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.

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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.

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Meeting ID: 836 9946 7213
Passcode: 934683

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

Remote Location:
Open Office OSAKA, Hiranomachi,
Hiranomachi Century Building 2F&3F, 2-5-8, Hiranomachi,
541-0046 Osaka, Japan.

October 19, 2026

CALL TO ORDER: 6:30 p.m.

ROLL CALL OF MEMBERS

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

CONSIDERATION OF THE MINUTES OF THE BOARD MEETING

The Board will consider approval of the Minutes of the Regular Meeting of October 5, 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. REVIEW OF QUARTERLY CAPITAL IMPROVEMENT PROGRAM PROJECT STATUS REPORT

2. CONSIDERATION OF THE PURCHASE OF A MODULAR OFFICE TRAILER FOR ENVIRONMENTAL SERVICES DEPARTMENT STAFF
(Board may take action on this item.)

3. REVIEW AND CONSIDERATION OF DRAFT LETTER TO THE GOLETA WEST SANITARY DISTRICT BOARD OF DIRECTORS REGARDING PARTICIPATION IN DISTRICT'S SOLIDS HANDLING IMPROVEMENT PROJECT
   (Board may take action on this item.)

4. GENERAL MANAGER'S REPORT

5. LEGAL COUNSEL'S REPORT

6. COMMITTEE/DIRECTOR'S REPORTS AND APPROVAL/RATIFICATION OF DIRECTOR'S ACTIVITIES

7. PRESIDENT'S REPORT

8. ITEMS FOR FUTURE MEETINGS

9. CORRESPONDENCE
   (The Board will consider correspondence received by and sent by the District since the last Board Meeting.)

10. APPROVAL OF BOARD COMPENSATION AND EXPENSES AND RATIFICATION OF CLAIMS PAID BY THE DISTRICT
    (The Board will be asked to ratify claims.)

ADJOURNMENT

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

October 5, 2026

CALL TO ORDER: President Majoewsky called the meeting to order at 6:30 p.m.

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

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Steve Wagner, General Manager/District Engineer, Vyto Adomaitis, Assistant General Manager, Rob Mangus, Finance Director/Board Secretary, Guisel Razo, Interim Finance Manager, Reese Wilson, Engineering Manager, and Ryan Guiboa, General Counsel (via Zoom)

OTHERS PRESENT: David Linville, Director, Goleta Water District (via Zoom)
Tom Evans, Director, Goleta Water District (via Zoom)
Craig Geyer, Director, Goleta West Sanitary District (via Zoom)

APPROVAL OF MINUTES: Director Nevins made a motion, seconded by Director Frye, to approve the corrected minutes of the Regular Board meeting of 09/21/2026. The motion carried by the following vote:

(26/10/2159)

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

POSTING OF AGENDA: The agenda notice for this meeting was posted at the main gate of the Goleta Sanitary District and on the District's website 72 hours in advance of the meeting.

PUBLIC COMMENTS: None

BUSINESS:

1. CONSIDERATION OF POTENTIAL CAPITAL PROJECT FUNDING IMPACTS ASSOCIATED WITH GOLETA WEST SANITARY DISTRICT'S FISCAL YEAR 2026-27 BUDGET

   Mr. Wagner gave the staff report.

   There was Board consensus directing staff to draft a letter with these options to Goleta West Sanitary and return for future consideration.

2. CONSIDERATION OF FY27 ACTION PLAN STATUS REPORT

   Mr. Adomaitis gave the staff report. No Board action was taken on this presentation item.

3. CONSIDERATION OF PROPOSED ANNEXATION OF 4960 CATHEDRAL OAKS ROAD A.P.N. 067-090-005

   Mr. Adomaitis gave the staff report.

   Director Nevins made a motion, seconded by Director Glancy to authorize the General Manager to inform LAFCO that the District does not object to the proposed annexation of 4960 Cathedral Oaks Road A.P.N. 067-090-005.

   (26/10/2160)

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

4. GENERAL MANAGER'S REPORT

   Mr. Adomaitis gave the report.

5. LEGAL COUNSEL'S REPORT

   Mr. Guiboa reported on the State of Emergency Proclamation issued by Governor Gavin Newsom in preparation for a potentially historic El Niño event. Joint recommendations from state and local officials are expected to be issued on October 16, 2026.

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

   Director Nevins – No Report

   Director Frye – No Report

   Director Fuller – No Report

Director Glancy – Reported on the CSDA Leadership Academy he attended in September.

7. PRESIDENT'S REPORT
President Majoewsky – No Report

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

9. CORRESPONDENCE
The 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 09/22/2026 to 10/05/2026 as follows:

Running Expense Fund #4640	$	402,431.18
Depreciation Replacement Reserve Fund #4655	$	33,246.33

The motion carried by the following vote:

(26/10/2161)

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

ADJOURNMENT
There being no further business, the meeting was adjourned at 7:57 p.m.

ATTEST

Steven T. Majoewsky
Governing Board President

Robert O. Mangus, Jr.
Governing Board Secretary

AGENDA ITEM #1

AGENDA ITEM: 1

MEETING DATE: October 19, 2026

I. NATURE OF ITEM

Review of Quarterly Capital Improvement Program Project Status Report

II. BACKGROUND INFORMATION

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

The fourth quarterly CIP project status report of 2026 covering activities through October 16, 2026, is presented herein. The CIP project status report will be shared with GWSD and other plant partners pursuant to the project notification policy.

III. COMMENTS AND RECOMMENDATIONS

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

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

Biosolids and Energy Strategic Plan (BESP) Phase 1: This project includes the construction of a new anaerobic digester and cogeneration unit. Construction by Gateway Pacific Contractors began in 2023 and is nearing completion. The project is now in the commissioning phase and punch-list items are being completed.

Due to project delays, additional environmental monitoring services and construction management services have been required. The total project construction cost including executed change orders to date is $12,762,250. Staff is engaged in project closeout negotiations with the contractor, and staff estimates that the total project construction cost will remain under the original estimated construction cost of $12,773,870 after project closeout.

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

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

The 100% design has been completed by Hazen and an updated construction cost estimate was prepared based on the final design and environmental requirements. The projected construction cost estimate remains at $28,850,000, due to refined cost estimates for Construction Management, Engineering Services During Construction, and an allowance for contingencies during construction. The current construction cost is an estimate, and the total construction cost will not be finalized until the project is released for bid.

A draft participation agreement was sent to GWSD on July 29, 2026. On August 21, 2026, staff was informed that GWSD had restricted their funding of this project. Staff is actively seeking ways to keep this project on schedule, due to the high cost of delaying construction. Construction is currently estimated to start in the latter half of FY27, but this timeline could be delayed based on the timing and terms of the project participation agreement.

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

The estimated project construction cost is $5,575,000, with up to $2,600,000 of grant funding available to offset that cost. The net savings of the project over its 30-year lifespan, is conservatively estimated to be between $2,000,000 and $4,600,000.

Langan Environmental Services distributed an administrative draft of the MND to several reviewing agencies for preliminary review. TerraVerde Energy continues to act as owner's representative assisting the District with many aspects of the project.

At the Board's direction, 1,564 solar panels were purchased and are now stored onsite, and a purchase agreement was executed for three Eos Energy Z3 Cube batteries. These actions ensured that the project is safe-harbored against changes to the Inflation Reduction Act, securing eligibility for grant funding.

A Request for Qualifications and Proposals for final design and construction of the project was issued on January 5, 2026, and the response deadline was extended to March 5, 2026. The District received ten responses to the Request for Qualifications and Proposals. The Board authorized staff to enter into an Energy Services Agreement with Coldwell Energy on May 18, 2026, to perform the final design and installation of the Energy Storage Project. Staff has since canceled negotiations with Coldwell due to a lack of progress by the contractor. In order to keep the project on schedule, staff has resumed discussions with other qualified contractors.

A draft participation agreement was sent to GWSD on October 13, 2026.

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

IV. REFERENCE MATERIALS

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

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

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

	High Priority			Medium Priority				Low Priority				
Project Name	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**	**10-YEAR TOTAL**
Biosolids and Energy Phase 1 (Construction)	$ 2,284,854	$ 206,700										$ 2,491,554
Solids Handling Improvement Project (Design/Permitting)	$ 928,000	$ 50,000										$ 978,000
Solids Handling Improvement Project (Construction)		$ 1,700,000	$ 10,000,000	$ 9,500,000	$ 7,650,000							$ 28,850,000
Energy Storage Project [1]	$ 900,000	$ 2,000,000	$ 2,675,000									$ 5,575,000
Water Reclamation Plant (WRP) Rehab Detailed Design		$ 250,000		$ 250,000								$ 500,000
WRP Electrical and Comms CIP		$ 490,000	$ 630,000									$ 1,120,000
WRP Filter Cells CIP			$ 560,000	$ 560,000	$ 560,000	$ 560,000						$ 2,240,000
WRP Influent and Pretreatment CIP				$ 322,000								$ 322,000
WRP Effluent CIP					$ 381,388							$ 381,388
WRP Backwash System CIP						$ 576,961						$ 576,961
WRP CCC and Reservoir Concrete Sealing		$ 50,000										$ 50,000
Final Chlorine Contact Chamber CIP		$ 150,000	$ 200,000									$ 350,000
Chemical Storage Building CIP		$ 150,000	$ 270,000									$ 420,000
Environmental Services Office Trailer		$ 105,000										$ 105,000
Plant PLC CIP				$ 213,160								$ 213,160
Increased Biogas Utilization Project					$ 200,000	$ 3,500,000	$ 3,500,000					$ 7,200,000
Plant Cathodic Protection Rehab			$ 50,000	$ 250,000								$ 300,000
Outfall Investigation/Cathodic Protection CIP		$ 150,000		$ 85,260								$ 235,260
Secondary MCC Building CIP				$ 100,270								$ 100,270
Secondary Aeration Basin CIP				$ 429,630								$ 429,630
Effluent Area CIP					$ 566,450	$ 566,450	$ 566,450					$ 1,699,350
Headworks CIP						$ 389,585	$ 389,585					$ 779,170
Secondary Clarifier CIP					$ 376,700							$ 376,700
Solids Stabilization Area CIP						$ 426,400	$ 426,400					$ 852,800
New Office Building CIP						$ 546,330	$ 546,330					$ 1,092,660
Plant CIP Placeholder TBD								$ 4,000,000				$ 4,000,000
Plant CIP Placeholder TBD									$ 4,000,000			$ 4,000,000
Plant CIP Placeholder TBD										$ 4,000,000		$ 4,000,000
Plant CIP Placeholder TBD											$ 4,000,000	$ 4,000,000
Total	**$ 4,112,854**	**$ 5,301,700**	**$ 14,385,000**	**$ 11,710,320**	**$ 9,734,538**	**$ 6,565,726**	**$ 5,428,765**	**$ 4,000,000**	**$ 4,000,000**	**$ 4,000,000**	**$ 4,000,000**	**$ 73,238,903**

Active Major Projects
Update For October 2026

Changes For October 2026:

[1] Revised construction timeline and budget to align with project delivery

GOLETA SANITARY DISTRICT
Capital Improvement Program
Active Projects Update
October 2026

Project Name	Description	Status	Construction Cost Estimate	Next Step	Changes
BESP Phase 1	Installation of new 500k gal. digester, new 160kW Combined Heat and Power System, gas conditioning system, and associated utility and electrical work.	Digester construction is substantially complete. Programming is nearing completion.	$12.7M	Finalization of Interconnect Agreement with SCE, equipment commissioning	Estimated completion in November 2026
Solids Handling Improvement Project	Installation of new thermal dryer, and pelletizer to be located in a new solids building adjacent to sludge drying beds. New utility and electrical equipment associated with facility.	Environmental documents are complete, and County of Santa Barbara permitting is nearing completion. 100% Design is complete.	$28.8M	Develop participation agreement with Goleta West Sanitary District.	Project timing could be delayed based on scope and/or approval of participation agreement by GWSD.
Energy Storage Project	Installation of new solar panels, battery storage, and microgrid controller on District campus pursuant to GC 4217. New utility and electrical equipment associated with infrastructure.	Environmental and permitting documents are in progress. Solar panels purchased and delivered. Installer selection underway. Submitted project participation agreement to Goleta West Sanitary District for consideration.	$5.58M	Execute energy services contract with installer to complete design and install project. Complete environmental, permitting, and funding documents as appropriate.	Project timing could be delayed based on scope and/or approval of participation agreement by GWSD.

AGENDA ITEM #2

AGENDA ITEM: 2

MEETING DATE: October 19, 2026

I. NATURE OF ITEM

Consideration of the Purchase of a Modular Office Trailer for Environmental Services Department Staff

II. BACKGROUND INFORMATION

In order to accommodate the expansion of the Environmental Services Department and succession planning efforts, additional office workspaces are needed. The proposed solution includes two additional office spaces as well as a meeting space which can be used for additional workstations if needed. Staff has reviewed office space options and has determined that a modular office trailer is the most cost-effective solution to accommodate the expansion.

Staff has consulted with modular office trailer vendors to identify units that meet the District's needs. Quotes were received from Mobile Modular Management Corporation (Mobile Modular) and Atlas Performance Industries, Inc. for used, refurbished, and new office trailers. A summary of the received quotes is tabulated below.

Vendor	Condition	Quotes
Mobile Modular	Used	$39,000 - $45,000
Mobile Modular	Refurbished	$85,300
Atlas Performance Industries Inc.	New	$134,000

The preferred office trailer layout has one office at each end and an open central area that can serve as a meeting room or shared workspace.

III. COMMENTS AND RECOMMENDATIONS

The quotes for used office trailers were both within the anticipated range needed to keep the project within budget. Unfortunately, used inventory turns over quickly, and the quoted units are no longer available. Staff anticipates that future quotes for a used office trailer could exceed the General Manager's purchase authority of $50,000. Based on the quotes received to date, it is anticipated that a high-quality used office trailer can be purchased for less than $60,000.

In order to ensure that the right unit can be purchased quickly, staff recommends that the Board authorize the General Manager to purchase a used modular office trailer for an amount not to exceed $60,000.

IV. REFERENCE MATERIALS

None

AGENDA ITEM #3

AGENDA ITEM: 3

MEETING DATE: October 19, 2026

I. NATURE OF ITEM

Review and Consideration of Draft Letter to the Goleta West Sanitary District Board of Directors Regarding Participation in District's Solids Handling Improvement Project

II. BACKGROUND INFORMATION

On August 21, 2026, staff was informed that the Goleta West Sanitary District (GWSD) Board approved their Fiscal Year 2026-27 (FY27) budget with a condition that they will not fund any non-mandated capital projects for FY27 to allow time to complete a financial analysis of their Force Main Replacement (FMR) project.

The replacement of the GWSD force mains is required to reduce the risk of future sewer system overflows into the Goleta Slough. As such, GWSD has made the timely completion of the FMR project their top priority.

The total cost of the GWSD FMR project is unknown at this time but could be close to $25M or more depending on the final scope of the project and pipeline alignment. It is our understanding that the cost and timing of the FMR project is the primary reason why GWSD included the funding restriction on non-mandated capital improvements in the approval of their FY27 budget.

GWSD's funding restriction is not specific as to how it is intended to be applied. However, based on conversations with GWSD staff, we believe the intent of the restriction was primarily related to GWSD's participation in the near-term construction of District's Solids Handling Improvement Project (SHIP) and Energy Storage Project.

On September 8, 2026, the GWSD finance committee met to consider an analysis of the potential costs of participating in the SHIP and Energy Storage Project with and without financing and/or rate increases in light of their planned force main replacement project. That analysis shows that GWSD can't fund both the FMR and SHIP/Energy Storage Project on their current schedule without issuing debt and/or increasing their sewer service rates.

At the September 8 meeting, one of the GWSD Board committee members expressed support in moving forward with the Energy Storage Project, due in part to the lower estimated construction cost, and immediate reduction in electricity costs. However, based on the updated financial analysis, the GWSD Board does not support participating in the construction of SHIP project at this time due to the pending FMR project.

On October 5, 2026, staff provided a presentation on a preliminary financial analysis related to the costs associated with delaying the SHIP project along with a separate analysis of the costs associated with moving forward with the project with and without GWSD's financial participation in the near term. A copy of the report from October 5, 2026, along with its supporting financial analysis is attached to this report.

Based on the Board discussion and direction at the October 5, 2026 meeting, staff completed an analysis of the estimated annual cost and benefits of the SHIP project once construction is completed. Based on the assumptions used (growth rate of future costs) the analysis shows the estimated net project benefits (reduction in operations costs associated with biosolids hauling and disposal) exceed the estimated construction cost in 20 years. A copy of the SHIP cost/benefit study is attached to this report.

III. COMMENTS AND RECOMMENDATIONS

A review of the preliminary financial analyses prepared to date on this issue lead to the following conclusions:

1. GWSD can't afford to pay for both their FMR project and the allocated cost of the SHIP project as currently scheduled without issuing additional debt or increasing their sewer service charge rates.
2. GWSD can't delay the FMR project.
3. GWSD's decision to participate in the SHIP project will likely be delayed until the actual costs of the FMR project are known, which could take a year or more.
4. The ability of GWSD to fund their portion of the SHIP project, if they decide to participate, could be further delayed due to elevated interest rates and debt coverage requirements.
5. GSD can't cover GWSD's portion of the SHIP project costs as currently scheduled without issuing additional debt or raising sewer service charge rates.
6. The main problem is having the FMR and SHIP projects occurring at or near the same time.
7. The cost of delaying the SHIP project is significant, roughly $2M increase per year. This exceeds the cost of financing GWSD's allocated project costs in the near term.
8. The cost of debt issued to cover GWSD's allocated share of construction costs could be partially offset by GWSD's allocated net SHIP project benefits (reduction in operational expenses associated with biosolids hauling and disposal).
9. It appears that there could be a way to keep the FMR and SHIP projects on schedule by allowing the delayed payment of GWSD's allocated SHIP project costs in such a way that neither agency would have to issue additional debt or raise rates. This could be done through an inter-agency loan from GSD to GWSD at the opportunity cost of GSD funds pursuant to a project agreement.

On October 5, 2026, the Board directed staff to prepare a draft letter to the GWSD Board to determine if GWSD is interested in considering an inter-agency loan from GSD for their allocated share of the SHIP project construction costs in order to avoid the costs of delay. A draft letter to the GWSD Board is attached to this report for Board review and discussion.

Staff is seeking the Board's input and direction on the draft letter. If GWSD is interested in pursuing an inter-agency loan option for financing their portion of the SHIP project, staff would work with GWSD to prepare an updated financial analysis and draft participation agreement that includes an inter-agency loan to allow the SHIP project to move forward as currently scheduled. The resulting draft project agreement would be brought to the Board for further consideration.

IV. REFERENCE MATERIAL

Report on Consideration of Potential Capital Project Funding Impacts Associated with GWSD, Dated October 5, 2026

SHIP 20-Year Cash Flow Model

SHIP Cost/Benefit Analysis by Agency

Draft Letter to the GWSD Board of Directors

AGENDA ITEM: 1

MEETING DATE: October 5, 2026

I. NATURE OF ITEM

Consideration of Potential Capital Project Funding Impacts Associated with Goleta West Sanitary District's Fiscal Year 2026-27 Budget

II. BACKGROUND INFORMATION

On August 21, 2026, staff was informed that the Goleta West Sanitary District (GWSD) Board approved their Fiscal Year 2026-27 (FY27) budget with a condition that they will not fund any non-mandated capital projects to allow time to complete a financial analysis of their Force Main Replacement (FMR) project.

The replacement of the GWSD force main is required to reduce the risk of future sewer system overflows into the Goleta Slough. As such, GWSD has made the timely completion of this project their top priority.

The total cost of the GWSD FMR project is unknown at this time but could be $20M or more depending on the final scope of the project and pipeline alignment. It is our understanding that the cost and timing of this project is the primary reason why GWSD included the funding restriction on non-mandated capital improvements in the approval of their FY27 budget.

While GWSD's FY27 capital funding restriction isn't specific, we believe the intent was for it to apply to the District's Solids Handling Improvement Project (SHIP) and Energy Storage Project (ESP). We have asked GWSD for further clarification on the funding restriction and duration as there are several smaller capital projects that are included in the District's FY27 Budget that were presented to GWSD in May 2026.

As with any large-scale project, the effort and costs associated with getting the SHIP and ESP projects ready for construction have been considerable and the costs associated with delaying these projects could be significant based on the duration of the delay.

Staff has prepared a preliminary analysis of the potential costs associated with delaying these projects along with a financial analysis of moving forward with the projects with and without GWSD's financial participation in the near term. Kevin Kostuik of Raftelis was hired to assist in the financial analysis as he developed our recent rate model, which includes a capital funding analysis which has been updated for this effort.

On September 8, 2026 the GWSD's Board Finance Committee met to consider the potential cost of participating in the SHIP and ESP projects with and without financing and/or rate increases in light of their planned force main replacement

project. At that meeting, the GWSD Board committee members expressed their support in moving forward with the Energy Storage Project, due in part to the lower estimated construction cost, and ongoing reduction in electricity costs. However, based on their updated financial analysis, they remain concerned with participating in the SHIP project at this time.

Another GWSD finance committee meeting was scheduled for October 2, 2026 to review possible financing options given current market conditions. Staff attended the committee meeting and provide a brief verbal update to the board.

Copies of the District's financial analysis, the cost of delay analysis, and excerpts from the GWSD financial analysis are attached to this report and presented herein for Board consideration. These analyses are preliminary in nature and are intended to provide a "bookend" approach by identifying possible ways to keep these projects moving forward.

III. COMMENTS AND RECOMMENDATIONS

The estimated costs of the District's SHIP and ESP projects were included in the financial analysis that GWSD conducted as part of their last sewer service rate study in 2022. However, the force main replacement project was not included as the spill didn't occur until 2024 and the scope and costs of the project are still being developed.

Based on preliminary estimates, the cost of the GWSD force main project could be twice the amount of the GWSD-allocated cost share allocation for the SHIP project. GWSD's updated financial analysis shows that the combined cost of the FMR and SHIP project exceeds their current funding capacity and that participating in the SHIP and ESP projects as originally planned would require raising rates and/or issuing additional debt.

The District's financial analysis is focused on the SHIP project costs only as the ESP project can go forward with or without GWSD's participation without a significant future funding impact due to the estimated operation cost savings upon completion of the project. The analysis includes several timing and repayment options for GWSD's allocated share of the total project costs. This analysis shows how delaying GWSD's participation for one, two, or five years with differing payback schedules would affect the District's future capital fund balance. It also shows that the District would need to either issue additional debt or raise sewer service rates in the future if GWSD doesn't eventually pay for their portion of the SHIP project.

The Cost of Delay analysis shows the estimated increase in SHIP project costs along with the cost of delaying the project's financial benefits on an annual basis. This shows that the cost of delay is over $2M per year.

When taken together, these preliminary financial analyses lead to the following conclusions:

1. GWSD can't afford to pay for both the SHIP and FMR projects as currently scheduled without issuing additional debt or raising their rates.
2. GSD can't cover GWSD's portion of the SHIP project costs as currently scheduled without issuing additional debt or raising rates.
3. The main problem is having the SHIP and FMR projects occurring at or near the same time.
4. GWSD can't delay the FMR project.
5. The cost of delaying the SHIP project is significant and exceeds the cost of financing additional debt.
6. It appears that there could be a way to keep the FMR and SHIP projects on schedule by allowing a delayed reimbursement of GWSD's allocated SHIP project costs in such a way that neither agency would have to issue additional debt or raise rates. This could be done through an inter-agency loan from GSD to GWSD at the opportunity cost of GSD funds pursuant to a project agreement.

Staff is seeking the Board's input and direction on this issue. If the Board supports the concept of an inter-agency loan pursuant to a project agreement, staff will present the concept to GWSD and see if they are interested in pursuing this option. If GWSD is interested in this option, staff would prepare an updated financial analysis and work with GWSD to prepare a draft participation agreement that includes an inter-agency loan to allow the SHIP project to move forward as scheduled. The draft project agreement would be brought back to the Board for further consideration.

IV. REFERENCE MATERIAL

GWSD CIP Financial Plan Analysis

GSD SHIP Finance Alternatives Analysis

SHIP Cost of Delay Analysis

Financial Plan Options Detail

Low Forcemain Estimate

- $17.5M estimate
- Four year construction over FY 2027 – FY 2030
- Significant spend year in FY 2029 ($10.5M)

High Forcemain Estimate

- $22.7M estimate
- Four year construction over FY 2027 – FY 2030
- Significant spend year in FY 2029 ($15.2M)
- Difference from Low estimate is largely in trenchless construction cost component

SHIP & Energy Storage

- GSD treatment plant related projects
- Energy storage in FY 2027 estimated at $4.5M total ($1.8M cost share to GWSD with future power saving offsets)
- Solids Handling Improvement Project (SHIP) estimated at $28.9M total ($11.8M cost share to GWSD)

Debt Financing

- Any options that assume debt financing means external borrowing for capital projects
- Assumptions for modeling:
  - 5% interest rate
  - 1.5% cost of issuance
  - 30 year term

Financial Plan Options: Five Year Forecast of Annual Increases to Sewer Service Charges

		FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
FP Options - w/Debt Financing	**Proceeds**					
Low Forcemain + SHIP & Energy Storage Project	$5,000,000	**0.0%**	**1.0%**	**1.0%**	**1.0%**	**1.0%**
Low Forcemain No SHIP & Energy Storage Project	$0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
High Forcemain + SHIP & Energy Storage Project	$10,000,000	**0.0%**	**3.0%**	**3.0%**	**1.0%**	**1.0%**
High Forcemain No SHIP & Energy Storage Project	$0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
FP Options - w/out Debt Financing (Cash Only)						
Low Forcemain + SHIP & Energy Storage Project	$0	**7.0%**	**7.0%**	**6.0%**	**0.0%**	**0.0%**
Low Forcemain No SHIP & Energy Storage Project	$0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
High Forcemain + SHIP & Energy Storage Project	$0	**16.0%**	**16.0%**	**16.0%**	**0.0%**	**0.0%**
High Forcemain No SHIP & Energy Storage Project	$0	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

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Goleta Sanitary

Water Resource Recovery District

SHIP Financial Modeling

Preliminary Results
September 2026

Options Detail

Option 1: GWSD Participation after One Year

- Participation delayed one year
- Reimbursements from GWSD begin in FY 2028 rather than FY 2027
- Cash expenditures of $1.7M in FY 2027
- Would have to float $693k cash in between

Option 2: GWSD Participation Mid-Construction (FY 2029)

- Participation delayed two to three years
- Reimbursements begin around calendar year 2029
- Cash expenditures of approx. $16.5M estimated at Jan. 2029
- Would have to float $6.71M on GWSD's behalf

Option 3: GWSD Participation at Completion

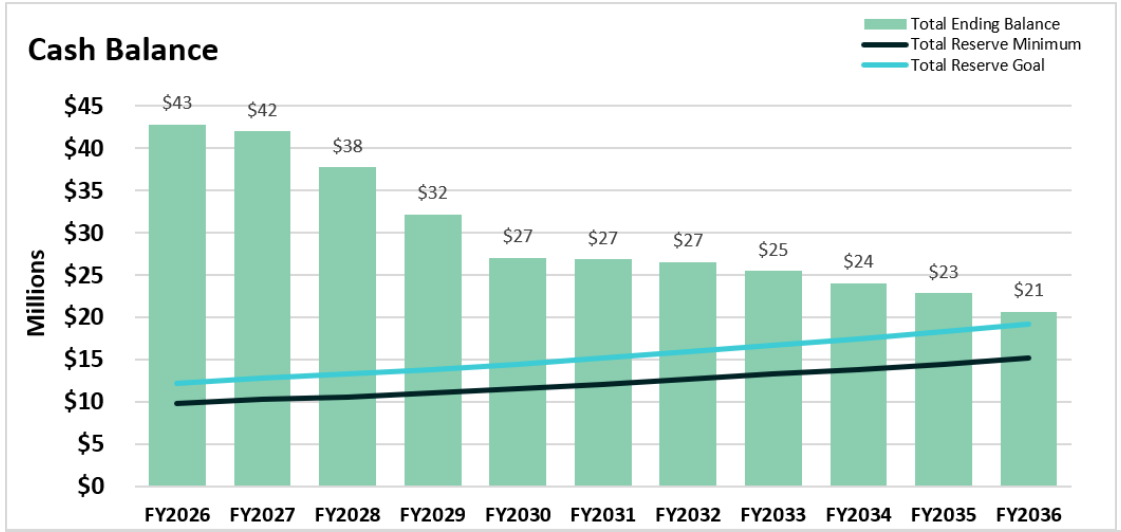
- Participation delayed five years
- Reimbursements begin in FY 2031, the year following completion
    - Assumes 5-year repayment schedule and 3.5% interest rate
- Cash expenditures of $28.85M
- Would have to float $11.77M on GWSD's behalf

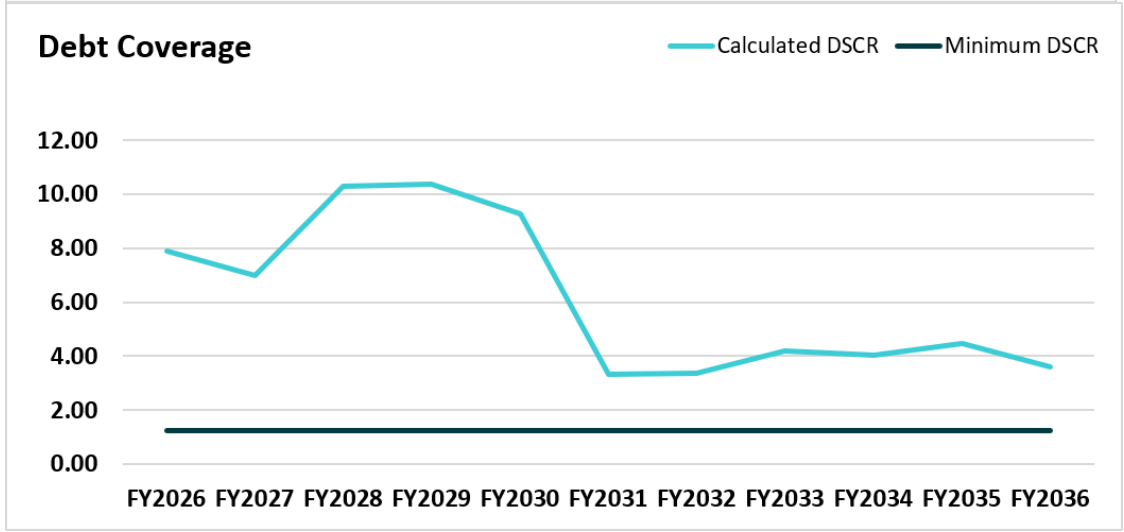
Option 4: No GWSD Parctication ("Go It Alone")

- No GWSD Participation
- GSD would incur the full capital amount of it's own share plus the GWSD share
    - i.e., the GSD 49.29% + the GWSD 40.78%
    - Total of 90.07% of project costs
- Total cash expenditure of $25.99M (net of UCSB and Airport contributions)
- Would incur GWSD's share of $11.77M

Status Quo: Rate Study w/CIP Update (Assumes GWSD Participation)

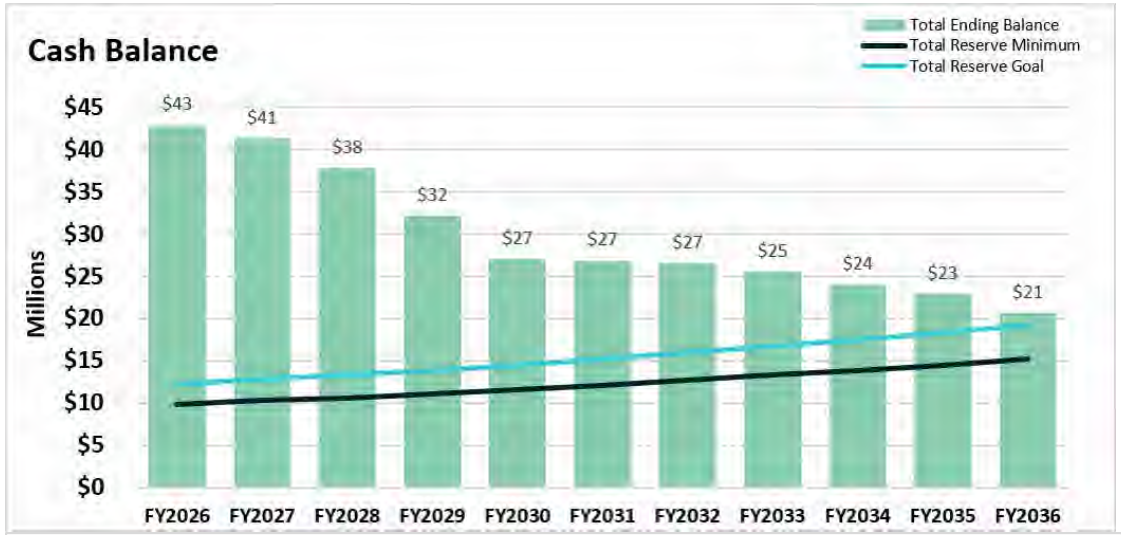
Fiscal Year	SHIP Expend. ($)	GWSD Reimburs.
2027	$1.7M	**$693k**
2028	$10M	**$4.08M**
2029	$9.5M	**$3.87M**
2030	$7.65M	**$3.12M**
2031		
2032		
2033		
2034		
2035		
Total	**$28.9M**	**$11.77M**

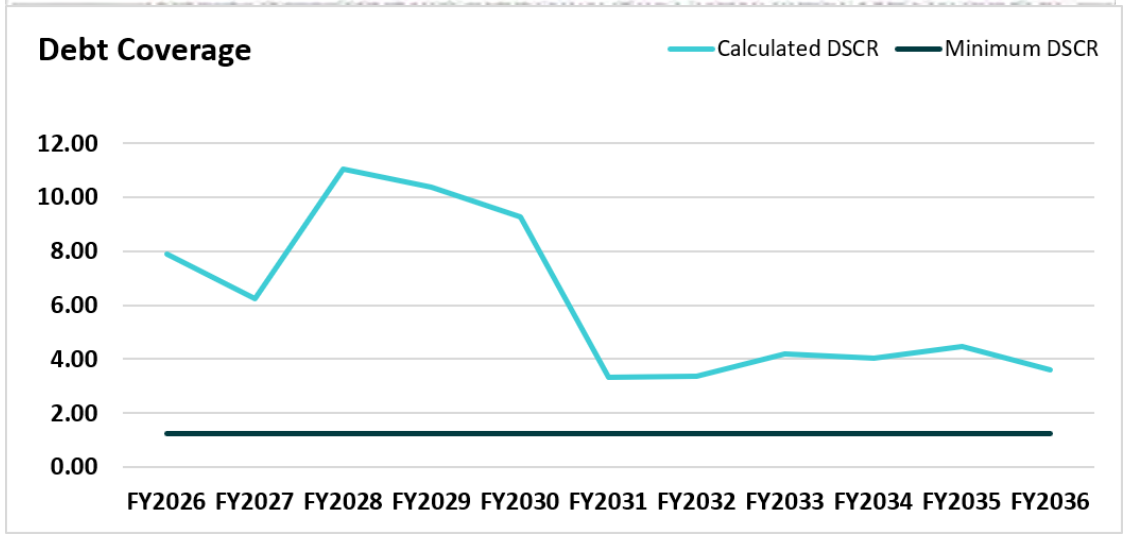




Option 1: One Year Deferral

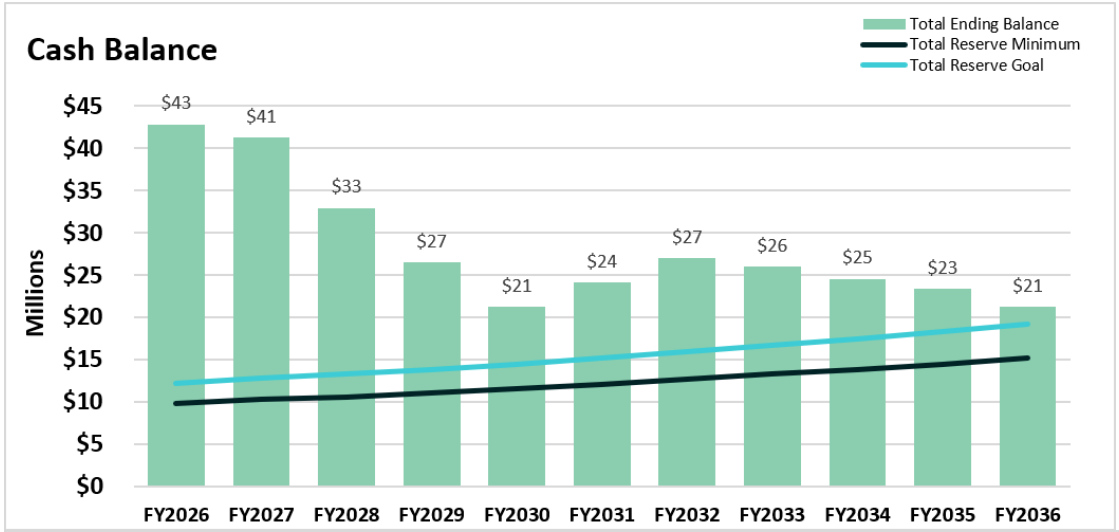
Fiscal Year	SHIP Expend. ($)	GWSD Reimburs.
2027	$1.7M	**$0**
2028	$10M	**$4.77M**
2029	$9.5M	$3.87M
2030	$7.65M	$3.12M
2031		
2032		
2033		
2034		
2035		
Total	**$28.9M**	**$11.77M**

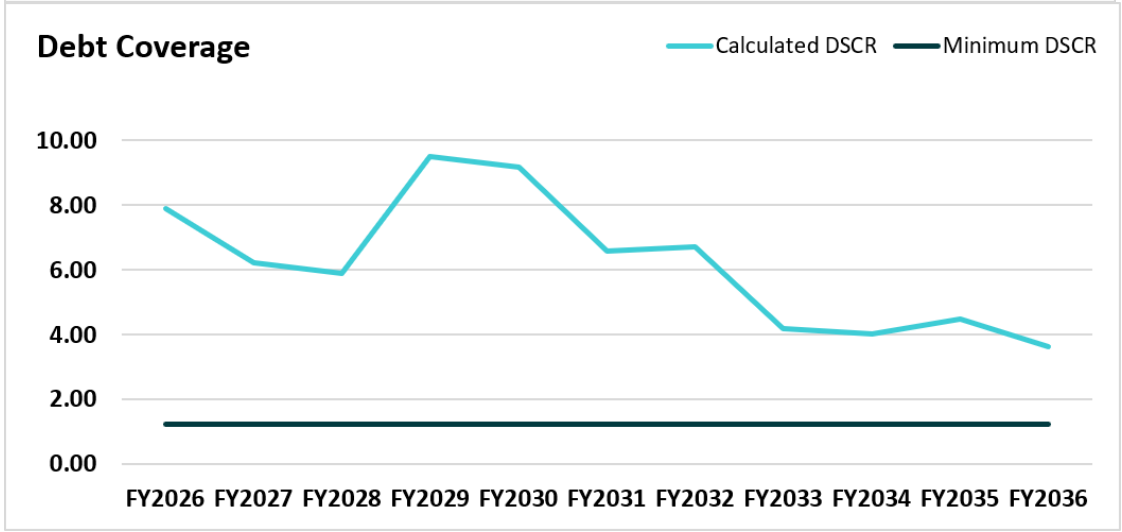




Option 2: Mid-Point Construction Deferral

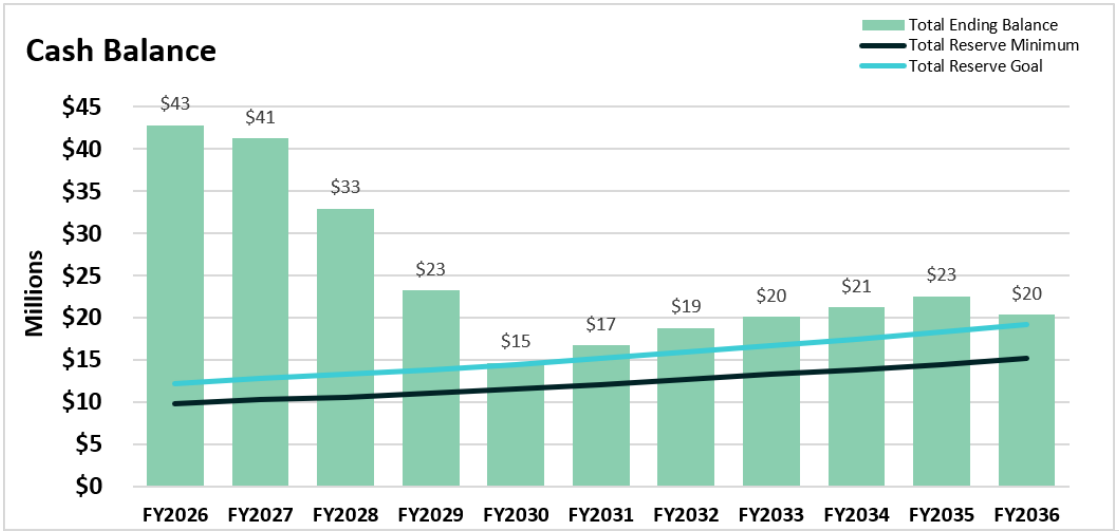
Fiscal Year	SHIP Expend. ($)	GWSD Reimburs.
2027	$1.7M	
2028	$10M	
2029	$9.5M	**$3.2M**
2030	$7.65M	**$3.2M**
2031		**$3.2M**
2032		**$3.2M**
2033		
2034		
2035		
Total	**$28.9M**	**$12.81M**

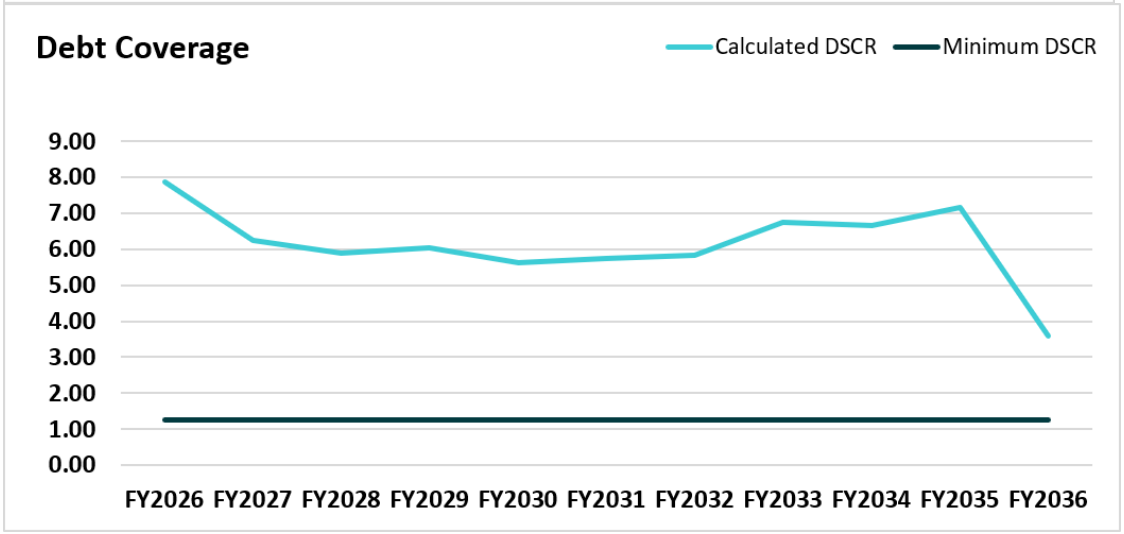




Option 3: Participate After Project Completion

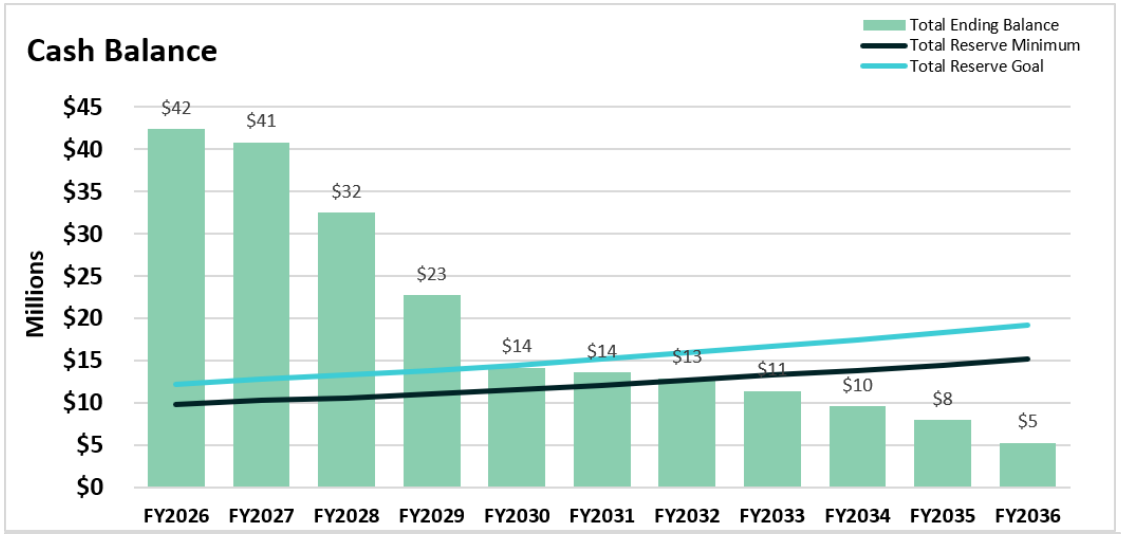
Fiscal Year	SHIP Expend. ($)	GWSD Reimburs.
2027	$1.7M	
2028	$10M	
2029	$9.5M	
2030	$7.65M	
2031		**$2.6M**
2032		**$2.6M**
2033		**$2.6M**
2034		**$2.6M**
2035		**$2.6M**
Total	**$28.9M**	**$13.03M**

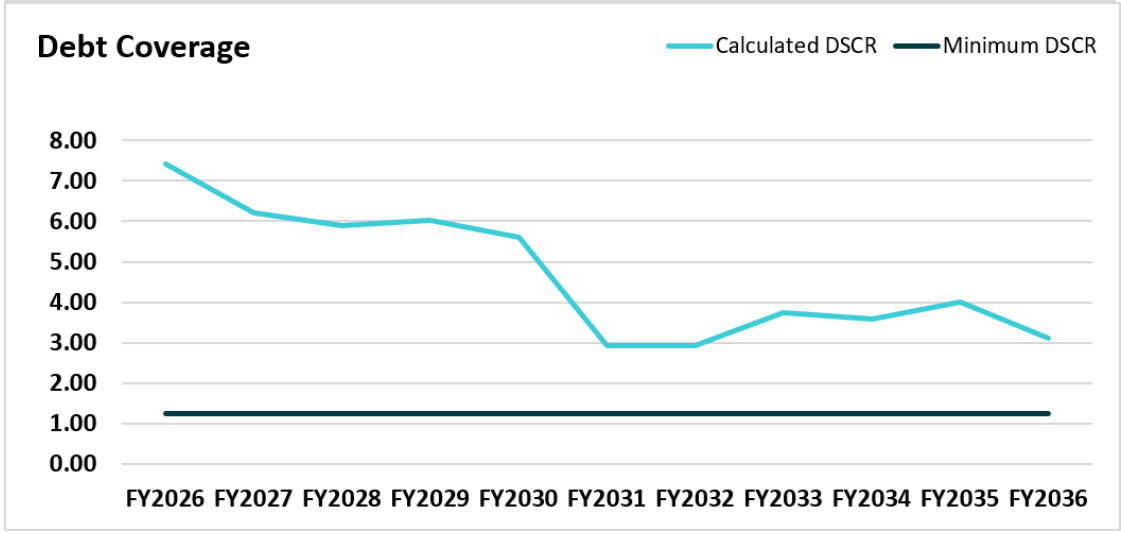




Option 4: No GWSD Participation

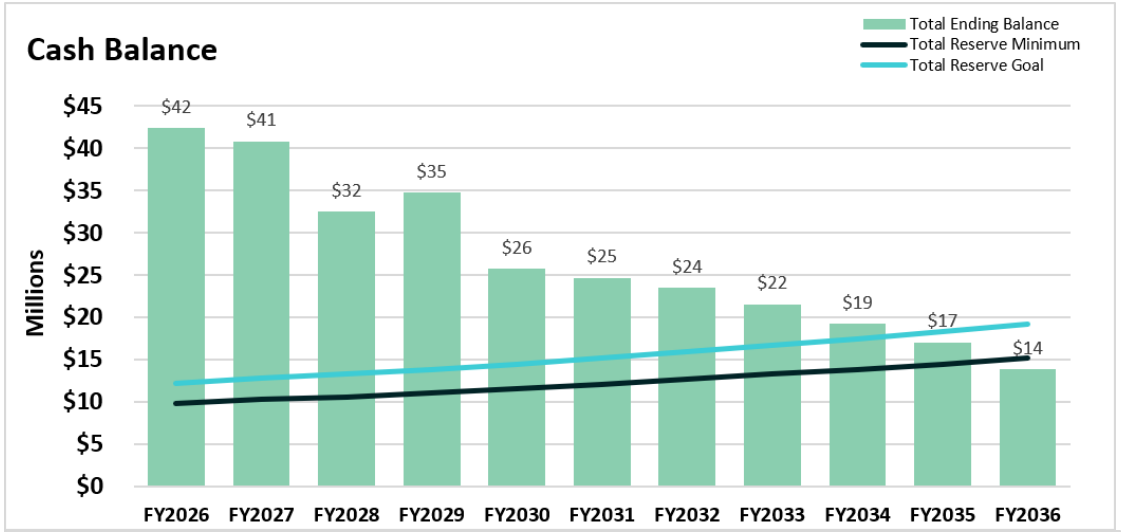
Fiscal Year	SHIP Expend. ($)	GWSD Reimburs.
2027	$1.7M	**$0**
2028	$10M	**$0**
2029	$9.5M	**$0**
2030	$7.65M	**$0**
2031		**$0**
2032		**$0**
2033		**$0**
2034		**$0**
2035		**$0**
Total	**$28.9M**	**$0**

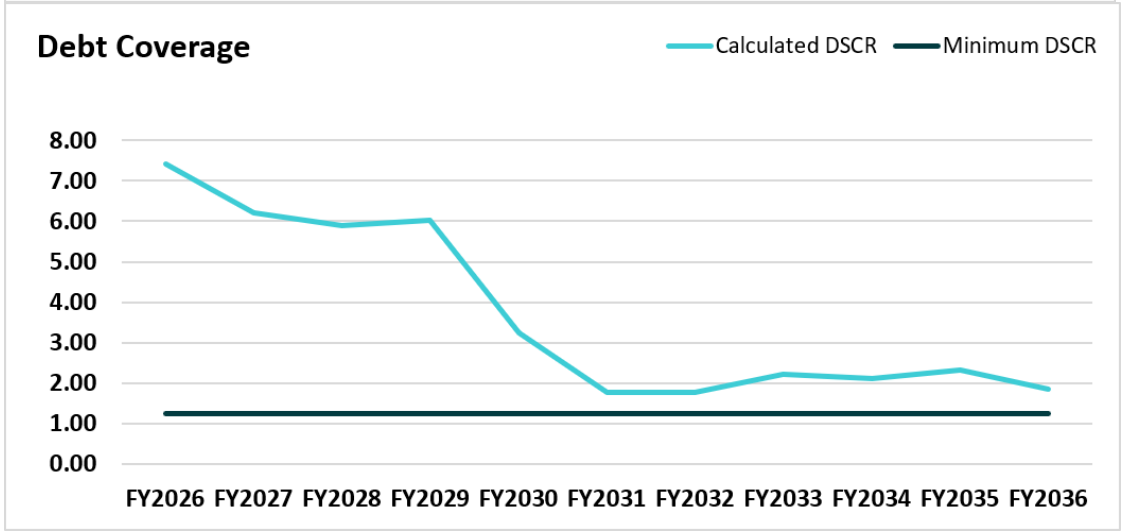




Option 4 w/GSD Financing Solution

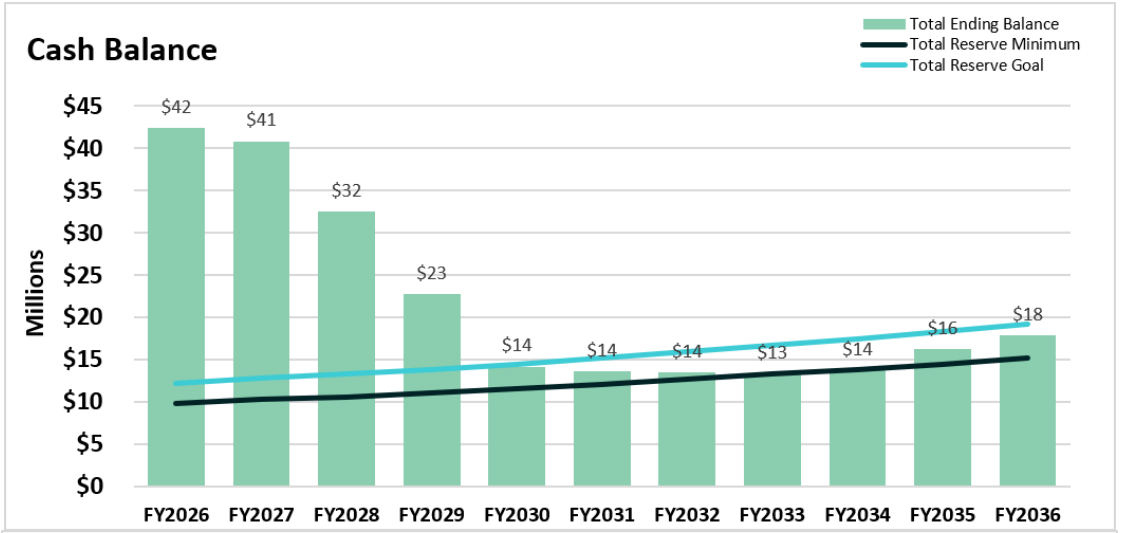
Fiscal Year	Debt	Rate Increase
2027	$0	4%
2028	$0	4%
2029	$12M	4%
2030	$0	4%
2031	$0	4%
2032	$0	4%
2033	$0	4%
2034	$0	4%
2035	$0	4%
2036	$0	4%

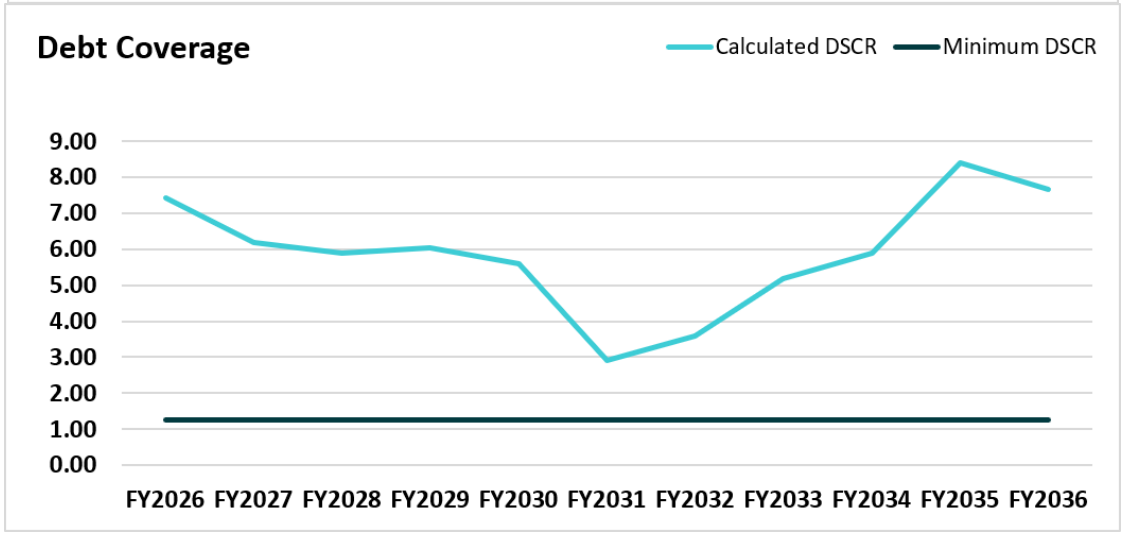




Option 4 w/Higher Rate Increases in Next Cycle

Fiscal Year	Debt	Rate Increase
2027	$0	4%
2028	$0	4%
2029	$0	4%
2030	$0	4%
2031	$0	4%
2032	$0	9%
2033	$0	9%
2034	$0	9%
2035	$0	9%
2036	$0	9%





Financial Plan Discussion

- Option 1 has almost no effect on cash
- Option 2 levels GWSD annual contributions to SHIP and includes foregone interest earnings to make GSD whole
- Option 3 builds on Option 2 but defers repayment entirely until project completion
- Option 4 (go it alone) draws cash down to $5M. Corrective action options:
  - Borrow and finance up to $12M for the GWSD share. Or,
  - Next rate cycle revenue adjustments of 9% per year

Cost of Delay Analysis

Current Construction Cost Estimate: $28,853,181

Scheduled Start of Construction: April 2027

Scheduled Construction Duration: 3 Years

Years Delay	Construction Cost of Delay	Thermal Dryer Cost of Delay	Permitting Cost of Delay	Delayed Construction Cost	Estimated Opportunity Cost of Hauling*	**Cost of Delay**
0	$0	$0	$0	$28,853,181	$0	**$0**
1	$1,007,700	$435,000	$5,200	$30,301,040	$711,200	**$2,158,900**
2	$2,065,700	$891,800	$81,100	$31,891,752	$1,473,200	**$4,511,600**
3	$3,177,000	$1,371,300	$84,400	$33,485,528	$2,289,700	**$6,922,700**

*The opportunity cost of hauling is calculated as the projected cost of hauling at end of the *delayed* construction schedule minus the projected cost of hauling at the end of the *original* construction schedule. The opportunity cost compounds each year that construction is delayed.

Assumptions:

- After 1 year, file for extension on APCD ATC
- After 2 years, new APCD ATC, new County CDP, and MND Addendum
- No significant design changes or new regulatory requirements requiring major rework of documents
- The high estimate of permitting rework costs is $120,000, not accounting for escalation
- Annual Escalation Rates:
  - Construction Cost: 5%
  - Dryer Cost: 5%
  - Hauling Cost: 7%
  - Soft Cost: 4%
  - Natural Gas Cost: 5%

20-Year Cash Flow Model

Yr	FY	Projected Hauling Cost	Hauling Savings	Natural Gas Cost	Maintenance Costs	Net Savings	Capital Cost	Net Annual Cashflow	Cumulative Cashflow
1	2027	$0	$0	$0	$0	$0	($1,700,000)	($1,700,000)	($1,700,000)
2	2028	$0	$0	$0	$0	$0	($10,000,000)	($10,000,000)	($11,700,000)
3	2029	$0	$0	$0	$0	$0	($9,500,000)	($9,500,000)	($21,200,000)
4	2030	$0	$0	$0	$0	$0	($7,650,000)	($7,650,000)	($28,850,000)
5	2031	($1,009,313)	$807,450	($55,913)	($4,800)	$746,737	$0	$746,737	($28,103,263)
6	2032	($1,079,965)	$863,972	($58,709)	($4,811)	$800,452	$0	$800,452	($27,302,811)
7	2033	($1,155,562)	$924,450	($61,644)	($12,294)	$850,511	$0	$850,511	($26,452,300)
8	2034	($1,236,452)	$989,161	($64,727)	($5,006)	$919,429	$0	$919,429	($25,532,871)
9	2035	($1,323,003)	$1,058,403	($67,963)	($70,498)	$919,942	$0	$919,942	($24,612,929)
10	2036	($1,415,614)	$1,132,491	($71,361)	($25,208)	$1,035,922	$0	$1,035,922	($23,577,007)
11	2037	($1,514,707)	$1,211,765	($74,929)	($5,322)	$1,131,514	$0	$1,131,514	($22,445,493)
12	2038	($1,620,736)	$1,296,589	($78,676)	($138,315)	$1,079,598	$0	$1,079,598	($21,365,895)
13	2039	($1,734,188)	$1,387,350	($82,609)	($26,257)	$1,278,484	$0	$1,278,484	($20,087,411)
14	2040	($1,855,581)	$1,484,465	($86,740)	($208,521)	$1,189,204	$0	$1,189,204	($18,898,208)
15	2041	($1,985,471)	$1,588,377	($91,077)	($5,790)	$1,491,510	$0	$1,491,510	($17,406,698)
16	2042	($2,124,454)	$1,699,563	($95,631)	($38,556)	$1,565,377	$0	$1,565,377	($15,841,321)
17	2043	($2,273,166)	$1,818,533	($100,412)	($31,055)	$1,687,066	$0	$1,687,066	($14,154,255)
18	2044	($2,432,288)	$1,945,830	($105,433)	($6,178)	$1,834,219	$0	$1,834,219	($12,320,036)
19	2045	($2,602,548)	$2,082,038	($110,704)	($217,729)	$1,753,605	$0	$1,753,605	($10,566,431)
20	2046	($2,784,726)	$2,227,781	($116,240)	($174,787)	$1,936,754	$0	$1,936,754	($8,629,677)
21	2047	($2,979,657)	$2,383,726	($122,052)	($11,003)	$2,250,671	$0	$2,250,671	($6,379,006)
22	2048	($3,188,233)	$2,550,586	($128,154)	($52,952)	$2,369,480	$0	$2,369,480	($4,009,526)
23	2049	($3,411,409)	$2,729,127	($134,562)	($6,907)	$2,587,658	$0	$2,587,658	($1,421,867)
24	2050	($3,650,208)	$2,920,166	($141,290)	($275,076)	$2,503,800	$0	$2,503,800	$1,081,933
	Total	**($41,377,280)**	**$33,101,824**	**($1,848,826)**	**($1,321,065)**	**$29,931,933**	**($28,850,000)**	**$1,081,933**	

= Project Construction Period

Annual Construction Cost Inflation	5%
Annual Dryer Cost Inflation	5%
Annual Hauling Cost Inflation	7%
Annual Soft Cost Inflation	4%
Annual Natural Gas Cost Inflation	5%
Biosolids Hauling Reduction	80%
Hauling Cost 2027	($770,000)
Natural Gas Cost 2027	($46,000)

Annual Estimated Project Cost/Benefit by Agency

Yr	FY	47.87% GSD	40.78% GWSD	7.09% UCSB	2.84% City of SB	1.42% SB County	Total
1	2027	($813,790)	($693,260)	($120,530)	($48,280)	($24,140)	($1,700,000)
2	2028	($4,787,000)	($4,078,000)	($709,000)	($284,000)	($142,000)	($10,000,000)
3	2029	($4,547,650)	($3,874,100)	($673,550)	($269,800)	($134,900)	($9,500,000)
4	2030	($3,662,055)	($3,119,670)	($542,385)	($217,260)	($108,630)	($7,650,000)
5	2031	$357,463	$304,519	$52,944	$21,207	$10,604	$746,737
6	2032	$383,176	$326,424	$56,752	$22,733	$11,366	$800,452
7	2033	$407,140	$346,839	$60,301	$24,155	$12,077	$850,511
8	2034	$440,131	$374,943	$65,187	$26,112	$13,056	$919,429
9	2035	$440,376	$375,152	$65,224	$26,126	$13,063	$919,942
10	2036	$495,896	$422,449	$73,447	$29,420	$14,710	$1,035,922
11	2037	$541,656	$461,431	$80,224	$32,135	$16,067	$1,131,514
12	2038	$516,804	$440,260	$76,544	$30,661	$15,330	$1,079,598
13	2039	$612,010	$521,366	$90,644	$36,309	$18,154	$1,278,484
14	2040	$569,272	$484,957	$84,315	$33,773	$16,887	$1,189,204
15	2041	$713,986	$608,238	$105,748	$42,359	$21,179	$1,491,510
16	2042	$749,346	$638,361	$110,985	$44,457	$22,228	$1,565,377
17	2043	$807,598	$687,985	$119,613	$47,913	$23,956	$1,687,066
18	2044	$878,041	$747,995	$130,046	$52,092	$26,046	$1,834,219
19	2045	$839,451	$715,120	$124,331	$49,802	$24,901	$1,753,605
20	2046	$927,124	$789,808	$137,316	$55,004	$27,502	$1,936,754
21	2047	$1,077,396	$917,824	$159,573	$63,919	$31,960	$2,250,671
22	2048	$1,134,270	$966,274	$167,996	$67,293	$33,647	$2,369,480
23	2049	$1,238,712	$1,055,247	$183,465	$73,490	$36,745	$2,587,658
24	2050	$1,198,569	$1,021,050	$177,519	$71,108	$35,554	$2,503,800
	Total	**$517,921**	**$441,212**	**$76,709**	**$30,727**	**$15,363**	**$1,081,933**

Assumptions

Annual Construction Cost Inflation	5%
Annual Dryer Cost Inflation	5%
Annual Hauling Cost Inflation	7%
Annual Soft Cost Inflation	4%
Annual Natural Gas Cost Inflation	5%
Biosolids Hauling Reduction	80%
Hauling Cost 2027	($770,000)
Natural Gas Cost 2027	($46,000)

DRAFT

GOLETA SANITARY
Water Resource Recovery District

Board of Directors

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Steve D. Wagner, PE
General Manager
District Engineer

October 20, 2026

Goleta West Sanitary District Board of Directors
P.O. Box 4
Goleta, CA 93116-0004

Subject: Financial Participation in GSD Solids Handling Improvement Project

Dear Goleta West Sanitary District Board of Directors,

We have been informed that the approval of GWSD's FY27 budget included a funding restriction on any non-mandated capital projects for FY27 to allow time to complete a financial analysis of the GWSD Force Main Replacement (FMR) project. We understand why the FMR project is your highest priority and we will fully support the timely completion of this project in any way we are able.

As you know, our staff has been working diligently over the last several years on the Solids Handling Improvement project and we are now in the final stages of getting a bid package finalized to put the project out to bid. We are also nearing completion of environmental review for our Energy Storage Project (ESP). A significant amount of effort has been expended in developing these projects, and our Board would like to proceed with GWSD's participation, if at all possible. The benefits of these projects include significant reductions in future operational costs for all our plant partners. Delaying these projects would not only delay the project benefits, but would also result in significant project cost increases.

We have reviewed the CIP Financial Plan Analysis that was presented to the GWSD Finance Committee on September 8, 2026, which shows how the combined estimated costs of the FMR along with GWSD's cost share of SHIP and ESP projects exceed GWSD's current funding capacity without issuing additional debt and/or increasing GWSD's sewer service rates.

We have also received and reviewed similar financial analyses from our staff on the impacts of delaying the SHIP project and/or proceeding with or without GWSD's financial participation. These analyses show the following:

1. GSD can't cover GWSD's portion of the SHIP project costs as currently scheduled without issuing additional debt or raising sewer service charge rates.
2. The cost of delaying the SHIP project is significant, roughly $2M increase per year. This exceeds the cost of financing GWSD's allocated project costs in the near term.
3. The cost of debt issued to cover GWSD's allocated share of construction costs could be partially offset by GWSD's allocated SHIP project benefits (reduction in operational expenses associated with biosolids hauling and disposal).

One William Moffett Place, Goleta CA 93117

(805) 967-4519 office (805) 964-3583 fax

www.GoletaSanitary.org

A copy of the agenda report from our Board meeting on October 19, 2026, which includes a more detailed discussion on this issue, is attached for your review and information.

Based on our review of these presentations, we believe there may be a way to keep the FMR and SHIP projects on schedule by allowing the delayed payment of GWSD's allocated SHIP project costs in such a way that neither agency would have to issue additional debt or raise rates. This could be done through an inter-agency loan from GSD to GWSD at the opportunity cost of GSD funds pursuant to a project agreement. The cost of an inter-agency loan would likely be far less that the cost of a private placement loan.

If GWSD is interested in pursuing an inter-agency loan option for financing GWSD's allocated cost share of the SHIP project, our staff would work with GWSD staff to prepare an updated financial analysis and draft project participation agreement that includes an inter-agency loan with amicable terms for the financing of GWSD's allocated cost share of the SHIP project for review and consideration by both of our respective Boards.

We appreciate your consideration of this proposal and look forward to your response.

Sincerely,

Steven T. Majoewsky,
President of the Goleta Sanitary District Board of Directors

Attachment
Board Agenda Report on GWSD Participation in Solids Handling Improvement Project dated October 19, 2026

GENERAL MANAGER'S REPORT

GOLETA SANITARY DISTRICT
GENERAL MANAGER'S REPORT

The following summary report describes the District's activities from October 06, 2026, through October 19, 2026. It provides updated information on significant activities under three major categories: Collection System, Treatment/Reclamation and Disposal Facilities, and General and Administration Items.

1. COLLECTION SYSTEM REPORT

LINES CLEANING
Staff continues routine lines cleaning in the area of Arboleda Road and Nueces Drive. Staff has also been conducting priority lines cleaning throughout the District.

CCTV INSPECTION
Staff has been conducting routine CCTV inspections in the area of Cambridge Drive and Via Bolzano. Staff has also been conducting priority CCTV inspections throughout the District.

REPAIR AND MAINTENANCE
The 2024 Vactor RamJet is back in service. Staff picked up the truck from Gibbs International Truck Centers in Oxnard on Tuesday, October 6, 2026. Gibbs service technicians reprogrammed the Body Control Module and completed repairs to the air conditioning (A/C) system, including replacement of the A/C compressor. They also replaced the engine coolant thermostat. This work was completed under warranty.

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

WINTER STORM PREPARATION
Staff continues with winter storm preparation activities. Staff is inspecting sewer creek crossings and is brush clearing in easement areas. Staff held an inter-agency storm preparation meeting with Goleta West Sanitary District, the Santa Barbara Airport, and UCSB staff on October 15, 2026.

COLLECTION SYSTEM MAINTENANCE TECH I RECRUITMENT (CSMT I)
The new CSMT I employee began work on Tuesday, October 13, 2026.

2. TREATMENT, RECLAMATION AND DISPOSAL FACILITIES REPORT
The Plant flow for the last 30-day period has averaged 4.81 million gallons per day (MGD). Winter storm preparation work continues. Implementation of Mobile MMS in the Operations Department has begun. We have begun heating Digester #4.

The Reclamation Facility produced an average of 1.62 MGD for the last 30 days.

3. GENERAL AND ADMINISTRATIVE ITEMS

Financial Report

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

Operating Checking Accounts:	$	418,659
Investment Accounts (including interest earned):	$	44,226,860
Total District Funds:	$	44,645,519

The following transactions are reported herein for the period 10/06/2026 – 10/19/2026

Regular, Overtime, Cash-outs, and Net Payroll:	$	179,817
Claims:	$	407,048
Total Expenditures:	$	586,865
Total Deposits:	$	179,715

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 – Previously reported
LAIF Quarterly Report – Previously reported
PMIA/LAIF Performance – Previously reported
PMIA Effective Yield – September, 2026

Community West Bank (CWB)

CWB Money Market and ICS Accounts – Previously reported

CA-Class Investment Account

CA-Class Investment Account – Previously reported

Deferred Compensation Accounts

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

Personnel

A verbal personnel update will be provided at the meeting.

Future Agenda Items

Proposed Revisions to ADU Capacity Fee
Lystek Project Update
Public Hearing on MND for Energy Storage Project

Review of Current Strategic Issues and Emerging Concerns Facing District
Santa Barbara Municipal Airport Development Alternatives
Succession Planning Update
Board Secretary/Pro-Tem/Treasurer Appointment

Upcoming Calendar of Events:

None



10/13/26

POOLED MONEY INVESTMENT ACCOUNT

Max: 12.844

PMIA Average Monthly Effective Yields

Min: 0.203

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	3.871	3.826	3.811	3.810	3.816	3.840	3.863	3.908			

	Ticker	CUMULATIVE RETURN				ANNUALIZED RETURN			Inception Date	Gross Expense Ratio
		7 Day Yld w/ waiver 09/30/2026	7 Day Yld w/o waiver 09/30/2026	YTD as of 09/30/2026	1 Year as of	5 Year as of	10 Year as of	Since Inception as of 09/30/2026		
Allocation										
Am Fds Amer Balnc	**RLBGX**	**-**	**-**		**11.35**	**9.55**	**10.16**	**-**	**05/01/2009**	**0.25**
Morningstar Mod Tgt Risk TR USD		-	-	-	13.41	5.85	7.95	-	-	-
Vngrd Trgt Rtrmt 2020	**VTWNX**	**-**	**-**		**4.93**	**4.40**	**6.48**	**-**	**06/07/2006**	**0.08**
Morningstar Lifetime Mod 2020 TR USD		-	-	-	5.94	3.95	6.24	-	-	-
Vngrd Trgt Rtrmt 2025	**VTTVX**	**-**	**-**		**7.26**	**5.73**	**7.65**	**-**	**10/27/2003**	**0.08**
Morningstar Lifetime Mod 2025 TR USD		-	-	-	6.63	4.32	6.81	-	-	-
Vngrd Trgt Rtrmt 2030	**VTHRX**	**-**	**-**		**9.00**	**6.73**	**8.57**	**-**	**06/07/2006**	**0.08**
Morningstar Lifetime Mod 2030 TR USD		-	-	-	7.69	5.06	7.63	-	-	-
Vngrd Trgt Rtrmt 2035	**VTTHX**	**-**	**-**		**10.47**	**7.66**	**9.43**	**-**	**10/27/2003**	**0.08**
Morningstar Lifetime Mod 2035 TR USD		-	-	-	9.34	6.26	8.65	-	-	-
Vngrd Trgt Rtrmt 2040	**VFORX**	**-**	**-**		**11.90**	**8.55**	**10.28**	**-**	**06/07/2006**	**0.08**
Morningstar Lifetime Mod 2040 TR USD		-	-	-	11.44	7.66	9.65	-	-	-
Vngrd Trgt Rtrmt 2045	**VTIVX**	**-**	**-**		**13.32**	**9.42**	**11.01**	**-**	**10/27/2003**	**0.08**
Morningstar Lifetime Mod 2045 TR USD		-	-	-	13.42	8.79	10.36	-	-	-
Vngrd Trgt Rtrmt 2050	**VFIFX**	**-**	**-**		**14.72**	**10.17**	**11.41**	**-**	**06/07/2006**	**0.08**
Morningstar Lifetime Mod 2050 TR USD		-	-	-	14.72	9.41	10.69	-	-	-
Vngrd Trgt Rtrmt 2055	**VFFVX**	**-**	**-**		**14.87**	**10.21**	**11.42**	**-**	**08/18/2010**	**0.08**
Morningstar Lifetime Mod 2055 TR USD		-	-	-	15.25	9.56	10.75	-	-	-
Vngrd Trgt Rtrmt 2060	**VTTSX**	**-**	**-**		**14.87**	**10.21**	**11.42**	**-**	**01/19/2012**	**0.08**
Morningstar Lifetime Mod 2060 TR USD		-	-	-	15.42	9.55	10.71	-	-	-
Vngrd Trgt Rtrmt 2065	**VLXVX**	**-**	**-**		**14.89**	**10.22**	**0.00**	**-**	**07/12/2017**	**0.08**
Morningstar Lifetime Mod 2060 TR USD		-	-	-	15.42	9.55	10.71	-	-	-
Vngrd Trgt Rtrmt 2070	**VSVNX**	**-**	**-**		**14.86**	**0.00**	**0.00**	**-**	**06/28/2022**	**0.08**
Morningstar Lifetime Mod 2060 TR USD		-	-	-	15.42	9.55	10.71	-	-	-

	Ticker	CUMULATIVE RETURN				ANNUALIZED RETURN			Inception Date	Gross Expense Ratio
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Vngrd Trgt Rtrmt Incm	**VTINX**	**-**	**-**		**4.40**	**3.75**	**4.98**	**-**	**10/27/2003**	**0.08**
Morningstar Lifetime Mod Incm TR USD		-	-	-	5.33	4.32	5.51	-	-	-
International Equity										
Am Fds Intl Gr Inc	**RIGGX**	**-**	**-**		**19.21**	**10.00**	**9.54**	**-**	**05/01/2009**	**0.53**
MSCI ACWI Ex USA NR USD		-	-	-	20.00	9.55	9.25	-	-	-
Am Fds New Wrld	**RNWGX**	**-**	**-**		**19.89**	**7.57**	**10.51**	**-**	**05/01/2009**	**0.57**
MSCI EM NR USD		-	-	-	29.22	8.94	9.09	-	-	-
Vngrd Dvlpd Mrkts Indx	**VTMGX**	**-**	**-**		**20.76**	**10.30**	**9.74**	**-**	**08/17/1999**	**0.05**
MSCI ACWI Ex USA NR USD		-	-	-	20.00	9.55	9.25	-	-	-
Sector Equity										
Vngrd Real Estat Indx	**VGSLX**	**-**	**-**		**1.68**	**1.35**	**4.40**	**-**	**11/12/2001**	**0.13**
Morningstar US Real Est TR USD		-	-	-	2.14	1.72	4.73	-	-	-
Taxable Bond										
Baird Agrgt Bond	**BAGIX**	**-**	**-**		**-1.73**	**-0.40**	**1.51**	**-**	**09/29/2000**	**0.30**
Bloomberg US Agg Bond TR USD		-	-	-	-1.84	-0.64	1.14	-	-	-
Fedrtd Gvnmt Ultshr Durtn	**FGULX**	**-**	**-**		**3.29**	**3.64**	**2.49**	**-**	**03/29/2016**	**0.38**
Bloomberg Govt/Corp 1 Yr Duration TR USD		-	-	-	2.08	2.22	1.96	-	-	-
Pimco Incm	**PIMIX**	**-**	**-**		**-0.01**	**2.88**	**4.10**	**-**	**04/02/2007**	**0.51**
Bloomberg US Universal TR USD		-	-	-	-1.45	-0.26	1.50	-	-	-
Vngrd Infl Prtct Secrt	**VAIPX**	**-**	**-**		**-2.11**	**-0.10**	**2.01**	**-**	**06/10/2005**	**0.10**
Bloomberg US Treasury US TIPS TR USD		-	-	-	-1.99	0.00	2.15	-	-	-
U.s. Equity										
Dfa Us Smcp Value	**DFSVX**	**-**	**-**		**19.19**	**10.97**	**10.76**	**-**	**03/02/1993**	**0.31**
Russell 2000 Value TR USD		-	-	-	20.77	7.80	9.40	-	-	-

	Ticker	CUMULATIVE RETURN			ANNUALIZED RETURN				Inception Date	Gross Expense Ratio
		7 Day Yld w/ waiver 09/30/2026	7 Day Yld w/o waiver 09/30/2026	YTD as of 09/30/2026	1 Year as of	5 Year as of	10 Year as of	Since Inception as of 09/30/2026		
Invsc Dvrsfd Dvdnd	**LCEFX**	**-**	**-**		**10.42**	**10.04**	**9.20**	**-**	**09/24/2012**	**0.47**
Russell 1000 Value TR USD		-	-	-	23.81	11.92	11.43	-	-	-
Mfs Grwth	**MFEKX**	**-**	**-**		**5.49**	**9.82**	**15.94**	**-**	**08/25/2011**	**0.53**
Russell 1000 Growth TR USD		-	-	-	7.50	13.66	18.16	-	-	-
Pgim Jenisn Sml Co	**PJSQX**	**-**	**-**		**16.31**	**5.52**	**11.23**	**-**	**11/29/2010**	**0.69**
Russell 2000 Growth TR USD		-	-	-	12.05	4.72	9.90	-	-	-
Vngrd 500 Indx	**VFIAX**	**-**	**-**		**15.69**	**13.74**	**15.29**	**-**	**11/13/2000**	**0.04**
Vngrd Morningstar Midcp Indx	**VIMAX**	**-**	**-**		**8.34**	**7.43**	**10.95**	**-**	**11/12/2001**	**0.05**
Morningstar US Mid Cap Mkt TR USD		-	-	-	15.28	8.92	12.02	-	-	-

DISTRICT CORRESPONDENCE

Board Meeting of October 19, 2026



Date: **Correspondence Sent To:**

1. 10/08/2026 Alex Rasmussen
Neal Feay Company

Subject: Industrial Waste Control Permit No. A-403-26, Reporting Requirements

Letters also sent to:
- Mason King, University of California, Santa Barbara
- Maya Fors, Atomica Corp.
- Derek Meek, IntriPlex Technologies
- Aaron Roth, MANN & HUMMEL Fluid Solutions, Inc.

2. 10/13/2026 Jordan Comstock
Coldwell Energy

Subject: Goleta Sanitary District Solar and Battery Microgrid Project; Formal Termination of Negotiations and Withdrawal of Letter of Intent

3. 10/13/2026 Colin Hedrick
Rayne of Santa Barbara, Inc.

Subject: 2027 Industrial User Discharge Permit B-366-26 Renewal Application & Invoice

Letters also sent to:
- Next Energy Technologies, Inc.
- Soilmoisture Equipment Corporation
- Santa Barbara County Sheriff Coroner Facility
- Goleta Valley Cottage Hospital
- AMTRAK/National Railroad Passenger Corp.
- Santa Barbara Airbus
- Santa Barbara Airport
- TSP Filter dba MANN & HUMMEL
- County of SB Resource Recovery & Waste Management
- Praevium Research Inc.
- Kate Farms, Inc.
- Goleta Water District (7 Well Sites/ Permits)

DISTRICT
CORRESPONDENCE
Board Meeting of October 19, 2026

Page 2

- Mission Support and Test Services (2 Permits)
- Advanced Vision Science, Inc.
- AgRx
- Santa Barbara Metropolitan Transit District (MTD)
- Raytheon Electronic Warfare Systems
- Kyocera – SLD Laser
- La Cumbre Mutual Water District (2 Permits)

Date:	**Correspondence Received From:**
	None

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