara County Integrated Regional Water Management Plan, pp. 152-153, available at: <https://content.civicplus.com/api/assets/89d60832-8fd8-47ae-b7e8-787ad1253820>. See also, California S.B. 535 Disadvantaged Communities (2022 Update) (includes a few additional Disadvantaged Communities within Santa Barbara County, including federally recognized tribal areas as identified by the Census in the 2021 American Indian Areas Related National Geodatabase, designated by CalEPA for the purpose of S.B. 535 and with CalEnviroScreen 4.0 data); available at: <https://calepa.ca.gov/envjustice/ghginvest/>.

³ SEP Policy, pp. 5-7, available at:

https://www.waterboards.ca.gov/water_issues/programs/enforcement/docs/seps/20180503_sep_policy_amd.pdf.

Regional Water Board's SEP Priorities

The POE/POU Pilot furthers the Central Coast Water Board's settlement priorities by implementing several water quality improvement projects to (1) advance the human right to water and (2) provide water quality benefits to Underrepresented Communities.

First, this POE/POU Pilot will improve local access to safe drinking water by providing replacement water and installing water treatment systems to impaired domestic wells⁴ and state small water systems.⁵ Eligible households will be identified through the development and implementation of a focused community outreach plan regarding drinking water quality, as detailed herein.

Second, the POE/POU Pilot will improve drinking water quality for Underrepresented Communities by identifying eligible households located within Underrepresented Communities for the initial community outreach and water quality monitoring. Subsequent phases of this POE/POU Pilot include replacement water deliveries and/or installation of point of use or point of entry treatment systems, as well as operation and maintenance training, to address and improve drinking water quality for the impacted household users in Underrepresented Communities.

Additionally, the POE/POU Pilot also supports the Central Coast Water Board's broader mission:

[T]o preserve, enhance and restore the quality of California's water resources and drinking for the protection of the environment, public health, and all beneficial uses and to ensure proper resource allocation and efficient use, for the benefit of present and future generations.⁶

For the current fiscal year, the Central Coast Water Board identifies one of its historical values to

*focus on environmental justice through the development of strategies to identify and address water quality related issues impacting underrepresented and disadvantaged communities in the Central Coast Region.*⁷

⁴ "Domestic well" means "a groundwater well used to supply water for the domestic needs of an individual residence or a water system that is not a public water system and that has no more than four service connections." (Health & Saf. Code, § 116681, subd. (g).)

⁵ "State small water system" means "a system for the provision of piped water to the public for human consumption that serves at least five, but not more than 14, service connections and does not regularly serve drinking water to more than an average of 25 individuals daily for more than 60 days out of the year." (Health & Saf. Code, § 116275, subd. (n).)

⁶ Central Coast Water Board Strategic Plan – Fiscal Year 24-25, p. 1, *available at*: https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2024/oct/item20_att1.pdf.

⁷ *Id.*, at pp. 5-6.

This includes the primary focus on “implementing the state’s human right to water policy and associated State Water Board and Central Coast Water Board resolutions.”⁸ The Central Coast Water Board has strategically leveraged community partners’ work to improve the human right to water.

The POE/POU Pilot will leverage community monitoring work completed through the Bay Foundation of Morro Bay’s Central Coast Drinking Water Well Testing Program. The Central Coast Drinking Water Well Testing Program, a discretionary program that was separately authorized to also receive SEP funding through State Water Board Resolution 2024-0022, has identified through initial monitoring work certain private domestic and small water system drinking water wells with water that is unsafe to drink per applicable drinking water standards. The Central Coast Drinking Water Well Testing Program does not currently address treatment.

The POE/POU Pilot will build on existing water quality testing data, completing additional well testing to identify and provide vulnerable households in Underrepresented Communities with safe drinking water through replacement bottled water and household treatment. The POE/POU Pilot thereby directly supports the Central Coast Water Board’s priorities.

SEP Description

According to the Central Coast Drinking Water Well Testing Program, more than “90 percent of the Central Coast region’s population depends on groundwater as the only drinking water source.”⁹ Throughout the Central Coast region there are households in Underrepresented Communities that rely upon contaminated groundwater for drinking water. The intent of the POE/POU Pilot is to ensure access to safe drinking water through providing replacement water and treatment systems where groundwater does not meet safe drinking water standards. As a pilot, the deliverables will include documentation of lessons learned and GWSD hopes the Central Coast Water Board and other interested parties can use the phases of this SEP and lessons learned to design and implement additional safe drinking water projects throughout the region and California.¹⁰

⁸ *Ibid*; see also, State Water Board Resolution No. 2016-0010, *available at*: https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2016/rs2016_0010.pdf; Central Coast Water Board, Human Right to Water Resolution No. R3-2017-0004, *available at*: https://www.waterboards.ca.gov/centralcoast/board_decisions/adopted_orders/2017/2017-0004_hrtw_fnl.pdf.

⁹ Central Coast Water Board, Bay Foundation’s Central Coast Drinking Water Well Testing Program Use of SEP Funds (updated Aug. 2, 2024) (approximately 48 percent of wells sampled do not meet safe drinking water standards and most commonly for nitrate and arsenic), *available at*: https://www.waterboards.ca.gov/centralcoast/water_issues/programs/enforcement/docs/2024/summary-drinking-water-well-testing-sep.pdf ; see also, Regional Board Strategic Plan – Fiscal Year 24-25, *supra*, pp. 32-33 (concur with Central Coast Ambient Monitoring Program – Groundwater Assessment and Protection Program (CCAMP-GAP) findings).

¹⁰ While new technology development(s) are not anticipated for successful implementation of this POE/POU Pilot, Stantec understands that any new technology development will be open source.

GWSD will partner with project administrator and implementer, Stantec Consulting Services, Inc. (“Stantec”), for completion of the POE/POU Pilot. Stantec has extensive experience administering and implementing drinking water improvement programs throughout California, works closely with the State Water Board’s Safe and Affordable Funding for Equity and Resilience (“SAFER”) program, and provides GWSD with reliable and cost-effective relationships with local subcontractors and community organizations for a timely and efficient SEP.

Phase 1 of the POE/POU Pilot will occur during the first year of the SEP. Phase 1 will focus on identifying drinking water wells serving Underrepresented Communities within Santa Barbara County in need of interim replacement drinking water deliveries and water treatment solutions. GWSD will work with Stantec to evaluate priority wells identified through the State Water Board’s online database—Groundwater Ambient Monitoring and Assessment (GAMA) Program Groundwater Information System (GAMA GIS)¹¹, the Bay Foundation of Morro Bay’s Central Coast Drinking Water Well Testing Program¹², the Community Water Center’s outreach efforts¹³, the Rural Community Assistance Corporation’s well assessment program¹⁴, Santa Barbara County’s Department of Public Health monitoring and Department of Environmental Health well permitting activities¹⁵, County of Santa Barbara Integrated Regional Water Management Program (IRWMP)¹⁶, Santa Barbara County Groundwater Sustainability Agencies (GSAs)¹⁷, outreach to local consultants who provide operations and maintenance services to small water systems and domestic well owners (e.g., Fluid Resource Management) and through its own community engagement and well monitoring within Santa Barbara County for inclusion. The POE/POU Pilot conservatively assumes Stantec will need to engage and test most wells for inclusion without duplicating these other monitoring efforts.

More specifically, Stantec will evaluate existing well water quality datasets from the above-mentioned sampling programs for impaired, eligible wells. Stantec will then oversee independent field sampling and analysis of the initially identified impaired wells where not unnecessarily duplicative, to collect all analytes being evaluated in this POE/POU Pilot. Stantec will engage with a community engagement program to conduct community outreach to identify and sample additional eligible wells in Underrepresented Communities in Santa Barbara County not already participating in other sampling programs and to confirm POE/POU Pilot participants. Stantec will prioritize impaired, eligible wells that can be improved with point of entry or point of use treatment at a reasonable cost so as to afford maximum benefit—defined as the maximum number of

¹¹ See, <https://www.waterboards.ca.gov/gama/gama-gis.html>.

¹² See, <https://sites.google.com/view/ccgroundwater>.

¹³ See, <https://www.communitywatercenter.org/>.

¹⁴ See, https://www.events.rcac.org/Forms.asp?MODE=NEW&Forms_FormTypeID=-2718.

¹⁵ See, <https://www.countyofsb.org/2277/Water-Wells-Drinking-Water>.

¹⁶ See, <https://www.countyofsb.org/2417/Integrated-Regional-Water-Management-Pro>.

¹⁷ See, <https://www.countyofsb.org/2334/Groundwater-Sustainability-Agencies>.

households that can benefit from treatment—within the budget of the SEP. More detail provided below in **Section 10(a)**.

Phase 2 and 3 of the POE/POU Pilot will involve design and implementation of appropriate point of entry and point of use treatment systems with monitoring and maintenance to ensure success of the SEP at the conclusion of 4 years. Stantec will oversee system performance, conduct routine maintenance, and facilitate public outreach and education to support long-term effectiveness and community engagement.

To ensure immediate access to safe drinking water, any impaired well identified in Phase 1 will receive bottled replacement drinking water either for the duration of the SEP, or until applicable point of entry or point of use treatment system is installed and operational. For wells receiving treatment, replacement drinking water will be provided until the POE/POU treatment systems are operational. This is a POE/POU Pilot, though, and the goal is to confer maximum benefit through treatment rather than just through temporary replacement water. Replacement water will be provided when point of entry and point of use treatment are infeasible due to source water quality, technological, or other barriers.

The POE/POU Pilot is a new initiative that has not been previously committed to under any existing federal or state funding agreements, contracts, or grants. It is not expected to generate profit for GWSD and does not involve the provision of raw materials without a commitment to complete the full POE/POU Pilot.

The POE/POU Pilot represents a complete and discrete set of actions with tangible water-related environmental and public health benefits. Its successful completion does not depend on any third-party actions outside of those contracted or hired by GWSD, nor does it include activities legally required of any third party. The POE/POU Pilot is not part of any existing settlement, legal order, or regulatory requirement, and does not merely implement standard industry practices. To the best of the GWSD's knowledge, the POE/POU Pilot does not provide any direct financial benefit to State or Central Coast Water Board members, staff, or their families beyond what is available to the public generally.

The POE/POU Pilot has been structured to improve access to safe drinking water in Underrepresented Communities in Santa Barbara County. This POE/POU Pilot is further intended to provide the Central Coast Water Board and local subcontracting organizations and entities a blueprint for targeting and expanding protection and treatment of drinking water quality to benefit drinking water sources in the Central Coast region.

Scope of Work

The POE/POU Pilot is expected to occur over forty-eight (48) months in order to cover four semi-concurrent phases of work: (1) Community Engagement, Well Identification and Testing, and Household Prioritization; (2) POE/POU Design and Construction; (3) Operation, Maintenance and Monitoring; and, (4) Conclusion of POE/POU Pilot. A "Participant" is a domestic well or state small water system owner, and user if different

than owner, who is willing to enroll in the POE/POU Pilot. Phases 3 and 4 will include Participant surveys to identify educational gaps and design Phase 4 outreach to support assignment decisions rather than decommissioning as much as practical, along with compilation of a lessons learned document.

Implementation of the POE/POU Pilot will begin immediately upon the Central Coast Water Board's adoption of the Stipulated Order which authorizes the POE/POU Pilot as a SEP. GWSD will contract with Stantec to serve as administrator and implementer of the POE/POU Pilot.

Phase 1: Community Engagement, Well Identification and Testing, and Household Prioritization (within first 12 months of Stipulated Order's effective date)

As explained in detail below, Phase 1 will include, at a minimum: community engagement with Underrepresented Communities in Santa Barbara County on the POE/POU Pilot; initial domestic drinking water well or state small water system (collectively, "Wells") sampling of approximately 100 Participant households until approximately 30 Participant households served by impaired Wells are identified, on a rolling basis, and prioritized for POE/POU treatment or replacement water; second round of sampling at prioritized Wells; and additional households will then be identified for treatment or replacement water as the SEP budget allows.

To ensure a thorough and community-informed approach, Stantec intends to contract with the Children and Family Resource Services (CFRS), a registered 501(c)(3) nonprofit, in order to work with Santa Barbara County Promotores Network ("Promotores") staff to develop community outreach materials available in English and Spanish.¹⁸ If the Santa Barbara County Promotores Network is not able to participate in the SEP, Stantec will identify and contract with community-based organization partners that can act in a similar capacity. Stantec will provide the Promotores staff training on the POE/POU Pilot and the Promotores will use the developed materials and training to engage with households, in English and/or Spanish, that are identified in Underrepresented Communities in Santa Barbara County, served by Wells, to help identify Wells for sampling and potential Participant households.¹⁹

Concurrently, Stantec will evaluate the Central Coast's Drinking Water Well Testing Program results, and other available Santa Barbara County drinking water well testing

¹⁸ The Promotores include over 200 members county-wide who work with the County to promote healthy communities through culturally informed outreach and peer-to-peer education. The Promotores speak English and Spanish, and some also speak Mixteco and Nahuatl. See more at: <https://www.sbceo.org/cfrs/promotores>.

¹⁹ Stantec will flag Wells that could be potentially served by a nearby public water supplier through service area expansion for further communications through Promotores of the potential alternative drinking water source. This POE/POU Pilot will not include efforts to connect to local public water supply systems and Stantec may consider proximity to an existing public water supplier to lower the Well's priority during prioritization evaluation in favor of Wells located farther away from existing public water service areas, where budget is a concern. This is not a disqualifying factor, though, as service expansion may be uncertain.

results, for previously identified impaired Wells to be included in the POE/POU Pilot. Stantec initially plans to sample all identified impaired Wells as necessary and where not unnecessarily duplicative of other sampling efforts. For example, the POE/POU Pilot will initially include bacteriological parameters, but existing data may lack bacteriological analyses and results that are otherwise required for POE/POU Pilot implementation. Stantec also anticipates identifying additional Wells with users willing to participate in the Pilot that are not already participating in a sampling program or project.

The collaborative communication and outreach step ensures that the testing effort reflects community knowledge and concerns, as well as appropriate well identification and expert analyses. Once Wells are identified, Stantec and subcontractors will confirm the scope of analytes, applicable testing methods, and proceed with collecting water samples from the Wells for state-certified laboratory analysis. Before collecting any water samples from Wells, Stantec will share its sampling plan(s) for the POE/POU Pilot and have at least one meeting with staff from the Central Coast Water Board, State Water Board Division of Drinking Water, and Santa Barbara County Department of Environmental Health to discuss the Pilot and coordinate as needed. The Central Coast Water Board Contact identified in Section III, paragraph 5 of the Stipulated Order will be Stantec's point of contact for scheduling the regulatory staff meeting and distributing the sampling plan(s).

Parameters for the first round of POE/POU Pilot sampling will include the parameters listed in **Table 1** ("SEP Initial Well Sampling Parameters").

Table 1. SEP Initial Well Sampling Parameters

Potential Constituent of Concern		Method	Estimated Analysis Cost per Sample
1	1,2,3-Trichloropropane (1,2,3-TCP)*	EPA 524.3	\$160.00
2	Arsenic (Total) (As)*		\$30.00
3	Nitrate as N (NO ₃ N)*	EPA 300.0	\$20.00
4	Perchlorate (PCATE)*	EPA 314.0	\$50.00
5	Chromium, Hexavalent 6 (CR6)*	EPA 218.6	\$100.00
6	pH*	SM 4500H+-B	\$15.00
7	Specific Conductance (SC)*		
8	Total Dissolved Solids (TDS)*	SM 2540C	\$30
9	Alkalinity (Total) (Alk)*	SM 2320B	\$25.00
10	Potassium (K)*		
11	Magnesium (Mg)*	EPA 200.8	\$15.00
12	Calcium (Ca)*	EPA 200.7	\$15.00
13	Sodium (Na)*		
14	Chloride (Cl)*	EPA 300.0	\$20.00
15	Sulfate (SO ₄)*	EPA 300.0	\$20.00
16	Carbonate as CO ₃ (CO ₃)*		
17	Hydroxide (OH)*		
18	Bicarbonate as HCO ₃ (HCOS)*		
19	Total coliform and E. coli	SM 92223B	\$63.00

Potential Constituent of Concern		Method	Estimated Analysis Cost per Sample
20	Cis-1,2 Dichloroethylene (DCE12C)	EPA 624.1	\$150.00
21	Trichloroethene (TCE)	EPA 624.1	Included in VOC package (Parameter #20)
22	Vinyl Chloride (VC)	EPA 624.1	Included in VOC package (Parameter #20)
23	Benzene (BZ)	EPA 624.1	Included in VOC package (Parameter #20)
24	Lead (PB)	EPA 200.0	\$15.00
25	Nickle (NI)	EPA 200.8	\$15.00
26	Aluminum (AI)	EPA 200.8	\$15.00
27	Selenium (SE)	EPA 200.8	\$15.00
28	Fluoride (F)	EPA 300.0	\$20.00
29	Total PFAS (PFOA, PFHXSA)	EPA 537.1	\$350.00

* Parameters are also analyzed by the Central Coast Drinking Water Well Testing Program, ensuring monitoring data from this Pilot can readily inform and improve existing monitoring projects and programs and support long-term trend monitoring.

Parameter numbers 20 through 29 in **Table 1** are included based on publicly available data from the State Water Board's 2025 Aquifer Risk Map²⁰, focusing on contaminants of concern with the highest number of MCL exceedances in Santa Barbara County. This is a localized approach that was chosen to ensure the sampling effort reflects the most relevant environmental health concerns for this SEP.

The Aquifer Risk Map provides data on MCL exceedances with a unique section identifier (MTRS), for a square mile section. Each MTRS can represent several domestic wells located in the identified square mile section. Parameters 20 (cis-1,2-Dichloroethylene) and 29 (Total PFAS) are included in Round 1 sampling because these parameters have shown significant exceedance rates in Santa Barbara County and are in the top five most common contaminants in Santa Barbara County groundwater. These exceedance counts suggest that otherwise excluding these constituents from Round 1 sampling could result in missing key water quality issues specific to Santa Barbara County.

Regarding parameter number 20 (cis-1,2-Dichloroethylene), this is analyzed with testing method EPA Method 624.1 that also tests for parameter numbers 21 through 23 (trichloroethene (TCE), vinyl chloride, and benzene) at the same time. This is a \$150 test for all four parameters. Combined, these four constituents account for over 100 MTRS sections that showed MCL exceedances in Santa Barbara County in the 2025

²⁰ See, State Water Board's 2025 Aquifer Risk Map Methodology, *available at*: https://www.waterboards.ca.gov/water_issues/programs/gama/docs/armmethods25.pdf.

Aquifer Risk Map, making this test highly cost-effective relative to its coverage of contaminants of concern.

Parameter numbers 24 through 28 (lead, nickel, aluminum, selenium, and fluoride) are included in Round 1 sampling because they are present often enough in drinking water samples, including in the 2025 Aquifer Risk Map for Santa Barbara County, and the analysis for these parameters is relatively low cost to include.

Initial sampling may include more than one site visit for water testing of the parameters included in Table 1 Initial well sampling will inform which Wells have an exceedance of State Public Drinking Water Standards and/or U.S. EPA National Primary Drinking Water Requirements which warrants treatment and/or replacement bottled water, and begins to inform point of entry and/or point of use treatment components required to serve connected households and outreach and engagement of Participants for Phases 2 through 4 of the POE/POU Pilot.

Stantec and GWSD assume approximately 100 households will be included in initial sampling effort. Based on publicly available data, GWSD and Stantec understand that at least over 1,000 households are served by Wells in Santa Barbara County. A substantial subset of these households are within Underrepresented Communities and may be interested to be Participants in this Pilot.

Stantec intends to coordinate iterative communications with identified households served by Wells eligible to receive POE/POU Pilot support through the Promotores, or alternatively with a community-based organization partner that can act in a similar capacity if the Promotores are unable to participate in the SEP. Based on known regional groundwater issues, GWSD and Stantec anticipate nitrate, arsenic, and occasional bacteriological issues, as well as additional exceedances of applicable State Public Drinking Water Standards and U.S. EPA National Primary Drinking Water Requirements, will be found in approximately 40 percent of the Wells sampled in this POE/POU Pilot.²¹

Stantec will perform a second round of sampling at Wells prioritized for POE/POU treatment to characterize the parameters that impact treatment technology choice, sizing of systems, and maintenance costs for POE/POU treatment. This second round of follow up sampling will include the parameters listed in **Table 2** (“SEP Follow Up Well Sampling Parameters”).

²¹ This approximate rate is informed by the Bay Foundation of Morro Bay's Central Coast Drinking Water Well Testing Program testing to date throughout the Central Coast region.

Table 2. SEP Follow Up Well Sampling Parameters

Potential Constituent of Concern		Method	Estimated Analysis Cost per Sample
1	Arsenic (III)	EPA 200.8	\$200.00
2	Arsenic (V)	EPA 200.8	Included with Arsenic (III) (Parameter #1)
3	Total Chromium (CD)	EPA 200.8	\$15.00
4	pH	SM 4500H+-B	\$15.00
5	Temperature	Field Measure	
6	Total Dissolved Solids (TDS)	SM 2540C	\$30.00
7	Total Organic Carbon (TOC)	SM 5310B	\$50.00
8	Turbidity	EPA 180.1	\$25.00
9	Magnesium (Mg)	EPA 200.8	\$15.00
10	Silica as SiO ₂	EPA 200.7	\$15.00
11	Phosphate	EPA 365.3	\$45.00
12	Calcium (Ca)	EPA 200.7	\$15.00
13	Free Available Chlorine	SM 4500Cl-G	\$30.00
14	Sulfate (SO ₄)	EPA 300.0	\$20.00
15	Chloride (Cl)	EPA 300.0	\$20.00
16	Alkalinity as CaCO ₃ (CO ₃)	SM 2320B	\$25.00
	Metals Digestion Fee		\$15.00

All Participant households will be updated of sampling results through the Promotores. Households with exceedances will be provided information about the health risks associated with drinking and/or bathing with well water. Stantec will coordinate providing relevant information about bacteriological contamination with the Santa Barbara County Department of Environmental Health, as well as any potentially applicable local or state notice of contamination requirements. Households connected to a Well with no exceedance will be informed and removed from the POE/POU Pilot. Stantec will also upload well testing results to the State Water Board's GeoTracker database to increase the public's availability to groundwater quality data and provide opportunities to integrate and build on existing monitoring databases/knowledge of groundwater quality conditions.²²

Stantec will evaluate and recommend prioritized impaired Wells for treatment for GWSD's concurrence as the Well sampling data becomes available, and on a rolling basis until approximately 30 Participant households served by impaired Wells are identified to be either prioritized for treatment or replacement water and then additional households as the SEP budget allows for additional Wells to be prioritized. The Participant households served by impaired Wells but not prioritized for treatment because of barriers in implementing point of entry and/or point of use treatment will

²² Data sharing will be communicated to potential Participants as part of the initial well sampling outreach and GWSD and Stantec note that data sharing may be a deterrent to some households.

receive replacement drinking water for the duration of the SEP. Stantec will focus initial outreach and sampling in Underrepresented Communities. If 30 Participant households served by impaired Wells are not identified through outreach and sampling in Underrepresented Communities, Stantec will assess whether additional geographies should be included, and will confirm the list of prioritized Wells through SEP reporting.

The prioritization process will aim to maximize the number of households prioritized to receive treatment, and thereby the number of individuals in Underrepresented Communities in Santa Barbara County benefitting from improved drinking water quality through point of entry or point of use treatment. Careful consideration is required to also ensure households with impairments that exceed the budget of this SEP are not left without replacement water or information on replacement water resources as available.

To accomplish the goal of maximizing the number of households to benefit from treatment, Stantec and GWSD will prioritize Wells that will benefit from cost effective treatment. If necessary treatment at a Well would cost a disproportionate share of the SEP's total budget, limiting the total number of households that will benefit from the SEP, the Well will not be included in the POE/POU Pilot. Specifically, a Well will not be included for treatment if more than one point of entry and/or point of use treatment device is needed for treatment. Instead, that household will receive replacement bottled water.

Stantec will implement early outreach and sampling of state small water systems within Underrepresented Communities in coordination with Santa Barbara County Environmental Health, alongside sampling of domestic wells.

The working assumption is that the POE/POU Pilot budget can be maximized to benefit the most number of households through treatment through including state small water systems in this POE/POU Pilot. Outreach with state small water systems can be more cost-efficient and less sampling is required across fewer site visits to benefit more households connected to the impaired state small water system well as compared to domestic wells.

Additional assumptions:

- The SEP budget can support a limited number of site inspections and minor rehabilitation of Wells with biological contamination. Some rehabilitation may include simple non-treatment methods with outreach support.
- The SEP budget can support certified point of entry and/or point of use treatment, but not more complicated interventions. Specifically, a Well will not be included for treatment if more than one point of entry and/or point of use treatment device is needed for treatment. Where there is not an NSF/ANSI certified device available to treat a contaminant present, but there is otherwise a well-established and not cost-prohibitive technology to treat for that contaminant, Stantec will work with its local implementation partner to provide a custom design.
- State small water systems in the County serve an average of approximately 5 households for budget estimation purposes.

- Because impaired state small water system Wells serve more households and thus one impaired state small water system Well adds several households needing replacement water and/or treatment, no more than three state small water systems will be included in initial outreach.
- The SEP budget estimates in subsequent POE/POU Pilot phases up to 30 months of operations, maintenance and follow up monitoring for Wells that receive treatment and approximately 32 months of replacement water deliveries for households connected to contaminated Wells not receiving treatment.

As discussed above, Stantec will conduct sampling until approximately 30 Participant households served by impaired Wells are identified. At this point, Stantec will identify relevant solutions to each household's water quality issue, prioritizing treatment where there is an NSF/ANSI certified point of entry and/or point of use system to remove the contaminant(s) of concern (or where a custom design for a well-established treatment technology is not cost prohibitive), and otherwise provide replacement bottled water. Stantec will estimate cost of each Participant household's relevant intervention over the course of the SEP. If the total projected costs are less than 90% of the SEP budget, Stantec will estimate how many additional Wells can be included in sampling and in the POE/POU Pilot assuming similar rates of water quality issues, and will conduct additional outreach to sample additional Wells up to the estimated SEP budget. Stantec will evaluate projected budget quarterly to assess whether additional Wells can be included in the Pilot.

The SEP budget reserves funds for limited site inspections and minor rehabilitation at domestic wells with identified biological contamination. Biological contamination may be fully addressed in some cases with inspection and non-treatment intervention (*i.e.*, adequately covering water storage, shock disinfection of the Well). Some Wells with biological contamination may need major rehabilitation (e.g., repair of a Well's sanitary seal) outside of the scope of the POE/POU Pilot, in which case Stantec would provide the Participant households with replacement bottled water over the course of the SEP, and would provide the Participants with high-level information on how to address the water quality issue outside of SEP support. Stantec will continue to identify Wells with bacteriological exceedances that cannot be treated without more extensive intervention and provide the connected Participant households with replacement bottled water.

Prioritization will be an iterative process, intended to include a mix of state small water systems and domestic wells. Prioritization factors include:

- When a Well is sampled and a non-bacterial exceedance is identified, Stantec will evaluate whether the Well can be treated with a NSF/ANSI, certified point of entry and/or point of use treatment system that does not exceed \$10,000 for initial installation. If so, the Well is included. If not, Stantec will proceed to evaluate the following criteria on whether to exclude the Well:
- If the sampled Well has an identified bacteriological exceedance, Stantec will determine whether the bacteriological contamination is caused by a damaged sanitary seal or other cost-prohibitive issues, thereby disqualifying the Well from POE/POU Pilot inclusion. It is assumed bacteriological exceedances will materially increase overall complexity and potentially the costs of treatment regardless. If,

however, the bacteriological exceedance can be managed with low-cost mitigation, such as disinfection of the Well or a storage tank, or if a disinfection treatment device is appropriate, then the Well may be included in the POE/POU Pilot. If low-cost intervention can address contamination, the intervention will be covered by the POE/POU Pilot. If a disinfection treatment device is appropriate, the Well will be included in the POE/POU Pilot. However, if the contamination is due to a cost-prohibitive issue, the Well would not qualify for the POE/POU Pilot and would instead be provided replacement water for the duration of the SEP.

- If a Well's contamination would require construction of an entirely new well to adequately address exceedances of sampled contaminants, that Well cannot be included in the POE/POU Pilot for treatment and the connected Participant household(s) would be provided with replacement bottled water for the duration of the SEP.
- Wells will be prioritized and included in this SEP as sampling is completed and the budget and prioritization goals listed above are met. In the event the SEP budget will only allow for one more Well to be included but multiple Wells are simultaneously sampled and exceedances are identified, Stantec will evaluate the Wells as follows:
 - If, all else equal, Stantec must prioritize between two Wells, Stantec will prioritize the Well that will benefit from NSF/ANSI certified treatment device(s) over the Well that requires uncertified treatment device(s).
 - If, all else equal, Stantec must prioritize between two Wells that require different treatment solutions, and both solutions are NSF/ANSI certified, Stantec will recommend inclusion of the Well requiring less expensive long-term maintenance and operation to reduce financial burdens on the benefitting household(s) and increase likelihood of the household(s) maintaining operation of the installed treatment.
 - If, all else equal, and able to be included within the SEP budget, Stantec must prioritize between an impaired domestic drinking water Well and an impaired state small water system, Stantec will recommend inclusion of the small water system, assuming a slight increase in cost from scaling the treatment for a small system is less than the cost efficiencies gained by treating a greater number of households.
- Prioritization will continue on a rolling basis as impaired Wells are identified through sampling, and the SEP budget can cover the anticipated costs of treatment through the remaining phases of this SEP. The Promotores outreach will include encouragement for households to participate in sampling early for an opportunity to be prioritized for treatment as part of this POE/POU Pilot before the budget is exhausted.

Stantec will proceed with Phase 2 for each prioritized Well as each Well is prioritized during the first 12 months of SEP implementation and as the Phase 1 budget allows. Each Well will be treated as a standalone project eligible for partial suspended liability and offset at completion of the POE/POU Pilot. Updates on the locations, impairments, and prioritized Well decisions will be included in quarterly SEP reporting to the Central Coast Water Board. Any unexpected issues with contaminants of concern or treatment

costs will also be documented in a lessons learned document, detailed below in Phase 3 and 4, to help inform future drinking water projects in the region and beyond.

Phase 2: POE/POU Design and Construction (within first 18 to 24 months of Stipulated Order's effective date and in conjunction with Phase 1)

The SEP anticipates approximately 40 percent of the Wells sampled in Round 1 (see **Table 1**) having impairments identified in Phase 1. Participant households served by impaired Wells but not prioritized for treatment, based on the criteria described in the Phase 1 description above, will receive replacement drinking water for the duration of the SEP.

Stantec will coordinate replacement water deliveries through cost-effective local or regional vendor(s) who can service the recipient households — most likely Culligan, hereinafter referred to as the local implementation partner. Stantec estimates the typical household averages consumption of approximately 50-60 gallons of drinking water per month. The SEP initially anticipates approximately 20 to 30 households connected to prioritized Wells will require replacement water either for approximately 6 months while treatment is designed and installed or for the duration of the SEP if treatment is not included for the Well. The actual number of Participants will be confirmed through quarterly SEP reporting.

In parallel, Stantec will design POE/POU Pilot treatment plans for each priority Well, providing a longer-term solution tailored to the specific needs of each Well and connected household(s). Treatment will use best available technology or treatment devices and methods approved as effective for addressing the drinking water quality exceedances identified in Phase 1 sampling. Updates on the point of entry and/or point of use treatment design plans will be provided to the Central Coast Water Board in quarterly SEP reporting to the Central Coast Water Board as available. Design and cost issues will be tracked for lessons learned.

To support implementation, Stantec will identify all necessary permitting requirements for the treatment of the priority Wells on a project-by-project basis. Additionally, Stantec will coordinate with the Promotores to execute access agreements to facilitate installation and maintenance of POE/POU treatment systems on private properties, ensuring implementation of Phase 2 moves forward efficiently and with community knowledge and cooperation.

Once permits and access agreements are secured for each priority Well, Stantec will move forward with installing the respective, appropriate POE/POU treatment system.

Stantec intends to complete prioritized Well treatment installations by approximately eighteen (18) months from the Stipulated Order's effective date, unless significant delays are encountered due to household participation challenges, permitting issues, or device backorders. Stantec will continue to evaluate the need for additional sampling and treatment to address any newly identified or emerging concerns within each project as the SEP budget allows.

Throughout Phase 2, Stantec will continue to re-evaluate financial resources for including additional priority Wells in the POE/POU Pilot treatment. This SEP provides for at least twenty-four (24) months of operation, maintenance and monitoring in Phase 3, requiring all priority Wells to receive installed treatment and complete Phase 2 within the first twenty-four (24) months of the SEP. GWSD and Stantec will continue to consider financial capacity to fund additional treatment systems after the first two years where appropriate to ensure proper operation of the installed treatment and to maximize households benefitted by treatment through the POE/POU Pilot. Updates on the projects and/or any additional priority Wells will be reported to the Central Coast Water Board in quarterly SEP reporting.

Phase 3: Operation, Maintenance and Monitoring (initiated within first 18 months of Stipulated Order's effective date and after installation of each POE/POU system in Phase 2)

As Stantec facilitates installation of the appropriate POE/POU treatment systems at each priority Well, Phase 3 begins. Phase 3 is designed to run concurrently with Phase 2, on a project-by-project basis, as each treatment system becomes operational. Phase 3 (treatment operation and maintenance) is designed to include at least twenty-four (24) and up to thirty-two (32) months of operation, maintenance, and monitoring support and oversight by Stantec and its subcontractors.

Stantec will create a comprehensive Maintenance, Monitoring, and Public Outreach ("MMPO") program informed by the Promotores and the local implementation partner. The MMPO program and updates will be provided to the Central Coast Water Board through quarterly SEP reporting, as available, and unless otherwise requested by the Central Coast Water Board for consideration prior to implementation.

As each priority Well's treatment is brought into operation, Stantec will oversee implementation of the MMPO program. Maintenance will include changing filters or other media, as appropriate.

Stantec will monitor the water quality of each treated priority Well twice annually, at least 4 times during Phase 3, to test for the drinking water parameters exceeded during Phase 1. (See **Tables 1** and **2**). Stantec will evaluate the results against relevant drinking water standards to confirm treatment is properly functioning to address exceedances and provide safe drinking water to the connected household(s). Stantec will refresh initial training with the Promotores on communicating key drinking water quality information to participating households and the Promotores will provide the participating households with the water quality sampling results in English and Spanish with Stantec's guidance and support.

If results show a drinking water exceedance, Stantec will implement additional sampling as required. In this instance, Stantec will investigate and facilitate repairs or installation of replacement treatment components as necessary, providing replacement water to the impacted household(s) through Culligan while treatment is offline. If a continuing treatment issue is identified that cannot be resolved with initial repairs and otherwise indicates a more expensive or incurable issue with the Well, Stantec will recommend

the Well be excluded from additional treatment through the POE/POU Pilot. When a Well is excluded due to an identified issue after attempted repairs, Stantec will guide communications between the Promotores and the impacted household(s), decommission the system, and provide the impacted household(s) with replacement water for the remainder of the SEP term in lieu of treatment. Stantec will evaluate whether the decommissioned components would work if reinstalled at another prioritized Well, as appropriate, or will otherwise prioritize a new Well that can be treated with installation of the removed treatment components within the remaining SEP budget and duration. It is assumed any media used in the decommissioned system will have to be disposed of; assessment of adding of a new Well in the event a Well has to be excluded during Phase 3 would require the budget for additional media and other treatment components that cannot be reinstalled.

The MMPO will also include the development and distribution of an annual household survey to understand participating water users' experiences and to improve Phase 3 public outreach to increase likelihood of participating households opting to continue to operate and maintain the installed treatment beyond the SEP duration. This survey will also provide a sense of how many households may opt for decommissioning, allowing Stantec to refine the Phase 4 budget and potentially consider adding a new Well for treatment, depending on whether there is sufficient time remaining to complete installation and evaluate the operation and maintenance of the added system.

Phase 4: Conclusion of POE/POU Pilot

After up to thirty-two months (32) of treatment operation, maintenance and monitoring, and within the final twelve (12) months of the POE/POU Pilot term, Stantec will coordinate with the Promotores to provide notice to Participant households of the upcoming completion of the SEP, additional information about continuing operation and maintenance of the treatment systems, and the date replacement water deliveries will stop to recipient Participant households.

Stantec will use the Phase 3 annual Participant household survey responses and other MMPO program findings to identify and implement long-term maintenance education needs to help households make an informed commitment to assignment of the treatment systems after the conclusion of the POE/POU Pilot. For households that opt to continue treatment at their own cost and responsibility and/or if there's another state or local funding source available to maintain the system (e.g. Safe and Affordable Funding for Equity and Resilience Program (SAFER)), Stantec will coordinate with the local implementation partner and Promotores to provide Participants with training on operation and maintenance needs and provide contact information for service providers. Assignments will be effected upon the completion date of the SEP.

If a participating household(s) declines assignment of the treatment system, Stantec and the Promotores will communicate the potential drinking water quality risks if treatment is removed to ensure the household(s) is making an informed decision about decommissioning the treatment system. For a household(s) that confirms decommissioning, Stantec will oversee the removal of the treatment system and restoration of the plumbing to its state before the POE/POU Pilot was implemented

before the expiration of the SEP duration. Stantec will guide the Promotores in communicating to decommissioned households when the treatment system is no longer in place and operating, and that the Well is no longer being treated to provide drinking water quality benefits to the connected household(s).

In the event of decommissioning, media will need to be disposed of properly, but there may be hardware components that are still useable. In this event, Stantec will coordinate with the local implementation partner to identify whether the useable components can be donated to non-profit organizations that provides drinking water services or potential use as an educational display. Any donated reusable component of this POE/POU SEP will be reported, along with the recipient non-profit organization, to the Central Coast Water Board in the subsequent quarterly report. In no event shall GWSD, Stantec, or the local implementation partner profit from the sale of POE/POU SEP components.

During Phase 4, Stantec will again evaluate the SEP budget to ensure there are sufficient funds remaining for comprehensive assignment of Well treatment systems and/or decommissioning.

Stantec will work with the Promotores to provide final notice of the POE/POU Pilot completion date information within the final month of the SEP, and will include information about other potential safe drinking water resources to participating households that either receive replacement water during Phase 4 or opt for decommissioning of Well treatment.

Stantec will analyze and summarize Phase 3 annual household survey responses in a “lessons learned” report and POE/POU Pilot Frequently Asked and Questions document during Phase 4.

GWSD and Stantec will confirm POE/POU Pilot completion through a formal certification process and GWSD will conduct a financial audit of the POE/POU Pilot to ensure financial transparency and compliance.

In the event the final cumulative POE/POU Pilot SEP partial liability suspension and offset ends up being less than \$1,551,145, GWSD will coordinate with the Central Coast Water Board to remit payment of the remaining difference between the final SEP suspended liability and the total civil penalty to the State Water Pollution Cleanup and Abatement Account, in accordance with Section III, paragraph 3.k of the Stipulated Order.

SEP Reporting Requirements and Schedule

Quarterly Reports

The SEP Policy recommends quarterly reporting, and GWSD has confirmed that the Central Coast Water Board will require the same for this SEP. Stantec will prepare each quarterly report for review by GWSD and its special counsel, Brownstein Hyatt Farber & Schreck, for timely submission to the Central Coast Water Board.

Stantec will prepare and GWSD representatives will review and submit written quarterly progress reports documenting POE/POU Pilot implementation to the Central Coast Water Board Contact identified in the Section III, paragraph 5 of the Stipulated Order.

At a minimum, the quarterly reports must include a description and photos of the activities completed during the quarter being reported, an accounting of funds expended, and whether GWSD is in compliance with the completion dates in **Table 3** (“SEP Reporting Schedule”), below. If GWSD is not in compliance with the schedule in **Table 3**, the quarterly reports must explain the cause(s) of the delay(s) and the anticipated date of compliance with the schedule. The quarterly reports must also include any monitoring data collected during the reporting period, pursuant to the analyses detailed in **Tables 1** and/or **2**, above.

Reports will be submitted no later than the first day of the second month following the end of each reporting period in accordance with the schedule shown below in **Table 3**. The first quarterly report will be due in accordance with the report submittal date in **Table 3**, for the quarter in which the Stipulated Order’s effective date falls.

Table 3. SEP Reporting Schedule

<i>Reporting Period</i>	<i>Report Submittal Date</i>
January – March	May 1
April – June	August 1
July – September	November 1
October – December	February 1
Certification of SEP Completion	No later than 49 months after the Stipulated Order’s effective date

GWSD shall submit a total of sixteen (16) quarterly progress reports in accordance with the SEP Schedule in **Table 3** until the POE/POU Pilot is fully implemented or until the SEP completion date.

Certification of SEP Completion

No later than forty-nine (49) months after the Stipulated Order’s effective date, GWSD will submit a final report that documents SEP completion and provides a certified statement of SEP completion (“Certification of SEP Completion”) in accordance with the requirements set forth in Section III, paragraph 3.g.ii of the Stipulated Order.

SEP Milestones and Budget

GWSD will expend an estimated total of approximately \$1,551,145 completing the POE/POU Pilot. An actual accounting of each POE/POU Pilot treatment project installation and operation, as well as replacement water deliveries, will be submitted with quarterly reports and will qualify towards partial suspended liability of the administrative civil liability upon completion of the SEP in accordance with Section, paragraph 3.l of the Stipulated Order.

Based on Stantec's project administration costs for similar projects, initial subcontractor cost estimates, and Stantec's extensive experience with similar SEPs and drinking water pilot projects performed under the State's SAFER Drinking Water Program, the POE/POU Pilot Budget estimates for each milestone are provided in **Table 4** ("SEP Milestones and Estimated Budget").

Table 4. SEP Milestones and Estimated Budget

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
Project mobilization	GWSD and Stantec mobilize and complete initial project management and internal kickoff.	Within 30 days of Stipulated Order's effective date	~1% (\$15,500)
Quarterly reporting	Stantec will draft 16 quarterly reports for GWSD's review and approval. Stantec will submit reports to Central Coast Water Board in accordance with reporting deadlines provided in Section 11 and Table 3 , above.	Quarterly	~3% (\$46,500)
Phase 1. Community Engagement and Initial Sampling Phase			
Identify potentially impaired drinking water wells and small water systems for sampling	Stantec will prioritize identifying impaired domestic drinking water wells and state small water systems within Underrepresented Communities in Santa Barbara County already identified through the GAMA Program Bay Foundation of Morro Bay's Central Coast Drinking Water Well Testing Program, the Community Water Center monitoring, and the Santa Barbara County's Public Health well monitoring program and Department of Environmental Health well permitting activities, the Santa Barbara County's IRWMP, the Santa Barbara County GSA's, and other local	Within first 12 months of Stipulated Order's effective date; ongoing	~3% (\$46,500)

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
	<p>consultants providing well services in Santa Barbara County.</p> <p>Stantec will also identify additional potentially impaired wells, prioritizing those located within Underrepresented Communities in Santa Barbara County for sampling.</p>		
Engage with initially identified well users.	<p>Stantec intends to develop a scope of work and contract with Children and Family Resource Services (CFRS) to work with the Santa Barbara Promotores Network to develop outreach materials for the Promotores to use to engage identified Well users to explain Pilot, sampling process, and resources available through the Pilot if a problem is found. Materials and outreach will be offered in English and Spanish. Stantec will confirm user participation in Pilot with the Promotores.</p>	<p>Within first 12 months of Stipulated Order's effective date; ongoing as needed.</p>	<p>~7% (\$108,500)</p>
Sample initially identified Wells.	<p>Stantec will develop a Pilot sampling SOP and have identified wells sampled for drinking water quality parameters, including bacteriological indicators. If a Well was previously sampled for certain constituents, Stantec will evaluate additional sampling required by the Pilot that is not unnecessarily duplicative.</p> <p>Stantec will have samples collected and analyzed for parameters listed in Table 1.</p>	<p>Within first 12 months Stipulated Order's effective date</p>	<p>~8% (\$124,000)</p>

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
	Results will be evaluated for exceedances of applicable State Public Drinking Water Standards and U.S. EPA National Primary Drinking Water Standards.		
Prioritize Wells for POE/POU treatment	<p>Stantec will prioritize wells for POE/POU treatment based on resulting exceedances. Stantec will conduct a second round of sampling for parameters listed in Table 2 at wells prioritized for POE/POU treatment, to characterize parameters that impact treatment technology choice, sizing, and maintenance for POE/POU treatment.</p> <p>All households will be updated of results through Promotores. Households of a well with no exceedances will be removed from the Pilot.</p> <p>Stantec will report the locations of the wells prioritized and resulting sampling reports through the quarterly reports due to the Central Coast Water Board.</p>	Within first 12 months of Stipulated Order's effective date; ongoing as needed.	~6% (\$93,000)
Phase 2. Design, Construction and Replacement Water			
Begin distribution of replacement water for priority Wells.	Stantec will contract with Culligan to provide each participating household with replacement water for either the duration of the Pilot or until effective treatment is installed and operating.	Within first 12 months of Stipulated Order's effective date; ongoing	~7% (\$108,500)
Design and permit POE/POU treatment plans.	Stantec will complete design of POE/POU treatment plans based on NSF/ANSI certified devices. Stantec will file for permits with	Within first 12 months of Stipulated Order's	~13% (\$201,600)

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
	the applicable permitting authority(ies). Stantec will work with Promotores to execute access agreements.	effective date; ongoing as budget allows	
Construction and installation of POE/POU treatment systems.	As each Pilot treatment project is designed and permitted, Stantec will oversee the construction and installation of the POE/POU treatment systems.	Initiated within 18 months of Stipulated Order's effective date; ongoing as budget allows	~26% (\$403,300)
Continued budget evaluation to include additional wells.	Stantec will evaluate overall expenses to date and if it appears there is still sufficient funding to include additional wells in the Pilot, Stantec will coordinate with GWSD and revisit Phase 1 for additional wells.	Within 24 months of Stipulated Order's effective date	~6% (\$93,000)
Phase 3. Operation, Maintenance and Monitoring			
Develop and implement MMPO Program and confirmation monitoring of treated Wells	<p>Stantec will work with the installation and local implementation partner and Promotores to develop and engage in a Maintenance, Monitoring, and Public Outreach program with all users of a POE/POU treatment system installed in Phase 2 as each new system comes online.</p> <p>Stantec will complete monitoring of water quality of each priority Well twice annually as treatment comes online (for up to 32 months) to track and evaluate systems are properly functioning to provide safe drinking water to users.</p>	Ongoing; completed no later than 48 months after the Stipulated Order's effective date.	~10% (\$155,100)

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
	<p>Sampling results will be provided to users through Promotores, with support and guidance from Stantec.</p> <p>If results show an exceedance, Stantec will investigate and address potential treatment issue and will replace components as necessary.</p> <p>Includes development and distribution of an annual resident survey, to understand residents' experiences and contribute to the lessons learned report and FAQ document.</p>		
Phase 4. Concluding POE/POU Pilot, Long-Term Treatment Support or Decommissioning			
Notice of Completion of Pilot to participating households	<p>Stantec will work with Promotores to provide notice to users of upcoming completion of the POE/POU Pilot. Participant households will be given the option to be assigned the treatment system and make an informed commitment to operation and maintenance of the treatment systems, or to decommission the treatment systems, with information about any other drinking water resources.</p> <p>For households that opt to continue treatment at their own cost and responsibility, Stantec will guide the operation and maintenance subconsultant and Promotores to train households on operation and maintenance</p>	Ongoing; completed no later than 48 months after the Stipulated Order's effective date.	~3% (\$46,500)

POE/POU Pilot Milestones and Cost Estimates in Percentage of Total SEP Budget			
Milestone	Description Summary	Deadline	Estimated Costs
	<p>needs and provide contact information for service providers.</p> <p>For households that opt to decommission the treatment system, Stantec will direct the operation and maintenance subconsultant to remove the treatment system and restore plumbing to its state before the SEP was incorporated. Stantec will guide Promotores in communicating to residents that the treatment system is no longer in place and no longer providing water quality benefits.</p>		
Notice of Completion of Pilot to replacement water users who did not receive treatment	Stantec will work with Promotores to provide notice to replacement water users of completion of the Pilot and conclusion of replacement water deliveries. Users will be provided information about other potential resources for replacement water or drinking water services.	Ongoing; completed no later than 48 months after the Stipulated Order's effective date.	~1% (\$15,500)
Final Administration	Stantec will draft final report for submission to the Central Coast Water Board, as well as a lessons learned and FAQ document that can be used for similar projects in the future, deliverable to the GWSD and Central Coast Water Board and intended for public consumption.	No later than 49 months after the Stipulated Order's effective date	~6% (\$93,000)

The POE/POU Pilot is structured to allow GWSD and Stantec to track costs in each Phases to evaluate whether additional treatment projects can be included to benefit additional households.

Stantec will participate in the GWSD's required financial audit at completion of the SEP.

Suspension and offset of liability for each installed treatment project completing the full four phases of the SEP is unaffected by whether the participating households opt to either assume long-term assignment and operation and maintenance of the treatment systems or decommission treatment during Phase 4. Costs of properly decommissioning a Treated Well system in Phase 4 will also count towards the suspension of liability upon completion for each decommissioned project.

The total suspended liability for completion of the POE/POU Pilot cannot exceed \$1,551,145.00.

SEP readiness, including status of CEQA, permits, and landowner agreements

Each POE/POU Pilot treatment project will be evaluated for California Environmental Quality Act ("CEQA") compliance, including exemptions or possible local waivers. As required in SEP Policy section IX, GWSD shall provide the Central Coast Water Board with any CEQA environmental review documents that were drafted for the POE/POU Pilot. Any additional required CEQA environmental review would be completed once the priority Wells are identified.

Due to the limited footprint of a point of entry system and its minimal impact on property, it is likely each point of entry treatment project will either not qualify as a "Project" under CEQA or will fall under an exemption that allows for the repair of existing facilities.

In order for a POE/POU Pilot treatment system to be installed, the property owner or renter (with a homeowner declaration) signs an access agreement that permits Stantec and its subcontractors access to the property to install and maintain the POE/POU Pilot treatment system for up to thirty-two (32) months at which point the participating households receive assignment of and responsibility for the treatment system or else the connected households opt for decommissioning and Stantec returns the plumbing to pre-POE/POU Pilot conditions. Access agreements will be completed as priority Wells are identified. Landowners are required to sign the agreement immediately prior to design and installation of the POE/POU Pilot treatment systems; thus, enrollment in the POE/POU Pilot occurs on a rolling basis for each project.

Expected benefits or improvements to water quality or beneficial uses

POE/POU Pilot participating households will immediately benefit from improved drinking water quality by either receiving replacement drinking water throughout the duration of the SEP, and/or from using an installed POE/POU Pilot treatment system.

The POE/POU Pilot is specifically designed to address critical water quality issues, directly improving and protecting public health and the environment, for Underrepresented Communities in Santa Barbara County. By constructing treatment systems for priority Wells and providing replacement water during the interim, the POE/POU Pilot reduces risks associated with contaminated water sources and ensures access to a safe and reliable drinking water supply for the community. Its primary focus is delivering significant public health and environmental benefits, aligning with the missions of the Regional and State Water Boards and supporting California's Human

Right to Water Law. Any advantages to the settling party are incidental, as the POE/POU Pilot's core objective is to safeguard public well-being and environmental integrity for current and future generations.

Both the State Board and Central Coast Water Board aim to “to preserve, enhance, and restore the quality of California’s water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper water resource allocation and efficient use, for the benefit of present and future generations.”²³ Similarly, California’s Human Right to Water Law prioritizes providing safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation.²⁴ The POE/POU Pilot aligns with these objectives by addressing issues identified in the priority Wells and ensuring access to safe drinking water through the treatment systems and replacement water. Further, these efforts directly protect public health and support the State and Central Coast Water Boards’ mission to restore and preserve water quality. By safeguarding critical water resources, the POE/POU Pilot also upholds California’s commitment to meeting the water needs of current and future generations.

Will this project further the State Water Resources Control Board’s core value of the human right to water? If yes, describe.

Yes. The POE/POU Pilot directly addresses Water Code section 106.3(a) and the State Water Resources Control Board’s core value of the human right to water. The intent of the POE/POU Pilot is to ensure access to safe drinking water through the treatment systems and replacement water, serving Underrepresented Communities in Santa Barbara County.

Optional information. If appropriate, discuss the following:

Whether this project is resilient to climate change and conforms with State Water Board Resolution No. 2017-0012, Comprehensive Response to Climate Change

State Water Board Resolution No. 2017-0012 encourages climate-conscious approaches to water infrastructure, particularly those that reduce greenhouse gas emissions and enhance long-term resilience. In alignment with this resolution, the POE/POU Pilot avoids the need for a carbon-intensive centralized water treatment and

²³ See the Central Coast Water Board’s Mission Statement, *available at*: https://www.waterboards.ca.gov/centralcoast/about_us/#:~:text=To%20preserve%2C%20enhance%2C%20and%20restore,of%20present%20and%20future%20generationS; The Water Board’s Mission Statement, *available at*: https://www.waterboards.ca.gov/about_us/#:~:text=To%20preserve%2C%20enhance%2C%20and%20restore,of%20present%20and%20future%20generations.

²⁴ See Wat. Code, § 106.3; see also the SAFER Drinking Water Site, *available at*: <https://www.waterboards.ca.gov/safer/> (“California’s Human Right to Water law declares that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.”).

distribution system by implementing localized solutions directly at participating households.

The systems installed under the POE/POU Pilot are intended to be designed as energy-efficient, consuming significantly less power than traditional water infrastructure. By minimizing energy use and eliminating the need for large-scale conveyance, the POE/POU Pilot directly supports the Resolution No. 2017-0012's goals of climate change mitigation and adaptation, while also delivering safe and reliable water to communities in need.

Whether this project can be the basis for additional funding from other sources

Success of the POE/POU Pilot is not dependent on additional sources of funding. As a pilot, though, each of the four phases is intended to serve future potential projects in the region or state that seek to improve access to safe drinking water in vulnerable communities.

Whether this project is required by another entity or agency

This POE/POU Pilot is not required by another entity or agency and is not already required by law or regulation. Each priority Well will also be screened in Phase 1 for eligibility to receive treatment through this SEP based on whether treatment of a particular well is subject to other laws or regulations.

Whether this project has monitoring, success criteria, or other tools to track long-term success

The POE/POU Pilot will conduct ongoing drinking water quality monitoring at priority Wells equipped with POE/POU Pilot treatment systems. (See priority water quality parameters in **Tables 1 and 2**). This comprehensive monitoring effort will be based on developed SAFER program criteria and guidance, and will provide valuable localized data regarding the drinking water quality of this area. Further, by tracking drinking water quality over a period of up to thirty-two (32) months, at an initial frequency of semi-annual sampling following treatment installation, the POE/POU Pilot will also capture seasonal variations, offering a more complete picture of system performance over time. This data may serve as a valuable resource for the Central Coast Water Board and State Water Resources Control Board in evaluating the effectiveness of the particular point of entry/point of use devices for use in other projects.

Whether the applicant has an established record of completing projects with the Water Board or other agencies

While this is GWSD's first formal POE/POU Pilot, GWSD has consistently demonstrated reliability and responsiveness in addressing water quality issues, regulatory compliance, and open and transparent communications with the Central Coast Water Board. GWSD maintains ongoing communication and coordination with Central Coast Water Board staff, laying a strong foundation for successful project implementation.

Additionally, GWSD has coordinated SEP design and resources with Stantec, a well-known professional drinking water project administrator and implementer throughout the state. Stantec has advised the State's SAFER program, and partners with related vendors within the region where the SEP will be implemented. With Stantec's established record of completing similar projects, GWSD is further confident in the success of this POE/POU Pilot.

Whether the applicant has the institutional stability and capacity to complete the project as proposed

GWSD has the institutional stability and internal capacity necessary to successfully complete the Project. GWSD has experienced staff, sound financial management practices, and a clear governance structure. Again, GWSD is partnering with Stantec as the third-party administrator and implementer. Stantec has a long history of successful drinking water projects completed in coordination with the State Water Board's SAFER Program. While this would be GWSD's first formal project with the Central Coast Water Board, GWSD has consistently demonstrated its ability to manage complex operational responsibilities and respond effectively to water quality concerns. Additionally, GWSD's Board of Directors has formed an Ad Hoc Spill Committee, served by two of the five GWSD Board of Directors and the GWSD Co-General Managers. This Ad Hoc Committee has been directly involved in the design of the SEP and the makeup of the Committee includes multiple levels of GWSD leadership and their respective institutional knowledge to ensure smooth POE/POU Pilot project implementation across the next four years, and successful completion of the SEP.

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from February 03, 2026, through February 18, 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 North La Patera Lane and Shamrock Avenue. Staff has also been conducting priority lines cleaning throughout the District.

CCTV INSPECTION

Staff has been conducting routine CCTV inspections in the area of Stow Canyon and Carlo Drive. Staff has been conducting priority CCTV inspections throughout the District.

WINTER STORM PREPARATIONS

Staff completed the assigned easement manhole inspections. Staff continues working on the prequalification of emergency service contractors and is following up with contractors who have not provided the requested information.

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 February, 2026 is averaging 5.25 MGD (million gallons a day). The Reclamation Plant has been restarted and the reservoir filled; the Reclamation Plant is offline.

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 were completed on February 12, 2026.

We have a new sample shed for the Reclamation Plant. Over the next few weeks, staff will be getting the interior finished and plumbed.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

The District account balances as of February 18, 2026, shown below, are approximations to the nearest dollar and indicate the overall funds available to the District at this time.

Operating Checking Accounts:	-\$ 28,115
Investment Accounts (including interest earned):	<u>\$ 46,686,220</u>
Total District Funds:	\$ 46,658,105

The following transactions are reported herein for the period 02/03/2026 – 02/18/2026

Regular, Overtime, Cash-outs, and Net Payroll:	\$	117,088
Claims:	\$	556,143
Total Expenditures:	\$	733,231
Total Deposits:	\$	284,529

Transfers of funds:

LAIF to Community West Bank Operational (CWB):	\$	- 0 -
CWB Operational to CWB Money Market:	\$	- 0 -
CWB Money Market to CWB Operational:	\$	- 0 -
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 – January, 2026
LAIF Quarterly Report – Previously reported
PMIA/LAIF Performance – January, 2026
PMIA Effective Yield – January, 2026

Community West Bank (CWB)

CWB Money Market and ICS Accounts – January, 2026

CA-Class Investment Account

CA-Class Investment Account – January, 2026

Deferred Compensation Accounts

CalPERS 457 Deferred Compensation Plan – Previously reported
Lincoln 457 Deferred Compensation Plan – January, 2026

Personnel

A verbal personnel update will be provided at the meeting.

Future Agenda Items

Pars 115 Trust Overview
Summary of Nutrient Management Study
Website accessibility improvements and update
Annual Outreach Program Report
Admin Code Changes Resolution
HR Policy discussion on observed holidays
CEQA Guidelines Update

Upcoming Calendar of Events:

March Board Meetings: 3/2/26 and 3/16/26 6:30pm

Earth Day Festival Outreach Event – April 25-26

Annual Planning Meeting: May 1, 9am – 3pm location TBD

CASA Annual Conference August 4-7, Napa

CSDA Annual Conference August 24-27, Palm Desert

Lemon Festival Outreach Event September 26-27

California State Treasurer *Fiona Ma, CPA*



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

February 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

January 2026 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
1/15/2026	1/15/2026	QRD	1792430	N/A	SYSTEM	44.81

Account Summary

Total Deposit:	44.81	Beginning Balance:	4,238.37
Total Withdrawal:	0.00	Ending Balance:	4,283.18



PMIA/LAIF Performance Report as of 02/05/26



Quarterly Performance Quarter Ended 12/31/25

LAIF Apportionment Rate ⁽²⁾ :	4.20
LAIF Earnings Ratio ⁽²⁾ :	0.00011512010685708
LAIF Administrative Cost ^{(1)*} :	0.27
LAIF Fair Value Factor ⁽¹⁾ :	1.002181483
PMIA Daily ⁽¹⁾ :	3.97
PMIA Quarter to Date ⁽¹⁾ :	4.09
PMIA Average Life ⁽¹⁾ :	244

PMIA Average Monthly Effective Yields⁽¹⁾

January	3.931
December	4.025
November	4.096
October	4.150
September	4.212
August	4.251

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 12/31/25 \$162.6 billion

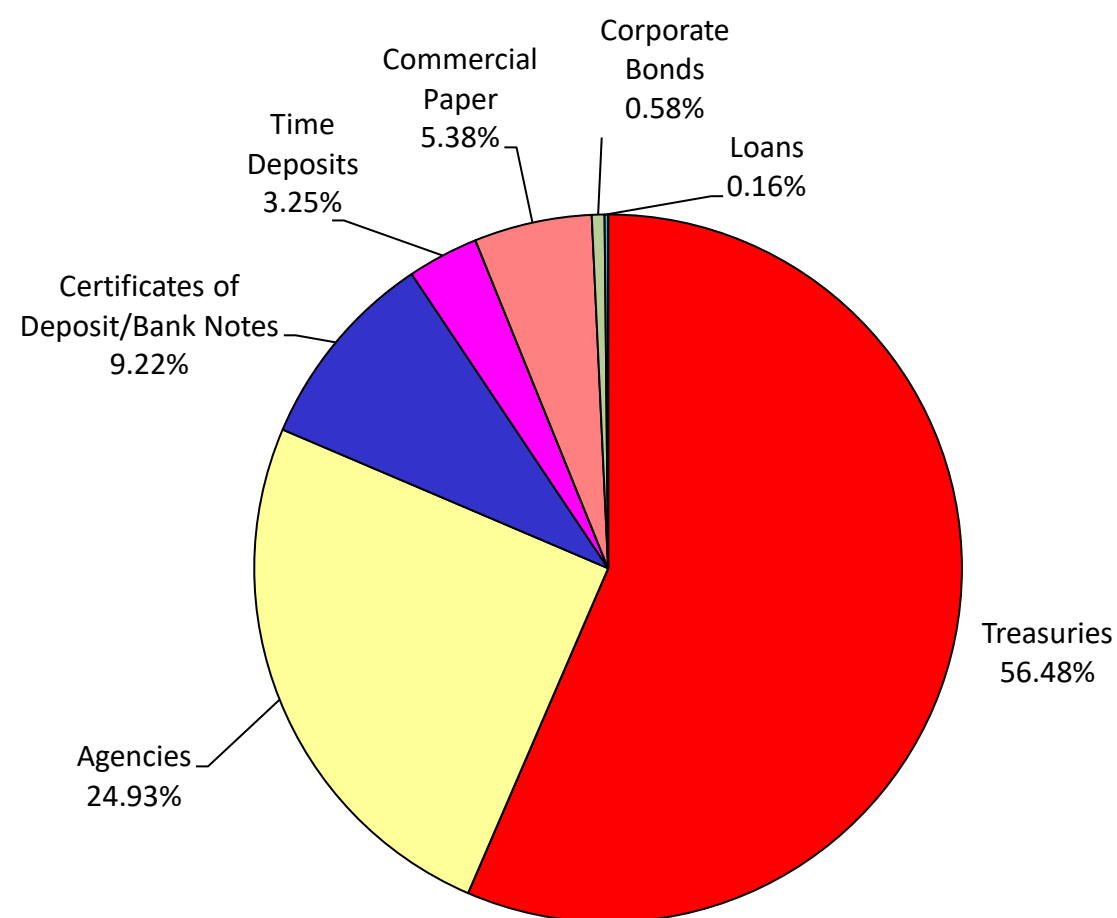


Chart does not include \$910,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

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

02/10/26

Max: 12.844

Min: 0.203





PMIA Average Monthly Effective Yields

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
2026	3.931											

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

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

Managing Your Accounts

	Customer Service (800) 298-1775
	BankLine (24-hours) (800) 298-1775
	Mailing Address 7100 N. Financial Drive, Ste. 101 Fresno, CA 93720
	Website www.communitywestbank.com



Local Deposits are used to Make Local Loans

Your deposits help drive economic growth and build stronger communities.

Summary of Accounts

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

PUBLIC MONEY MARKET - XXXXXXXXXXXXXXX554

Account Summary

Date	Description	Amount
01/01/2026	Beginning Balance	\$250,000.00
	3 Credit(s) This Period	\$1,000,739.73
	3 Debit(s) This Period	\$1,000,739.73
01/30/2026	Ending Balance	\$250,000.00

Interest Summary

Description	Amount
Interest Earned From 01/01/2026 Through 01/30/2026	
Annual Percentage Yield Earned	3.66%
Interest Days	30
Interest Earned	\$739.73
Interest Paid This Period	\$739.73
Interest Paid Year-to-Date	\$739.73
Minimum Balance	\$250,000.00
Average Ledger Balance	\$250,000.00

Other Credits

Date	Description	Amount
01/15/2026	TRANSFER FROM ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXXXX8650	\$750,000.00
01/28/2026	TRANSFER FROM ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXXXX8650	\$250,000.00
01/30/2026	INTEREST	\$739.73
		3 item(s) totaling \$1,000,739.73

Electronic Debits

Date	Description	Amount
01/28/2026	Internet Transfer to xxx5538	\$250,000.00
		1 item(s) totaling \$250,000.00



PUBLIC MONEY MARKET - XXXXXXXXXXXXXXX554 (continued)

Other Debits		
Date	Description	Amount
01/15/2026	WITHDRAWAL	\$750,000.00
01/30/2026	TRANSFER TO ICS SHADOW DDA ACCOUNT XXXXXXXXXXXXXXX8650	\$739.73
		2 item(s) totaling \$750,739.73

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date	Previous year-to-date
Total Overdraft Fees	\$0.00	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00	\$0.00

DDA/SAV/SAFE DEPOSIT DEBIT TRANSACTION FORM		
ACCOUNT NAME <i>Goleta Sanitary District</i>	BRANCH: <i>Orland #38</i>	DATE: <i>1/15/2026</i>
CUSTOMER SIGNATURE <i>Bank use.</i>	PREPARED BY <i>[Signature]</i>	APPROVED BY <i>[Signature]</i>
DDA TRANSACTIONS 002 WITHDRAWAL 001 CLOSING WITHDRAWAL 048 DEPOSIT CORRECTION	DESCRIPTION <i>Per client request</i>	\$ <i>750,000.</i>
SAVINGS TRANSACTIONS 146 WITHDRAWAL 121 CLOSING WITHDRAWAL 140 DEPOSIT CORRECTION	<i>Approved By Brian S. Regional Executive</i>	<i>042</i>
SAFE DEPOSIT BOX 660 KEY DEPOSIT REFLND 001 TRANSACTION		<i>10505554</i>
Refer to the ROM Tran Code Listing for additional codes		

#0000 01/15/2026 \$750,000.00

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

Community West Bank

RETURN SERVICE REQUESTED



140925-02A

Goleta Sanitary District
One William Moffett Place
Goleta, CA 93117

Contact Us

559-298-1775

www.communitywestbank.com



Account

Goleta Sanitary District

Date

01/31/2026

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 January 2026 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%	\$41,417,238.68	\$40,543,623.39
TOTAL			\$41,417,238.68	\$40,543,623.39

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Account Summary - Demand

Statement Period	1/1-1/31/2026	Average Daily Balance	\$41,010,791.48
Previous Period Ending Balance	\$41,417,238.68	Interest Rate at End of Statement Period	3.60%
Total Program Deposits	819.04	Annual Percentage Yield Earned	3.67%
Total Program Withdrawals	(1,000,000.00)	YTD Interest Paid	125,565.67
Interest Capitalized	125,565.67		
Current Period Ending Balance	\$40,543,623.39		

Account Transaction Detail

Date	Activity Type	Amount	Balance
01/02/2026	Deposit	\$819.04	\$41,418,057.72
01/16/2026	Withdrawal	(750,000.00)	40,668,057.72
01/29/2026	Withdrawal	(250,000.00)	40,418,057.72
01/30/2026	Interest Capitalization	125,565.67	40,543,623.39

Summary of Balances as of January 31, 2026

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
1st Security Bank of Washington	Mountlake Terrace, WA	57633	\$247,756.31
Alerus Financial, N.A.	Grand Forks, ND	3931	247,756.41
Amerant Bank, N.A.	Coral Gables, FL	22953	247,756.41
Ameris Bank	Atlanta, GA	20504	247,756.41
Apple Bank	New York, NY	16068	247,756.39
Associated Bank, N.A.	Green Bay, WI	5296	247,756.41
Atlantic Union Bank	Glen Allen, VA	34589	247,756.41
Avidbank	San Jose, CA	57510	247,756.41
Axos Bank	San Diego, CA	35546	247,756.41
BOKF, National Association	Tulsa, OK	4214	247,756.41
Banc of California	Los Angeles, CA	24045	247,756.41
Bangor Savings Bank	Bangor, ME	18408	247,756.41
Bank 7	Oklahoma City, OK	4147	247,756.33
Bank Five Nine	Oconomowoc, WI	12517	247,704.81
Bank OZK	Little Rock, AR	110	247,756.39
Bank of Baroda	New York, NY	33681	247,756.41
Bank of China	New York, NY	33653	247,756.33
Bank of India	New York, NY	33648	247,756.38
Bank of New Hampshire	Laconia, NH	18012	247,756.41
BankUnited	Miami Lakes, FL	58979	247,756.41
Bankers Trust Company	Des Moines, IA	953	247,756.41
Banner Bank	Walla Walla, WA	28489	247,756.41
Banterra Bank	Marion, IL	17514	247,756.33

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District



Summary of Balances as of January 31, 2026

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Bar Harbor Bank & Trust	Bar Harbor, ME	11971	247,756.41
Barclays Bank Delaware	Wilmington, DE	57203	247,756.40
Bell Bank	Fargo, ND	19581	247,756.41
Benchmark Community Bank	Kenbridge, VA	20484	247,756.41
Bradesco Bank	Coral Gables, FL	21265	666.06
Bridgewater Bank	Saint Louis Park, MN	58210	247,756.41
Busey Bank	Champaign, IL	16450	247,756.41
CIBC Bank USA	Chicago, IL	33306	247,756.41
Cadence Bank	Tupelo, MS	11813	247,756.41
California Bank of Commerce, N.A.	San Diego, CA	57044	247,756.41
Cathay Bank	Los Angeles, CA	18503	247,756.38
Cedar Rapids Bank and Trust Company	Cedar Rapids, IA	57244	247,756.41
Centennial Bank	Conway, AR	11241	247,756.41
Central National Bank	Waco, TX	22396	350.92
Choice Financial Group	Grafton, ND	9423	247,756.41
Citizens Bank, National Association	Providence, RI	57957	247,756.40
City National Bank of Florida	Miami, FL	20234	247,756.41
Columbia Bank	Fair Lawn, NJ	28834	247,756.38
Columbia Bank	Roseburg, OR	17266	247,756.41
Commercial Bank of California	Irvine, CA	57417	247,756.41
Customers Bank	Malvern, PA	34444	247,756.41
Dacotah Bank	Aberdeen, SD	17437	247,756.33
Dime Community Bank	Hauppauge, NY	6976	247,756.41
EagleBank	Silver Spring, MD	34742	247,756.41
East West Bank	Pasadena, CA	31628	247,756.41
Eastern Bank	Boston, MA	32773	247,756.41
Encore Bank	Little Rock, AR	34562	247,756.41
Equity Bank	Andover, KS	25858	247,756.41
Farmers National Bank of Danville	Danville, KY	2740	247,756.41
First Bank	Creve Coeur, MO	12229	247,756.41
First Bank Chicago	Highland Park, IL	17470	247,756.41
First Carolina Bank	Rocky Mount, NC	35530	247,756.41
First Commonwealth Bank	Indiana, PA	7468	247,756.41
First Financial Bank	Abilene, TX	3066	247,756.41
First Foundation Bank	Irvine, CA	58647	247,756.39
First Guaranty Bank	Hammond, LA	14028	247,756.39
First Horizon Bank	MEMPHIS, TN	4977	247,756.41
First Interstate Bank	Billings, MT	1105	247,756.41
First Merchants Bank	Muncie, IN	4365	247,756.41

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Summary of Balances as of January 31, 2026

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
First Mid Bank & Trust N.A.	Mattoon, IL	3705	247,756.33
First National Bank of Oklahoma	Oklahoma City, OK	4211	247,756.41
First National Bank of Omaha	Omaha, NE	5452	247,756.41
First National Bank of Pennsylvania	Greenville, PA	7888	247,756.41
First Resource Bank	Savage, MN	58039	24.43
First State Community Bank	Farmington, MO	17323	366.33
First United Bank and Trust Company	Durant, OK	4239	247,756.38
First Utah Bank	Salt Lake City, UT	22738	247,756.41
First-Citizens Bank & Trust Company	Raleigh, NC	11063	247,756.41
FirstBank	Nashville, TN	8663	247,756.33
Five Star Bank	Warsaw, NY	659	247,756.41
Flagstar Bank, N.A.	Hicksville, NY	32541	247,756.41
Fulton Bank, N.A.	Lancaster, PA	7551	247,756.41
Glacier Bank	Kalispell, MT	30788	247,756.41
Goldwater Bank, N.A.	Phoenix, AZ	58405	247,708.76
Grasshopper Bank, N.A.	New York, NY	59113	157,778.85
Great Southern Bank	Reeds Spring, MO	29546	247,756.40
Gulf Coast Bank and Trust Company	New Orleans, LA	32974	247,756.41
Hanover Community Bank	Mineola, NY	58675	247,756.41
Heritage Bank	Olympia, WA	29012	247,756.41
HomeTrust Bank	Asheville, NC	27677	247,731.89
INB	Springfield, IL	3664	247,756.41
INTRUST Bank NA	Wichita, KS	4799	247,756.41
Independent Bank	Ionia, MI	27811	247,756.41
InterBank	Oklahoma City, OK	27210	247,756.33
Inwood National Bank	Dallas, TX	19080	247,756.41
Israel Discount Bank of New York	New York City, NY	19977	247,756.41
KeyBank National Association	Cleveland, OH	17534	247,756.41
Lake City Bank	Warsaw, IN	13102	247,756.41
Lead Bank	Kansas City, MO	8283	247,756.41
Liberty National Bank	Lawton, OK	11522	247,756.41
MVB Bank, Inc	Fairmont, WV	34603	247,756.41
Mascoma Bank	Lebanon, NH	18013	247,756.41
Mechanics Bank	Walnut Creek, CA	1768	247,756.41
Mercantile Bank	Grand Rapids, MI	34598	247,756.41
Merchants Bank of Indiana	Carmel, IN	8056	296.92
Metro City Bank	Doraville, GA	58181	24.50
MidFirst Bank	Oklahoma City, OK	4063	247,756.41
Middletown Valley Bank	Middletown, MD	14017	247,756.41

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District



Summary of Balances as of January 31, 2026

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Midland States Bank	Effingham, IL	1040	247,756.41
Midwest BankCentre	St. Louis, MO	1058	247,756.41
Morton Community Bank	Morton, IL	18429	247,756.41
NBH Bank	Greenwood Village, CO	59052	247,756.41
NBT Bank, National Association	Norwich, NY	7230	247,731.89
NexBank	Dallas, TX	29209	247,756.41
Northeast Bank	Lewiston, ME	19690	247,756.41
Northern Bank & Trust Company	Woburn, MA	18266	247,756.41
OceanFirst Bank	Red Bank, NJ	28359	247,697.56
Old National Bank	Evansville, IN	3832	247,756.38
Outdoor Bank	Manhattan, KS	17685	247,756.41
People's Bank of Seneca	Seneca, MO	34146	247,756.41
Peoples National Bank, N.A.	Mt. Vernon, IL	3809	247,756.41
Pinnacle Bank	Omaha, NE	10634	247,756.41
Pinnacle Bank	Nashville, TN	35583	247,780.91
Pinnacle Bank	Keene, TX	20231	247,756.41
PlainsCapital Bank	Lubbock, TX	17491	247,756.41
Planters Bank, Inc.	Hopkinsville, KY	34254	247,756.41
Popular Bank	New York, NY	34967	247,756.41
Potomac Bank, Inc.	Charles Town, WV	9023	247,756.41
Preferred Bank	Los Angeles, CA	33539	247,756.41
Primis Bank	McLean, VA	57968	247,756.41
Provident Bank	Jersey City, NJ	12010	247,756.41
Raymond James Bank	St. Petersburg, FL	33893	247,756.41
Renasant Bank	Tupelo, MS	12437	247,756.33
River City Bank	Sacramento, CA	18983	247,756.41
Rockland Trust Company	Rockland, MA	9712	247,756.41
Seacoast National Bank	Stuart, FL	131	247,756.41
Security First Bank	Rapid City, SD	5415	247,756.41
Shore United Bank, N.A.	Easton, MD	4832	247,756.41
Simmons Bank	Pine Bluff, AR	3890	247,756.41
South State Bank, N.A.	Winter Haven, FL	33555	247,756.41
SouthEast Bank	Farragut, TN	57348	247,756.41
Southern Bank	Poplar Bluff, MO	28332	247,756.41
Southside Bank	Tyler, TX	18297	247,756.35
State Bank of India	New York City, NY	33682	247,756.40
Stifel Bank	St. Louis, MO	57358	247,756.41
Summit State Bank	Santa Rosa, CA	32203	247,756.41
Sunflower Bank NA	Salina, KS	4767	247,756.41

DETAILED ACCOUNT OVERVIEW

Account ID: *****554

Account Title: Goleta Sanitary District

Summary of Balances as of January 31, 2026

FDIC-Insured Institution	City/State	FDIC Cert No.	Balance
Susser Bank	Arlington, TX	34885	247,756.41
Texas Capital Bank	Dallas, TX	34383	247,756.41
Texas Partners Bank	San Antonio, TX	58581	247,756.41
The Camden National Bank	Camden, ME	4255	247,756.41
The Farmers & Merchants State Bank	Archbold, OH	5969	247,756.41
The Huntington National Bank	Columbus, OH	6560	247,756.41
The Middlefield Banking Company	Middlefield, OH	13716	247,756.41
Titan Bank, N.A.	Mineral Wells, TX	3225	247,736.24
TowneBank	Portsmouth, VA	35095	247,756.41
Tradition Capital Bank	Edina, MN	58057	247,756.41
Traditional Bank, Inc.	Mount Sterling, KY	2711	247,756.41
Tri Counties Bank	Chico, CA	21943	247,756.41
TriState Capital Bank	Pittsburgh, PA	58457	247,756.41
Truist Bank	Charlotte, NC	9846	247,756.41
Trustmark Bank	Jackson, MS	4988	247,756.41
UBank	Huntington, TX	18344	24.43
UMB Bank, National Association	Kansas City, MO	8273	247,756.41
UniBank for Savings	Whitinsville, MA	90290	247,756.41
Union Bank & Trust	Lincoln, NE	13421	247,756.41
United Bank	Fairfax, VA	22858	247,756.41
United Community Bank	Greenville, SC	16889	247,756.41
Univest Bank and Trust Co.	Souderton, PA	7759	247,756.41
Valley National Bank	Morristown, NJ	9396	247,756.41
Washington Federal Bank	Seattle, WA	28088	247,756.41
Webster Bank, National Association	Waterbury, CT	18221	247,756.41
WesBanco Bank, Inc.	Wheeling, WV	803	247,756.41
West Bank	West Des Moines, IA	15614	247,756.41
Western Alliance Bank	Phoenix, AZ	57512	247,756.41
Wilmington Savings Fund Society, FSB	Wilmington, DE	17838	247,756.41
Woodforest Natl Bank	The Woodlands, TX	23220	247,756.41
Zions Bancorporation, N. A.	Salt Lake City, UT	2270	247,756.41

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 DAY 02/09/2026	YTD AS OF 02/09/2026	YTD AS OF 01/30/2026	1 MO. AS OF 01/30/2026	3 MO. AS OF 01/30/2026	AVERAGE ANNUAL TOTAL RETURN (%) AS OF 1/30/2026					
								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	0.69	5.29	4.15	4.15	4.58	11.65	6.12	4.65	4.04	4.15	
LVIP Baron Growth Opportunities Fund - Service Class8, 9	Maximum Capital Appreciation	10/01/1998	-0.81	-7.12	-3.40	-3.40	-2.46	-16.49	-1.64	-1.65	8.15	9.03	
LVIP Franklin Templeton Multi-Factor Emerging Markets Equity Fund - Service Class1, 7, 9	Maximum Capital Appreciation	06/18/2008	0.43	10.60	9.17	9.17	10.33	42.49	16.35	9.77	8.14	4.04	
LVIP Macquarie SMD Cap Core Fund - Service Class8, 9, 12	Maximum Capital Appreciation	07/12/1991	0.05	8.02	3.38	3.38	8.40	5.87	9.92	8.03	9.44	8.77	
LVIP SSGA Small-Cap Index Fund - Service Class8, 9, 22	Maximum Capital Appreciation	04/18/1986	0.69	8.22	5.20	5.20	5.35	14.01	10.41	4.48	9.39	6.62	
LVIP T. Rowe Price Structured Mid-Cap Growth Fund - Service Class8, 9	Maximum Capital Appreciation	02/03/1994	1.09	0.96	-0.29	-0.29	-3.44	2.49	14.23	6.10	12.44	7.03	
LONG TERM GROWTH LTG													
American Funds® IS Global Growth Fund - Class 21	Long Term Growth	04/30/1997	0.92	5.87	5.71	5.71	6.16	23.20	17.18	8.17	12.51	9.37	
American Funds® IS Growth Fund - Class 2	Long Term Growth	02/08/1984	0.93	-1.43	0.31	0.31	-0.54	13.06	24.47	12.28	17.73	12.37	
American Funds® IS International Fund - Class 21	Long Term Growth	05/01/1990	1.59	8.30	6.21	6.21	6.39	28.28	12.69	4.05	7.31	6.54	
Fidelity® VIP Contrafund® Portfolio - Service Class 2	Long Term Growth	01/03/1995	1.01	1.37	1.50	1.50	2.20	16.63	25.99	14.51	15.33	11.08	
Fidelity® VIP Growth Portfolio - Service Class 2	Long Term Growth	10/09/1986	1.31	0.97	0.92	0.92	-1.40	11.79	23.01	12.30	16.91	10.31	
LVIP BlackRock Real Estate Fund - Service Class1, 8, 9, 14, 15	Long Term Growth	04/30/2007	0.92	7.03	3.57	3.57	4.20	9.61	4.52	2.25	3.23	0.92	
LVIP Dimensional U.S. Core Equity 1 Fund - Service Class9	Long Term Growth	12/28/1981	0.30	4.26	2.52	2.52	3.69	13.62	16.45	12.20	13.11	9.75	
LVIP Macquarie Mid Cap Value Fund - Service Class8, 9, 12	Long Term Growth	12/28/1981	-0.02	10.71	4.92	4.92	7.69	13.16	10.68	11.35	10.61	9.98	
LVIP Mondrian International Value Fund - Service Class1, 9	Long Term Growth	05/01/1991	0.54	6.77	3.19	3.19	8.69	33.46	16.40	10.66	7.23	5.72	
LVIP SSGA International Index Fund - Service Class1, 9, 22, 23	Long Term Growth	04/30/2008	0.98	7.93	4.97	4.97	8.34	29.84	14.16	8.68	7.83	3.18	
LVIP SSGA S&P 500 Index Fund - Service Class9, 22, 24	Long Term Growth	05/01/2000	0.47	1.69	1.33	1.33	1.38	14.64	19.33	13.29	13.87	6.62	
LVIP Vanguard Domestic Equity ETF Fund - Service Class3, 4	Long Term Growth	04/29/2011	0.45	2.32	1.57	1.57	1.64	13.49	17.82	11.84	13.19	11.15	
LVIP Vanguard International Equity ETF Fund - Service Class1, 3, 4	Long Term Growth	04/29/2011	1.27	8.91	5.69	5.69	8.42	33.08	13.91	7.15	8.05	4.63	
Macquarie VIP Small Cap Value Series - Service Class8, 12	Long Term Growth	12/27/1993	-0.08	12.29	6.21	6.21	10.46	8.82	7.41	8.89	9.16	8.78	
MFS® VIT Utilities Series - Service Class14	Long Term Growth	01/03/1995	0.36	3.06	2.06	2.06	-0.28	15.74	7.41	7.05	8.49	9.30	
GROWTH AND INCOME GI													
American Funds® IS Growth-Income Fund - Class 2	Growth and Income	02/08/1984	0.59	2.14	1.75	1.75	2.01	14.31	20.03	13.44	13.65	10.44	
Fidelity® VIP Freedom 2020 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	0.51	3.09	1.89	1.89	2.08	11.60	8.57	3.98	6.69	5.40	
Fidelity® VIP Freedom 2025 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	0.56	3.58	2.14	2.14	2.37	12.77	9.56	4.71	7.41	5.98	
Fidelity® VIP Freedom 2030 Portfolio SM - Service Class 23, 6	Growth and Income	04/26/2005	0.65	3.99	2.42	2.42	2.72	13.73	10.49	5.49	8.41	6.35	
Fidelity® VIP Freedom 2035 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	0.70	4.45	2.70	2.70	3.08	14.93	11.97	6.85	9.62	10.28	
Fidelity® VIP Freedom 2040 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	0.87	5.34	3.27	3.27	3.78	17.05	14.00	8.41	10.55	10.91	
Fidelity® VIP Freedom 2045 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	0.93	5.88	3.60	3.60	4.26	18.24	14.85	8.92	10.81	11.13	
Fidelity® VIP Freedom 2050 Portfolio SM - Service Class 23, 6	Growth and Income	04/08/2009	0.93	5.94	3.67	3.67	4.31	18.33	14.87	8.93	10.81	11.21	
LVIP BlackRock Equity Dividend Fund - Service Class9, 12	Growth and Income	07/28/1988	-0.20	5.65	3.48	3.48	8.00	13.53	6.69	8.01	8.07	7.48	
LVIP JPMorgan Retirement Income Fund - Service Class2, 9, 12	Growth and Income	04/27/1983	0.29	2.14	1.38	1.38	1.89	10.43	8.12	3.46	4.56	6.12	
LVIP Macquarie U.S. REIT Fund - Service Class8, 9, 12, 14, 15	Growth and Income	05/04/1998	0.21	6.04	2.74	2.74	3.14	1.88	3.24	4.87	3.38	6.38	
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 1/30/2026						
INCOME I														
LVIP BlackRock Inflation Protected Bond Fund - Service Class1, 9, 13	Income	04/30/2010	0.05	0.74	0.72	0.72	0.37	4.28	3.00	1.40	1.75	1.44		
LVIP Fidelity Institutional AM [*] Total Bond Fund - Service Class9, 12, 13	Income	05/16/2003	0.07	0.47	0.11	0.11	0.20	4.98	2.36	-1.48	1.15	3.00		
LVIP Franklin Templeton Core Bond Fund - Service Class9, 12, 13	Income	12/28/1981	0.05	0.50	0.19	0.19	0.32	5.56	2.36	-1.62	0.77	5.55		
LVIP Macquarie Diversified Floating Rate Fund - Service Class9, 12, 13, 18, 19	Income	04/30/2010	0.03	0.41	0.36	0.36	0.89	3.43	4.00	2.10	1.57	0.90		
LVIP Macquarie High Yield Fund - Service Class9, 12, 13, 20	Income	07/28/1988	0.15	0.53	0.26	0.26	1.58	6.68	6.76	2.79	4.67	5.02		
LVIP Mondrian Global Income Fund - Service Class1, 9, 10, 13	Income	05/04/2009	0.34	0.93	0.76	0.76	0.07	5.31	-0.29	-4.19	-0.82	0.47		
LVIP SSGA Bond Index Fund - Service Class9, 13, 22	Income	04/30/2008	0.03	0.39	0.11	0.11	0.18	5.14	2.03	-1.78	0.29	1.26		
PIMCO VIT Total Return Portfolio - Administrative Class7, 13	Income	12/31/1997	0.00	0.59	0.32	0.32	0.61	7.64	3.69	-0.81	1.28	3.44		
PRESERVATION OF CAPITAL PC														
LVIP Government Money Market Fund - Service Class 7-Day Current (Net/Gross) Yield as of 12/31/2025: 3.17%/3.81% ^{9, 17}	Preservation of Capital	01/07/1982	0.02	0.23	0.18	0.18	0.57	2.62	3.24	1.82	0.71	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	0.24	1.96	1.10	1.10	1.65	7.72	6.85	2.42	3.91	4.07		
LVIP Global Growth Allocation Managed Risk Fund - Service Class1, 2, 3, 9, 16	Risk Managed - Asset Allocation	05/03/2005	0.41	3.34	2.04	2.04	2.96	11.49	10.25	4.75	5.38	4.29		
LVIP Global Moderate Allocation Managed Risk Fund - Service Class1, 2, 3, 9, 16	Risk Managed - Asset Allocation	05/03/2005	0.34	2.79	1.71	1.71	2.41	9.46	8.89	3.82	4.79	4.26		
LVIP SSGA Global Tactical Allocation Managed Volatility Fund - Service Class1, 2, 3, 9, 11	Risk Managed - Asset Allocation	05/03/2005	0.49	3.83	2.57	2.57	3.73	13.48	10.09	5.78	5.80	3.94		
ASSET ALLOCATION ASA														
Fidelity [®] VIP Freedom 2055 Portfolio SM - Service Class 23, 7	Asset Allocation	04/11/2019	0.97	6.01	3.65	3.65	4.35	18.30	14.88	8.94	N/A	10.67		
Fidelity [®] VIP Freedom 2060 Portfolio SM - Service Class 23, 7	Asset Allocation	04/11/2019	0.93	6.03	3.68	3.68	4.31	18.34	14.89	8.93	N/A	10.69		
LVIP BlackRock Global Allocation Fund - Service Class1, 2, 9	Asset Allocation	04/26/2019	0.73	3.51	2.55	2.55	3.89	16.94	11.53	5.52	N/A	7.55		
LVIP T. Rowe Price 2020 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	0.40	2.81	1.85	1.85	2.51	11.42	9.22	4.62	6.00	4.01		
LVIP T. Rowe Price 2030 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	0.50	3.53	2.31	2.31	3.15	13.40	11.08	6.09	7.09	4.49		
LVIP T. Rowe Price 2040 Fund - Service Class3, 6, 9	Asset Allocation	05/01/2007	0.68	4.73	3.08	3.08	4.27	16.68	13.95	8.27	8.54	4.92		
LVIP T. Rowe Price 2050 Fund - Service Class3, 6, 9	Asset Allocation	04/29/2011	0.77	5.26	3.45	3.45	4.83	18.29	15.23	9.19	9.41	6.43		
LVIP T. Rowe Price 2060 Fund - Service Class3, 6, 9	Asset Allocation	04/30/2020	0.77	5.28	3.46	3.46	4.81	18.39	15.29	9.38	N/A	13.51		
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	-0.21	7.78	4.68	4.68	8.85	11.42	9.39	10.18	8.40	6.73		
LVIP Blended Large Cap Growth Managed Volatility Fund - Service Class9, 10, 11	Risk Managed - US Large Cap	02/03/1994	0.76	-2.57	-1.51	-1.51	-3.50	0.15	17.97	10.60	11.15	7.24		
RISK MANAGED - US MID CAP RMUSM														
LVIP Blended Mid Cap Managed Volatility Fund - Service Class8, 9, 10, 11	Risk Managed - US Mid Cap	05/01/2001	1.04	0.43	-0.34	-0.34	-3.31	-4.63	9.08	3.52	9.39	4.37		
LVIP JPMorgan Select Mid Cap Value Managed Volatility Fund - Service Class8, 9, 10, 11	Risk Managed - US Mid Cap	05/01/2001	0.17	7.32	3.48	3.48	6.21	0.25	6.90	8.40	6.69	5.85		
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	0.63	4.27	3.36	3.36	6.13	11.56	12.00	8.82	7.91	6.87		
LVIP SSGA International Managed Volatility Fund - Service Class1, 3, 9, 11	Risk Managed - Global/International	12/31/2013	1.04	7.88	4.93	4.93	8.15	23.68	12.12	6.82	5.31	2.82		
ESG/SOCIALLY CONSCIOUS ESC														
AB VPS Sustainable Global Thematic Portfolio - Class B1	ESG/Socially Conscious	01/11/1996	1.05	0.45	0.51	0.51	-3.52	2.08	6.05	2.09	9.73	5.32		
LVIP Macquarie Social Awareness Fund - Service Class9, 12, 21	ESG/Socially Conscious	05/02/1988	0.43	1.00	0.40	0.40	0.61	10.84	17.66	11.60	12.95	9.92		

* 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.

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Limitations and exclusions may apply.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

**DISTRICT
CORRESPONDENCE**
Board Meeting of February 18, 2026



Date: **Correspondence Sent To:**

1. 02/05/2026 Heidi Jones, Meraki Land Use Consulting
Goleta, CA
Subject: Sewer Service Availability/Sewer Service Connection for
Gymnasium
APN: 061-040-048 at 4540 Hollister Ave, Santa Barbara, CA 93117

2. 02/06/2026 Betsy Hayden & Jerry Plowman, Santa Barbara Elks #613
Santa Barbara, CA
Subject: Notice of Violation Permit – 350 mg/L Oil & Grease Discharge

3. 02/06/2026 Dan Goodard, Backyard Bowls
Goleta, CA
Subject: Notice of Violation Permit – 530 mg/L Oil & Grease Discharge

Letters also sent to:
-Carter Benson, Panino

Date: **Correspondence Received From:**

None

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