



CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
831.688.2767 www.centralwaterdistrict.us.com

Board of Directors
Robert Marani, President
Frances Basich Whitney, Vice-President
Marco Romanini
Robert Postle
John Previsich
District Manager
Ralph Bracamonte

**BOARD OF DIRECTORS
REGULAR BOARD MEETING AGENDA**

WEDNESDAY, JULY 15, 2026, 6:00 PM

MEETING LOCATION
Central Water District Office
400 Cox Road, Aptos, California

1. CALL TO ORDER AND ROLL CALL

2. ADDITIONS TO THE AGENDA

3. PUBLIC COMMENT

The public may make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board, which are not listed on the agenda. This is the appropriate place to comment on items on the Consent Agenda.

4. CONSENT AGENDA

The Consent Agenda deals with routine and non-controversial matters. A Board member may pull an item from the Consent Agenda for discussion. One motion shall be made to approve all non-removed items.

A. June 17, 2026 Minutes DRAFT

B. Accounts Payable

5. RECEIVE WRITTEN COMMUNICATIONS

6. RECEIVE MANAGER'S REPORT

7. RECEIVE OPERATION SUPERVISOR'S REPORT

8. CAPITAL IMPROVEMENT PROJECTS

A. Well 14 Project Updates

9. UNFINISHED BUSINESS

- A. Agreement for Fire Hydrants between CWD & Central Fire District Updates

10. NEW BUSINESS

- A. Consider and Approve C.J. Brown Company CPAs Cost Proposal for Financial Audit Services (Fiscal Years 2027 - 31)
- B. Consider and Approve CalPERS Pension Unfunded Liability Payment Options for FY 26/27

11. SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (MGA)

- A. Receive June 18, 2026 MGA Meeting update.
- B. The next Board Meeting will be held on September 17, 2026.

12. RECEIVE INFORMATIONAL REPORTS

- Santa Cruz County Consolidated Redevelopment Successor Agency Oversight Board (COB)
- ACWA/Joint Powers Insurance Authority (ACWA/JPIA)
- Integrated Regional Water Management (IRWM)
- Water Conservation
- This Month in History

13. FUTURE AGENDA ITEMS

- Master Plan & CIP Projects

14. ADJOURNMENT

- The next regular Board meeting will be held on Wednesday, August 19, 2026 at 6:00 p.m.
- *Next Resolution No. 04-26*

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting, in the Administrative Offices of the District, and posted on the District's website at <https://www.centralwaterdistrict.us.com/board-meetings>. All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

Any public record distributed to the Board less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the District office. Public records distributed during the meeting, if prepared by the District, will be available for public inspection at the meeting. If the public record is prepared by a third party and distributed at the meeting, it will be made available for public inspection following the meeting at the District office.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at (831) 688-2767. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.



CENTRAL WATER DISTRICT
400 Cox Road—Post Office Box 1869
Aptos, California 95001-1869
Board of Directors Meeting Minutes
June 17, 2026 – 6:00 p.m.

- 1. CALL TO ORDER:** The meeting of the Board of Directors of the Central Water District was called to order on June 17, 2026 at 6:00 p.m. by President Rober Marani

ROLL CALL: Directors Present: Marco Romanini, Robert Postle, John Previsich, Frances Basich Whitney and Robert Marani.
Directors Absent: None
District Manager: Ralph M. Bracamonte
Secretary, Staff & Guests:

- Office Administration, Jennifer Collins and Heather Mazanek
- One community member

- 2. ADDITIONS TO THE AGENDA:** *NONE*

- 3. PUBLIC COMMENT:** *NONE*

- 4. CONSENT AGENDA:**

- **Meeting Minutes**

May 20, 2026 Meeting Minutes DRAFT

- **Accounts Payable**

The Board of Directors reviewed the Accounts Payable for the June 2026 Board Meeting.

MOTION: Director Romanini made a motion to approve the May 20, 2026 minutes as presented and to approve the Accounts Payable for the June 2026 Board Meeting. The Accounts Payable totaled \$121,167.91 and included vendor claims in the amount of \$60,005.37, compensation for employees in the amount of \$60,762.54, and Directors' compensation in the amount of \$400. Vote Count for approval of the May 20, 2026 minutes as presented, Yes: Romanini, Postle, Previsich, and Whitney. Vote Count, No: None. Vote Count, Absent: None. Vote Count, Abstain: Marani. Vote Count for approval

of the Accounts Payable for the June 2026 Board Meeting, Yes: Romanini, Postle, Previsich, Whitney, and Marani. Vote Count, No: None. Vote Count, Absent: None. Vote Count, Abstain: None.

5. RECEIVE WRITTEN COMMUNICATIONS: *NONE*

- 6. DISTRICT MANAGER'S REPORT:** The District Manager and the Board of Directors discussed the Manager's Report, including the District's recent triannual Sanitary Survey inspection; and the opportunity for the District to enter into an initial pre-financed agreement with Ardurra Group, Inc. (formerly MKN & Associates) for grant funding application support for potential Well 3 and Well 5 Manganese treatment projects.

President Marani directed that the Manager's Report be filed.

- 7. OPERATIONS SUPERVISOR'S REPORT:** The District's Operations Supervisor and the Board of Directors discussed the Supervisor's Report, including multiple mainline and service leak repairs, and the recent progress of the Well 14 Project (e.g. pump motor installation, etc.).

President Marani directed that the Operations Supervisor's Report be filed.

- 8. CAPITAL IMPROVEMENT PROJECTS:** The District Manager and the Board of Directors briefly discussed the Well 14 Project updates, including the project schedule.

9. UNFINISHED BUSINESS:

Agreement for Fire Hydrants between CWD & Central Fire District

No updates were available/presented at this time.

10. NEW BUSINESS:

- **Consider and Approve the SyCal Professional Services Agreement for the Well#14 Project & SCADA Integration Services**

The District Manager presented the Well #14 Project & SCADA Integration Services Agreement (with the District's Legal Counsel's suggested changes/modifications) to the Board of Directors.

MOTION: Director Romanini made a motion to authorize the District Manager to execute the presented Professional Services Agreement with SyCal Engineering, Inc. following incorporation of the changes recommended by the District's Legal Counsel. The Directors voted and passed the motion. Vote Count, Yes: Romanini, Postle,

Previsich, Whitney, and Marani. Vote Count, No: None. Vote Count, Absent: None.
Vote Count, Abstain: None.

11. SANTA CRUZ MID-COUNTY GROUNDWATER AGENCY (MGA):

- The Board Directors continued to discuss the Santa Cruz MGA funding options.
- The next Santa Cruz MGA Board Meeting will be held on June 18, 2026.

12. RECEIVE INFORMATIONAL REPORTS:

- ACWA/Joint Powers Insurance Authority (ACWA/JPIA)
- Integrated Regional Water Management (IRWM)
- Water Conservation
- This Month in History

13. FUTURE AGENDA ITEMS:

- Master Plan & CIP Projects Update

14. ADJOURNMENT: All present Board business having been concluded for the June 17, 2026 meeting, President Marani adjourned the meeting at 6:50 p.m. The next regular meeting will be held on July 15, 2026 at 6:00 p.m.

Respectfully submitted,

Jennifer Collins, Secretary to the Board

APPROVED:

Robert Marani, Board President

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**Accounts Payable
Central Water District July 2026**

General Expenditures

Account #	Account Description	Account Name	Purchase Description	Amount
681410	53010 Health, Dental, Vision	ACWA/JPIA	Aug. 2026 Health Benefits	\$8,096.92
681410	62381 Professional & Special Services	Badger Meter	Cellular & Hosting Services (June 2026)	\$331.65
681410	62888 Spec Dist Exp-Services	Ralph Bracamonte	75th Catering Reimbursement	\$3,000.00
681410	61848 Maint-Struct/Impr/Grds-Oth-Services	Greenwaste Recovery, LLC.	Garbage Service (7/1 - 9/30/26)	\$211.66
681410	62381 Professional & Special Services	Hope Services	June Billing Services & CCR Mailing	\$588.00
681420	61846 Main-Struct/Imps/Grds-Other-Supp	Iconix	Operations Supplies - Pipe & Fittings	\$1,306.79
681420	61855 Road Repair Services	J. Johnson & Company, Inc.	Ranchitos Service Line Leak	\$6,537.32
681430	61860 Main Line Repair Services	J. Johnson & Company, Inc.	Ranchitos Service Line Leak	\$1,038.70
681420	61846 Maint-Struct/Imps/Grds-Other-Supplies	Mid Valley Supply	Chlorine	\$690.06
681410	62381 Professional & Special Services	Mission Printers	CCR Newsletter	\$1,466.05
681410	62304 Attorney	Noland Hamerly Etienne & Hoss	Monthly Attorney Fees	\$1,260.00
681410	63074 Utilities	PG&E Company	General Operations	\$153.71
681420	63074 Utilities	PG&E Company	Wells/Treatment	\$15,123.67
681430	63074 Utilities	PG&E Company	Transmission/Distribution	\$6,381.41
681410	54010 Workers' Compensation Insurance	State Comp. Insurance Fund	Monthly Insurance Prem/Surchrgs (7/26 - 12/26)	\$4,372.19
681410	62221 Postage	USPS	Billing & CR6 Notification	\$1,000.00
681410	61915 Laboratory Fees	Wachtel Enviromental Consulting	Water Sampling (5/9 - 6/23)	\$270.00

US Bank

681410	61110 Clothing (Clothing Allowance)	REI	Work Clothing	\$84.75
681410	61221 Communications	Charter/Spectrum	Internet/Phone	\$228.79
681410	61221 Communications	Southwest Answering Service	Answering Service	\$180.88
681410	61846 Maint-Struct/Imps/Grds-Other-Supp	USA Blue Book	Water Sampling Bottles	\$106.13
681410	62020 Memberships	Amazon	Annual Business Prime Membership	\$141.26
681410	62020 Memberships	American Water Works Assoc.	Annual Membership	\$539.00
681410	62111 Miscellaneous Expenses-Services	Vista Print	(75th) Celebration (Banners, Invites, Pens)	\$534.56
681410	62111 Miscellaneous Expenses-Services	Dollar Tree	(75th) Celebration Supplies	\$91.48
681410	62111 Miscellaneous Expenses-Services	Home Depot	(75th) Celebration Supplies	\$17.49
681410	62219 PC Software Purchases	Google G Suite	Monthly Software Subscription	\$316.80
681410	62219 PC Software Purchases	Smartsheet Inc.	Annual Software Subscription	\$108.00
681410	62221 Postage	USPS	Stamps for (75th) Celebration invites	\$36.60
681410	62221 Postage	UPS Store	Chlorinator Repair Shipping	\$112.26
681410	62223 Office Supplies	Amazon	Office Supplies	\$27.58
681410	62223 Office Supplies	Staples	Office Supplies	\$78.93
681410	62223 Office Supplies	Target	Office Supplies	\$10.52
681410	62381 Professional & Special Services	Exceedio	Monthly Network, Training, PC/Printer & Firewall	\$710.61
681410	62381 Professional & Special Services	Streamline	Monthly Subscription	\$314.00
681410	62888 Spec Dist Exp-Services	Target	First Aid Cabinet Supplies	\$37.74
681410	62888 Spec Dist Exp-Services	Buena Vista Landfill	Dump-Run	\$93.50
681410	62888 Spec Dist Exp-Services	Carls Jr.	Lunches - Service Line Repair	\$34.44
681410	62888 Spec Dist Exp-Services	The Palm Deli	Lunches - Service Line Repair	\$53.34
681410	62888 Spec Dist Exp-Services	Ace Hardware	Ice Chest for H2O Sampling	\$32.91
681410	62920 Gas, Oil, Fuel	Fuel	Vehicles	\$697.64
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Amazon	Operations Supplies - Upper Primary Maint. &	\$266.65
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Home Depot	Operations Supplies - Rob Roy Paint Proj. & Shop	\$740.54
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Aptos Hardware	Operation Supplies - Shop & Ranchitos Leak	\$296.68
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	USA Blue Book	Operation Supplies - Shop	\$110.00
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Fastenal	Operations Supplies - Shop (Paint)	\$109.53
681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Pace Supply	Operation Supplies- Asphalt Patch (Yard)	\$328.50
681420	62715 Small Tools & Instruments	USA Blue Book	Operations Supplies - Pipe Locator, Clamp (2)	\$609.84
681420	62715 Small Tools & Instruments	Home Depot	Operations Supplies - Sprayer	\$27.37
681430	62500 Equipment Lease & Rent	AT&T	Rental Line	\$31.76

Total General Claims: \$58,938.21

Pre-authorized Expenditures

Central Water District staff recently signed a contract extension with the County of Santa Cruz for Payroll and Accounts Payable Services for Fiscal Year 2026/27. In all, Payroll Services were increased from \$11.42 per pay period per employee to \$12.56 per pay period per employee. In addition, Accounts Payable Services were increased from \$9.08 per check/EFT payment to \$10.00 per check/EFT payment.

Capital Expenditures

681430	86110 Buildings and Improvements	Goble Sampson Associates Inc.	Well 14 Metering Pump	\$1,982.68
681430	86110 Buildings and Improvements	Maggiora Brothers Drilling, Inc.	Well 14 Treatment, Video Survey, Pump Equip. & Well Pad	\$151,287.50
681430	86110 Buildings and Improvements	SyCal Engineering, Inc.	Well 14 SCADA Preparation	\$3,962.71
681430	86110 Buildings and Improvements	United Rentals	Well 14 Skid Steer Loader	\$1,776.45

Total Capital Expenditures: \$159,009.34

Contributions to Other Agencies

Total Contributions to other Agencies: \$0.00

Credits

681420	61846 Maint-Struct/Imps/Grds-Other-Supp	Amazon	Operations Supplies - Return	-\$20.84
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Total Credits: -\$20.84

7 of 36 TOTAL CLAIMS: \$217,926.71

**Accounts Payable
Central Water District July 2026**

Staff Compensation

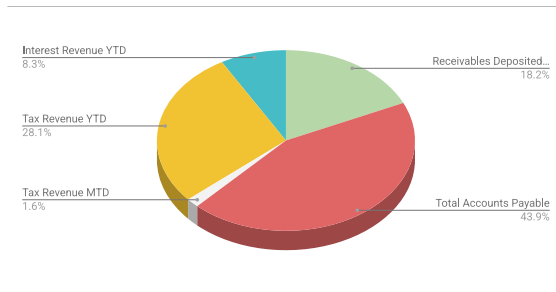
Ralph Bracamonte	Gross Pay 6/12/26	\$8,120.00
Edward Flores	Gross Pay 6/12/26	\$4,481.40
Heriberto Ruiz	Gross Pay 6/12/26	\$2,384.20
Jennifer Collins	Gross Pay 6/12/26	\$2,713.50
Heather Mazanek	Gross Pay 6/12/26	\$2,356.76
Ralph Bracamonte	Gross Pay 6/26/26	\$8,120.00
Edward Flores	Gross Pay 6/26/26	\$4,776.45
Heriberto Ruiz	Gross Pay 6/26/26	\$2,244.20
Jennifer Collins	Gross Pay 6/26/26	\$2,604.96
Heather Mazanek	Gross Pay 6/26/26	\$2,457.54
Total Staff Compensation:		\$40,259.01

Directors' Compensation

John Previsich	June Meeting *	\$100.00
Robert Postle	June Meeting *	\$100.00
Marco Romanini	June Meeting(s)*	\$200.00
Frances B. Whitney	June Meeting*	\$100.00
Robert Marani	June Meeting(s)*	\$200.00
Total Board Compensation:		\$700.00

*To be fully paid out by 7/24/26.

Total Claims:	\$217,926.71
Salaries:	\$40,259.01
Directors' Compensation:	\$700.00
Total Accounts Payable:	\$258,885.72



Receivables Deposited MTD	\$107,216.81
Total Accounts Payable	\$258,885.72
Tax Revenue MTD	\$9,626.73
Interest Revenue MTD	\$0.00
Tax Revenue YTD	\$165,503.21
Interest Revenue YTD	\$48,756.02



CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
(831) 688-2767

DATE: July 6, 2026
TO: Board of Directors
FROM: District Manager
SUBJECT: Monthly Report

In preparation for the District's 75 Years of Service and Well 14 Project celebration, District staff met with New Hope Church personnel and delivered the required paperwork/deposit securing the venue for the July 11th community event.

The District is in the process of scheduling a mandatory pressure vessel (propane tank) compliance inspection with ACWA JPIA. Operations Supervisor Edward Flores will facilitate the inspection once a date is set.

The District was notified of a potential Hexavalent Chromium MCL exceedance at Well 10. Preliminary results received on July 2, 2026, showed that Well 10's current hexavalent chromium level is 13 µg/L. This concentration exceeds the maximum contaminant level (MCL) of 10 µg/L set by the State Water Resources Control Board, and upon receipt of the final report notices will be distributed to the Central Water District community. In accordance with the District's active Hexavalent Chromium Compliance Plan, staff are continuing required quarterly monitoring and implementing corrective measures prior to the October 1, 2028 compliance deadline.

An existing customer on Valencia Road submitted the necessary documentation (e.g., service application, County encroachment permit, etc.) to upgrade their water service to a combination domestic and fire service connection. The work will be performed by District-approved contractor, J. Johnson & Company, Inc., and includes performing a 2" hot tap on an 8" C900 water main for this upgraded service. Specifically, the contractor will install one 1" domestic service connection equipped with a 5/8" meter and an approved 1" backflow device alongside one 1" fire service connection equipped with a 1" meter and an approved 1" backflow device for the domestic fire suppression system. Additionally, the existing 1" service line will be abandoned.

The District will be required to conduct a source assessment at the new Well 14 location. The assessment must be performed in accordance with the Drinking Water Source Assessment and Protection (DWSAP) Program and generally must include:

- **Delineation:** Mapping protection zones around the well based on a 2-, 5-, and 10-year groundwater time of travel.
- **Inventory of Possible Contaminating Activities (PCAs):** Identifying potential contamination sources (e.g., septic systems, gas stations, industrial zones, etc.) within those zones.
- **Vulnerability Analysis:** Evaluating how susceptible the well is to these PCAs.

The District requested the assistance of Mealnie Carrido from Ardurra (MKN) to complete this assessment. At this time, the DSWAPs of the District's remaining water wells will also be updated, as recommended by the State, since these assessments were last performed in 2009.

Also, attached for your review is the following data:

1. Statistical Data Sheet
2. Cash Flow Report
3. Revenues/Monthly Interest Report
4. Expenditures
5. Monthly Financial Review Report

The Financial Review Report data shows that the 2025/2026 fiscal year achieved the highest total revenue on record at \$1,301,740, representing an 8.31% increase from the previous year's revenue of \$1,201,820, despite a slight 1.19% decline in total water usage from 153,723 units to 151,888 units. This revenue growth was primarily driven by the Residential Service, which contributed \$1,079,600 (82.94% of total revenue) from 121,840 usage units, followed by Commercial/Agriculture at \$137,182 (10.54% of total revenue) from 15,067 usage units, and Multi-Residential at \$84,954.6 (6.53% of total revenue) from 14,981 usage units.

STATISTICAL DATA (June 2026)

BILLING	2026	2025	% Change
Total Accounts:	825 ^	826	
Accounts Billed on 7/1/26 (Routes 1 & 3):	470 ^	471	
Accounts Billed:	\$166,058	\$147,958	
Average Bill:	\$353	\$314	
Bi-Monthly Residential Consumption (gal):	11,511,720	11,113,784	4%
Monthly Ag/Commercial Consumption (gal):	2,284,392	2,348,720	-3%
Total:	13,796,112	13,462,504	2%
Average Residential Consumption (gal):	25,468	24,588	
Average Total Consumption (gal):	29,353	28,583	
District Office Use (gal):	1,496	1,496	

WELL DATA (Gallons)	Monthly Production	GPM	Monthly Production	GPM
	2026		2025	
Production Wells				
Well #4 *	1,471,371	129	0	0
Well #10 **	97,767	291	740,462	214
Well #12	12,278,582	566	13,303,609	586
Total Production	13,847,720		14,044,071	
Annual Production Increase /Decrease	-1.4%		15.9%	
<i>Residential:</i>				
Average Gallons per Day	385,444		389,845	
Avg. Gallons per Person /Day (pop. 2,700)	143		144	

* Note: In June 2025 Well #4 was offline for repairs.

** Note: In June 2026 Well #10 was offline for repairs.

^ Note: There is one less account in Route 3 due to a recent compound meter upgrade.

CENTRAL WATER DISTRICT CASH FLOW

June 2026

	MTD 6/1 - 6/30/26	FYTD 30-June-2026	Prior FYTD 30-June-2025
REVENUES:			
Taxes	\$9,623.71	\$165,446.97	\$155,516.69
Interest	\$0.00	\$48,756.02	\$70,990.17
Aid/Gov't Agencies	\$105.30	\$702.00	\$674.00
Water Sales	\$106,488.80	\$1,266,414.74	\$1,162,926.82
Fines, Forfeitures	\$3.02	\$56.24	\$35.57
Connection Fees	\$0.00	\$0.00	\$0.00
Hydrant Water Sales	\$0.00	\$0.00	\$0.00
NSF Checks	-\$154.06	-\$154.06	\$0.00
NSF Returned Check Fees	\$0.00	\$50.00	\$25.00
Other Revenue	\$776.77	\$9,386.64	\$9,684.09
	\$116,843.54	\$1,490,658.55	\$1,399,852.34
EXPENDITURES:			
Salaries & Benefits	\$73,568.25	\$785,397.05	\$695,534.66
Services & Supplies	\$56,344.35	\$637,988.14	\$503,048.08
Fixed Assets	\$6,837.50	\$857,696.42	\$44,550.80
Operating Transfer	\$0.00	\$0.00	\$0.00
Contributions to Other Agencies	\$0.00	\$1,322.86	\$3,780.45
	\$136,750.10	\$2,282,404.47	\$1,246,913.99
NET REVENUE:	-\$19,906.56	-\$791,745.92	\$152,938.35
Leak Adjustments	\$25.28	\$9,635.98	\$15,718.35

CASH IN TREASURY	End Month Balance	Prior Year EOM Balance
General Fund (Includes Emergency & CIP Reserves)	\$814,717.62	\$1,644,480.01
Customer Deposits (Meter Trust) *	\$14,987.89	\$14,912.94
Building Deposits (Mainline Trust) * ^	\$2,990.00	\$2,990.00
Equity in Pooled Cash	\$832,695.51	\$1,662,382.95
Emergency Reserve	\$500,000.00	\$1,000,000.00
CIP Reserve	\$332,695.51	\$662,382.95
General Fund (Including Reimbursements and Transfers)	\$832,695.51	\$1,662,382.95

* Does not include issued or stale-dated refunds.

^ Entry from Construction Deposits Record, as of 6/30/26.

Note: 7/6/26 data was used for reporting.

Revenues

As Of = @prior-month-end; Years = 1; Chart Fields = FundType,Fund,Character,Object; Balances = Adopted Budget,Adjusted Budget,Month-To-Date Actual,Year-To-Date Actual,Year-To-Date Variance,PctYear-To-Date Variance; Revenues/Expenditures = R,E
 Revenues/Expenditures [RV] and Fund Type [76] and Fund [76511, 76511]

Object	GL Object Title	FY 2026					Count
		Adopted Budget	Adjusted Budget	Month-To-Date Actual	Year-To-Date Actual	Year-To-Date Variance	
Fund Type: 76 – INVESTMT TRUST-LOCAL BOARDS IN							
Character: 01 – TAXES							
40100	PROPERTY TAX-CURRENT SEC-GEN	150,000.00	150,000.00	9,428.51	159,332.13	-9,332.13	1
40110	PROPERTY TAX-CURRENT UNSEC-GEN	0.00	0.00	29.50	2,903.61	-2,903.61	1
40130	PROPERTY TAX-PRIOR UNSEC-GEN	0.00	0.00	25.71	306.99	-306.99	1
40150	SUPP PROP TAX-CURRENT SEC	0.00	0.00	103.46	2,450.64	-2,450.64	1
40151	SUPP PROP TAX-CURRENT UNSEC	0.00	0.00	13.65	140.65	-140.65	1
40160	SUPP PROP TAX-PRIOR SEC	0.00	0.00	-1.11	188.26	-188.26	1
40161	SUPP PROP TAX-PRIOR UNSEC	0.00	0.00	23.99	124.69	-124.69	1
Total 01 – TAXES		150,000.00	150,000.00	9,623.71	165,446.97	-15,446.97	7
Character: 07 – FINES, FORFEITURES & ASSMNTS							
44142	PENALTIES FOR DELINQUENT TAXES	0.00	0.00	1.72	23.34	-23.34	1
44143	REDMPTN PNLTIES FOR DELINQ TXS	0.00	0.00	1.30	32.90	-32.90	1
Total 07 – FINES, FORFEITURES & ASSMNTS		0.00	0.00	3.02	56.24	-56.24	2
Character: 10 – REV FROM USE OF MONEY & PROP							
40430	INTEREST	30,000.00	30,000.00	0.00	48,756.02	-18,756.02	1
Total 10 – REV FROM USE OF MONEY & PROP		30,000.00	30,000.00	0.00	48,756.02	-18,756.02	1
Character: 15 – INTERGOVERNMENTAL REVENUES							
40830	ST-HOMEOWNERS' PROP TAX RELIEF	700.00	700.00	105.30	702.00	-2.00	1
Total 15 – INTERGOVERNMENTAL REVENUES		700.00	700.00	105.30	702.00	-2.00	1
Character: 19 – CHARGES FOR SERVICES							
41842	CONNECTION FEES	45,000.00	45,000.00	0.00	0.00	45,000.00	1
Total 19 – CHARGES FOR SERVICES		45,000.00	45,000.00	0.00	0.00	45,000.00	1
Character: 23 – MISC. REVENUES							
42322	HYDRANT WATER SALES	2,500.00	2,500.00	0.00	0.00	2,500.00	1
42326	RESIDENTIAL WATER SALES	1,300,000.00	1,300,000.00	106,488.80	1,266,414.74	33,585.26	1
42380	NSF CHECKS	0.00	0.00	-154.06	-154.06	154.06	1
42381	NSF CHECKS-RETURNED CHECK FEES	0.00	0.00	0.00	50.00	-50.00	1
42384	OTHER REVENUE	15,000.00	15,000.00	776.77	9,386.64	5,613.36	1
Total 23 – MISC. REVENUES		1,317,500.00	1,317,500.00	107,111.51	1,275,697.32	41,802.68	5
Total 76 – INVESTMT TRUST-LOCAL BOARDS IN		1,543,200.00	1,543,200.00	116,843.54	1,490,658.55	52,541.45	17
		1,543,200.00	1,543,200.00	116,843.54	1,490,658.55	52,541.45	17



COUNTY OF SANTA CRUZ

LAURA BOWERS, CPA, CPFO
AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073
(831) 454-2500 FAX (831) 454-2660

July 6, 2026

Below is the interest rate information for the County of Santa Cruz Investment Pool for June 2026 and comparison rates for the prior year same month.

June 2026 average daily interest rate earned: 3.790%
June 2025 average daily interest rate earned: 4.203%

Fiscal 2025-26 year to date average interest rate: 3.931%
Fiscal 2024-25 year to date average interest rate: 4.277%

Interest rates vary and are determined by the market interest rate. Interest rates are calculated using 365 days in a year.

Monthly interest for your fund can be found in Finance Enterprise in your Fund's revenue detail under object 40430 – Interest. Interest posted to 40430 relates to apportioned interest by the County Treasurer for funds held in the County Treasury.

Interest is calculated based on fund daily cash balances, including negative cash balances. Positive cash balances at the end of the day earn interest. Negative cash balances at the end of the day are charged interest.

If you have any questions regarding the above information, please contact the Auditor-Controller-Treasurer-Tax Collector's office General Accounting Team.

Thank you,

Tracy Laine

Cc: Laura Bowers

Expenditures Summary

As Of = @prior-month-end; Years = 1; Chart Fields = FundType,Fund,Character,Object; Balances = Adopted Budget,Adjusted Budget,Month-To-Date Actual,Year-To-Date Actual,Year-To-Date Encumbrances,Year-To-Date Variance,PctYear-To-Date Variance; Revenues/Expenditures = R,E
 Revenues/Expenditures [XP] and Fund Type [76] and Fund [76511]

		FY 2026						
Object	GL Object Title	Adopted Budget	Adjusted Budget	Month-To-Date Actual	Year-To-Date Actual	Year-To-Date Encumbrances	Year-To-Date Variance	Count
Fund Type: 76 – INVESTMT TRUST-LOCAL BOARDS IN								
Character: 50 – SALARIES AND EMPLOYEE BENEF								
51000	REGULAR PAY-PERMANENT	540,000.00	540,000.00	52,404.03	507,143.51	0.00	32,856.49	1
51005	OVERTIME PAY-PERMANENT	10,000.00	10,000.00	1,138.08	19,531.27	0.00	-9,531.27	1
51025	REGULAR PAY-CALL BACK	8,000.00	8,000.00	756.00	7,308.00	0.00	692.00	1
52010	OASDI-SOCIAL SECURITY	35,000.00	35,000.00	4,153.79	39,703.58	0.00	-4,703.58	1
52015	PERS	115,000.00	115,000.00	7,019.43	116,087.97	0.00	-1,087.97	1
53010	EMPLOYEE INSURANCE & BENEFITS	115,000.00	115,000.00	8,096.92	91,262.69	0.00	23,737.31	1
53015	UNEMPLOYMENT INSURANCE	5,000.00	5,000.00	0.00	-12.77	0.00	5,012.77	1
54010	WORKERS COMPENSATION INSURANCE	12,000.00	12,000.00	0.00	4,372.80	0.00	7,627.20	1
Total 50 – SALARIES AND EMPLOYEE BENEF		840,000.00	840,000.00	73,568.25	785,397.05	0.00	54,602.95	8
Character: 60 – SERVICES AND SUPPLIES								
61110	CLOTHING & PERSONAL SUPPLIES	1,500.00	1,500.00	246.38	930.84	0.00	569.16	1
61221	TELEPHONE-NON TELECOM 1099	5,000.00	5,000.00	455.75	4,618.99	0.00	381.01	1
61525	LIABILITY INSURANCE	50,000.00	50,000.00	0.00	50,401.23	0.00	-401.23	1
61545	PROPERTY INSURANCE	10,000.00	10,000.00	0.00	19,796.60	0.00	-9,796.60	1
61720	MAINT-MOBILE EQUIPMENT-SERV	2,500.00	2,500.00	0.00	2,502.41	0.00	-2.41	1
61721	MAINT-MOBILE EQUIPMNT-SUPPLIES	1,000.00	1,000.00	0.00	385.77	0.00	614.23	1
61730	MAINT-OTH EQUIP-SERVICES	1,000.00	1,000.00	0.00	476.92	0.00	523.08	1
61846	MAINT-STRCT/IMPS/GRDS-OTH-SUPP	11,000.00	11,000.00	2,147.56	22,801.31	0.00	-11,801.31	1
61848	MAINT-STRUCT/GRDS-OTH-SRV	45,000.00	45,000.00	5,520.00	8,156.14	0.00	36,843.86	1
61850	METER MAINTENANCE-SERVICES	4,000.00	4,000.00	0.00	0.00	0.00	4,000.00	1
61855	ROAD REPAIRS-SERVICES	20,000.00	20,000.00	7,419.16	7,419.16	0.00	12,580.84	1
61860	MAIN LINE REPAIRS-SERVICES	25,000.00	25,000.00	6,470.49	12,793.70	0.00	12,206.30	1
61861	SERVICE LINE REPAIRS-SERVICES	25,000.00	25,000.00	0.00	27,875.40	0.00	-2,875.40	1
61915	LABORATORY FEES	10,000.00	10,000.00	813.00	10,081.62	0.00	-81.62	1
62020	MEMBERSHIPS	10,000.00	10,000.00	130.00	8,457.00	0.00	1,543.00	1
62111	MISCELLANEOUS EXPENSE-SERVICES	12,500.00	12,500.00	2,576.16	5,096.66	0.00	7,403.34	1
62219	PC SOFTWARE PURCHASES	7,500.00	7,500.00	446.79	8,773.72	0.00	-1,273.72	1
62221	POSTAGE	5,000.00	5,000.00	516.43	6,190.29	0.00	-1,190.29	1
62223	SUPPLIES	3,000.00	3,000.00	172.93	3,133.31	0.00	-133.31	1
62301	ACCOUNTING AND AUDITING FEES	15,000.00	15,000.00	360.00	18,412.32	0.00	-3,412.32	1
62304	ATTORNEY	25,000.00	25,000.00	1,260.00	13,387.50	0.00	11,612.50	1
62327	DIRECTORS' FEES	7,500.00	7,500.00	0.00	5,300.00	0.00	2,200.00	1
62381	PROF & SPECIAL SERV-OTHER	180,000.00	180,000.00	8,956.10	196,757.57	0.00	-16,757.57	1
62500	EQUIPMENT LEASE & RENT	5,000.00	5,000.00	31.76	347.82	0.00	4,652.18	1
62610	RENTS/LEASES-STRUC IMP & GRNDS	8,000.00	8,000.00	0.00	1,168.00	0.00	6,832.00	1
62715	SMALL TOOLS & INSTRUMENTS	2,500.00	2,500.00	742.98	1,114.99	0.00	1,385.01	1
62826	EDUCATION AND/OR TRAINING	1,500.00	1,500.00	0.00	0.00	0.00	1,500.00	1
62888	SPEC DIST EXP-SERVICES	15,000.00	15,000.00	1,344.94	14,109.61	0.00	890.39	1
62920	GAS, OIL, FUEL	6,500.00	6,500.00	574.03	4,293.64	0.00	2,206.36	1
63074	UTILITIES	185,000.00	185,000.00	16,159.89	183,205.62	0.00	1,794.38	1
Total 60 – SERVICES AND SUPPLIES		700,000.00	700,000.00	56,344.35	637,988.14	0.00	62,011.86	30
Character: 70 – OTHER CHARGES								
75231	CONTRIB TO OTHER AGENCIES-OTH	10,000.00	10,000.00	0.00	1,322.86	0.00	8,677.14	1
Total 70 – OTHER CHARGES		10,000.00	10,000.00	0.00	1,322.86	0.00	8,677.14	1

Expenditures Summary

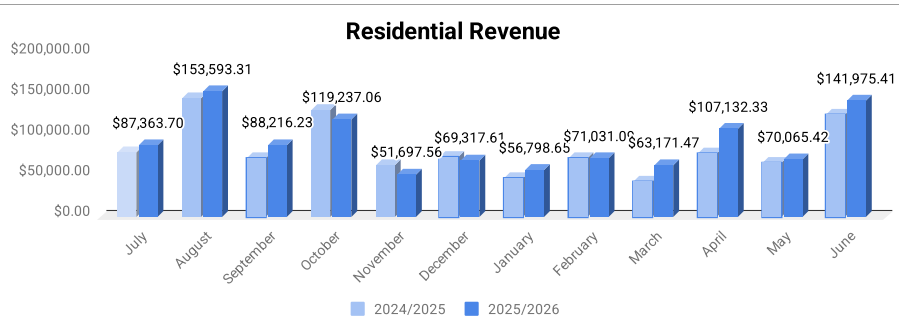
As Of = @prior-month-end; Years = 1; Chart Fields = FundType,Fund,Character,Object; Balances = Adopted Budget,Adjusted Budget,Month-To-Date Actual,Year-To-Date Actual,Year-To-Date Encumbrances,Year-To-Date Variance,PctYear-To-Date Variance; Revenues/Expenditures = R,E
 Revenues/Expenditures [XP] and Fund Type [76] and Fund [76511]

		FY 2026						
Object	GL Object Title	Adopted Budget	Adjusted Budget	Month-To-Date Actual	Year-To-Date Actual	Year-To-Date Encumbrances	Year-To-Date Variance	Count
Fund Type: 76 – INVESTMT TRUST-LOCAL BOARDS IN								
Character: 80 – FIXED ASSETS								
86110	BUILDINGS AND IMPROVEMENTS	950,000.00	950,000.00	6,837.50	847,828.28	0.00	102,171.72	1
86203	COMPUTER EQUIPMENT	12,000.00	12,000.00	0.00	9,868.14	0.00	2,131.86	1
Total 80 – FIXED ASSETS		962,000.00	962,000.00	6,837.50	857,696.42	0.00	104,303.58	2
Character: 98 – APPROP FOR CONTINGENCIES								
98700	APPROP FOR CONTINGENCIES	4,000.00	4,000.00	0.00	0.00	0.00	4,000.00	1
Total 98 – APPROP FOR CONTINGENCIES		4,000.00	4,000.00	0.00	0.00	0.00	4,000.00	1
Total 76 – INVESTMT TRUST-LOCAL BOARDS IN		2,516,000.00	2,516,000.00	136,750.10	2,282,404.47	0.00	233,595.53	42
		2,516,000.00	2,516,000.00	136,750.10	2,282,404.47	0.00	233,595.53	42

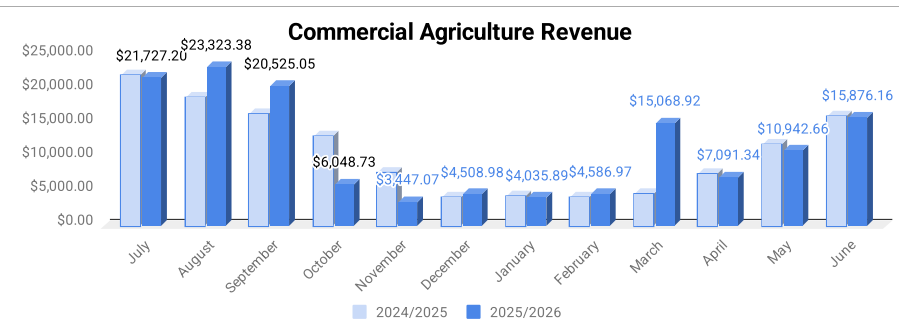
Financial Review 2025/2026

Based on Actual Revenues

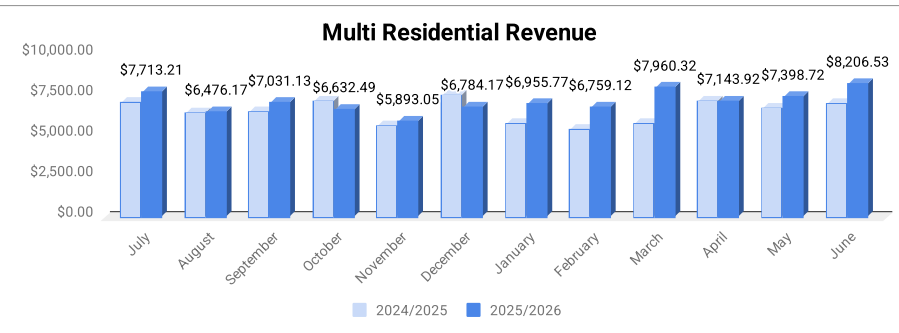
Residential		Billed on the 1st	
	2024/2025	2025/2026	Percent +/-
July	\$79,367.17	\$87,363.70	10.08%
August	\$146,057.09	\$153,593.31	5.16%
September	\$71,655.76	\$88,216.23	23.11%
October	\$131,263.79	\$119,237.06	-9.16%
November	\$62,485.76	\$51,697.56	-17.27%
December	\$73,407.82	\$69,317.61	-5.57%
January	\$47,381.45	\$56,798.65	19.88%
February	\$71,425.75	\$71,031.09	-0.55%
March	\$42,701.78	\$63,171.47	47.94%
April	\$77,019.99	\$107,132.33	39.10%
May	\$65,768.80	\$70,065.42	6.53%
June	\$124,977.78	\$141,975.41	13.60%
Total	\$993,512.94	\$1,079,599.84	



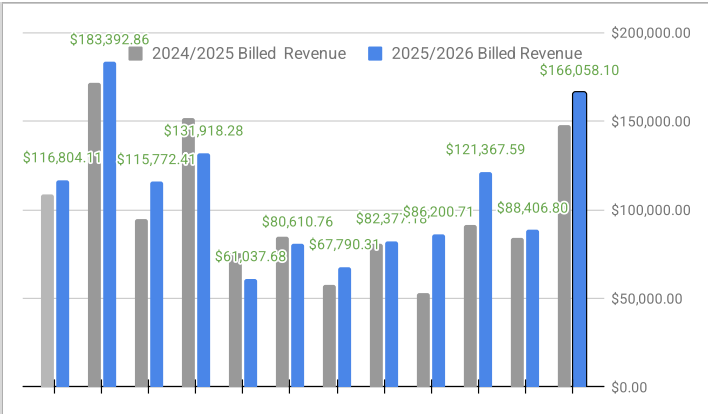
Commercial /Agriculture			
	2024/2025	2025/2026	Percent +/-
July	\$22,054.20	\$21,727.20	-1.48%
August	\$18,808.02	\$23,323.38	24.01%
September	\$16,362.06	\$20,525.05	25.44%
October	\$13,161.20	\$6,048.73	-54.04%
November	\$7,648.98	\$3,447.07	-54.93%
December	\$4,104.66	\$4,508.98	9.85%
January	\$4,279.08	\$4,035.89	-5.68%
February	\$4,118.97	\$4,586.97	11.36%
March	\$4,618.73	\$15,068.92	226.26%
April	\$7,573.19	\$7,091.34	-6.36%
May	\$11,791.02	\$10,942.66	-7.19%
June	\$16,030.02	\$15,876.16	-0.96%
Total	\$130,550.13	\$137,182.35	



Multi Residential			
	2023/2024	2025/2026	Percent +/-
July	\$7,053.37	\$7,713.21	9.35%
August	\$6,383.77	\$6,476.17	1.45%
September	\$6,483.13	\$7,031.13	8.45%
October	\$7,096.57	\$6,632.49	-6.54%
November	\$5,588.89	\$5,893.05	5.44%
December	\$7,498.33	\$6,784.17	-9.52%
January	\$5,772.74	\$6,955.77	20.49%
February	\$5,395.35	\$6,759.12	25.28%
March	\$5,774.55	\$7,960.32	37.85%
April	\$7,087.53	\$7,143.92	0.80%
May	\$6,670.41	\$7,398.72	10.92%
June	\$6,950.07	\$8,206.53	18.08%
Total	\$77,754.71	\$84,954.60	

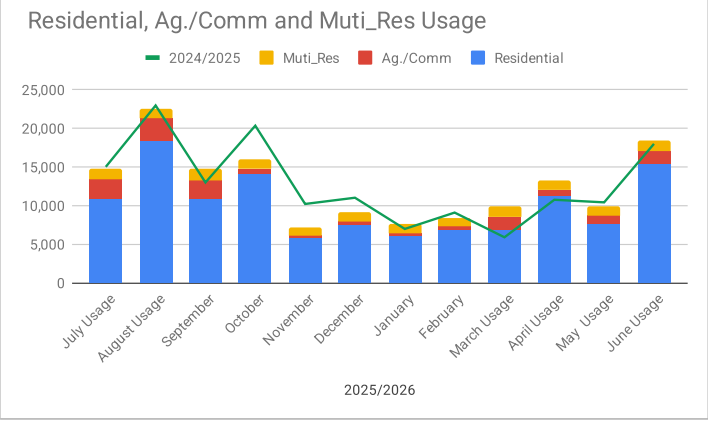


Total	2024/2025	Residential	Ag/Comm	Multi-Res	2025/2026	\$ diff
July	\$108,474.74	\$87,363.70	\$21,727.20	\$7,713.21	\$116,804.11	\$8,329.37
August	\$171,248.88	\$153,593.31	\$23,323.38	\$6,476.17	\$183,392.86	\$12,143.98
September	\$94,500.95	\$88,216.23	\$20,525.05	\$7,031.13	\$115,772.41	\$21,271.46
October	\$151,521.56	\$119,237.06	\$6,048.73	\$6,632.49	\$131,918.28	-\$19,603.28
November	\$75,723.63	\$51,697.56	\$3,447.07	\$5,893.05	\$61,037.68	-\$14,685.95
December	\$85,010.81	\$69,317.61	\$4,508.98	\$6,784.17	\$80,610.76	-\$4,400.05
January	\$57,433.27	\$56,798.65	\$4,035.89	\$6,955.77	\$67,790.31	\$10,357.04
February	\$80,940.07	\$71,031.09	\$4,586.97	\$6,759.12	\$82,377.18	\$1,437.11
March	\$53,095.06	\$63,171.47	\$15,068.92	\$7,960.32	\$86,200.71	\$33,105.65
April	\$91,680.71	\$107,132.33	\$7,091.34	\$7,143.92	\$121,367.59	\$29,686.88
May	\$84,230.23	\$70,065.42	\$10,942.66	\$7,398.72	\$88,406.80	\$4,176.57
June	\$147,957.87	\$141,975.41	\$15,876.16	\$8,206.53	\$166,058.10	\$18,100.23
Total	\$1,201,817.78	\$1,079,599.84	\$137,182.35	\$84,954.60	\$1,301,736.79	\$99,919.01 108.31%



Residential billed revenue is for the last 60 days
Commercial & Agriculture billed revenue is for last 30 days

	2025/2026			Total Usage in Units
	Residential	Ag./Comm	Muti_Res	(748 Gallons per unit)
July Usage	10,785	2,584	1,437	14,806
August Usage	18,472	2,793	1,206	22,471
2025 September Usage	10,883	2,419	1,438	14,740
October Usage	14,101	647	1,209	15,957
November Usage	5,829	316	1,053	7,198
December Usage	7,508	449	1,241	9,198
January Usage	6,120	350	1,156	7,626
February Usage	6,933	408	1,110	8,451
2026 March Usage	6,923	1,606	1,341	9,870
April Usage	11,314	692	1,184	13,190
May Usage	7,582	1,122	1,233	9,937
June Usage	15,390	1,681	1,373	18,444
Total	121,840	15,067	14,981	151,888
Gallons	91,136,320	11,270,116	11,205,788	113,612,224
Acre Ft	279.69	34.59	34.39	
Total Acre feet	349			





CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
(831) 688-2767

DATE: July 9, 2026
TO: Board of Directors
FROM: Edward Flores, Operations Supervisor
SUBJECT: Operations Report

District staff continue to assist customers with identifying and resolving water leaks, including providing support to customers utilizing the EyeOnWater monitoring platform to identify abnormal water usage and monitor consumption following repairs. In addition, the Operations Supervisor completed and submitted the June SAFER Clearinghouse Drought & Conservation Report to the State, ensuring the District remains in compliance with monthly reporting requirements.

Well 14 Capital Improvement Project

Construction of the Well 14 facility continued to make significant progress as the project transitioned from site development into permanent facility construction and equipment installation.

During this reporting period, staff completed final grading of the permanent access road behind the well building and repurposed excavated material to improve site access around the future chlorine room. Construction milestones included:

- Completion of a downhole video inspection for permanent project documentation.
- Installation of the permanent pumping equipment, including the motor, pump bowls, column pipe, sounding tubes, and wellhead assembly.
- Completed framing, roofing, and exterior siding of the well building, resulting in a weather-tight structure.
- Installed security bollards at the future maintenance entrance to protect site infrastructure.
- Verified completion of the building exterior, positioning the project for mechanical, electrical, and SCADA integration.

District staff also coordinated and oversaw the asphalt sealing of the New Hope Church parking lot, which serves as a secondary access point to the Well 14 facility. Approximately 95 percent of the project was completed, improving the long-term condition of the pavement while enhancing the appearance and accessibility of the site. The remaining work is expected to be completed during the contractor's final return visit.

With the building exterior now complete, the project is positioned to move into the mechanical, electrical, and SCADA integration phase.

Distribution System Repairs & Emergency Response

District staff responded to several emergency and routine distribution system repairs while maintaining uninterrupted service whenever possible.

New Hope Church Service Line

Staff responded to multiple after-hours failures involving the church's aging 2-inch service line, which resulted in significant water loss and declining storage tank levels. Repair efforts included:

- Isolating the failed service and restoring system stability.

- Operating Well 10 to supplement production during emergency response.
- Coordinating multiple emergency repairs with J. Johnson & Co.
- Replacing the remaining deteriorated polybutylene (PB) service with new polyethylene (PE) pipe.
- Completing trench restoration following successful repairs.

The completed replacement eliminates a recurring maintenance issue and significantly improves long-term service reliability.

Additional System Repairs

Staff also completed repairs to a leaking service on Freedom Boulevard by removing a failed repair clamp and replacing the damaged section of pipe. In a separate incident, staff restored service after a customer damaged their own service line and identified follow-up repairs needed to a District-owned angle stop.

Water Quality & Regulatory Compliance

District staff continued regulatory compliance activities while preparing and submitting required documentation. Major accomplishments during this reporting period included:

- Completion of the District's triennial regulatory water quality sampling.
- Collection of remaining documentation required for the State sanitary survey, including inspection photographs of all seven water storage tanks.
- Submission of laboratory samples in accordance with State monitoring requirements.

SCADA & System Modernization

District staff continued coordination with SyCal Engineering to support modernization of the District's SCADA and communications infrastructure. Work completed included:

- Review of existing SCADA architecture.
- Radio communication testing between Upper Primary, Well 14, and the Day Tanks.
- Evaluation of temporary radio deployment options.
- Determination that a 30-foot antenna mast will be required to provide reliable communications between Well 14 and the Day Tanks.

Infrastructure Coordination & Asset Protection

District staff coordinated with outside agencies and contractors to protect District infrastructure and improve operational readiness. Activities included:

- Utility locating and water main marking for PG&E utility improvements.
- Coordination with PG&E to maintain uninterrupted service during planned power outages through temporary generator operation.
- Inspection of emergency repair inventory and initiation of replacement for defective repair equipment.

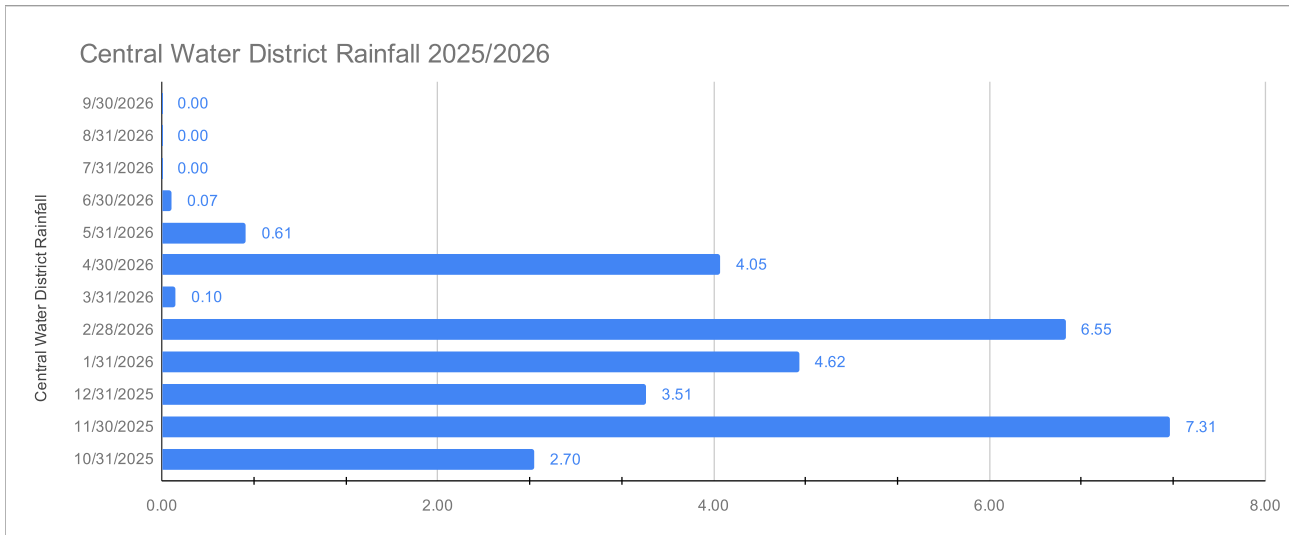
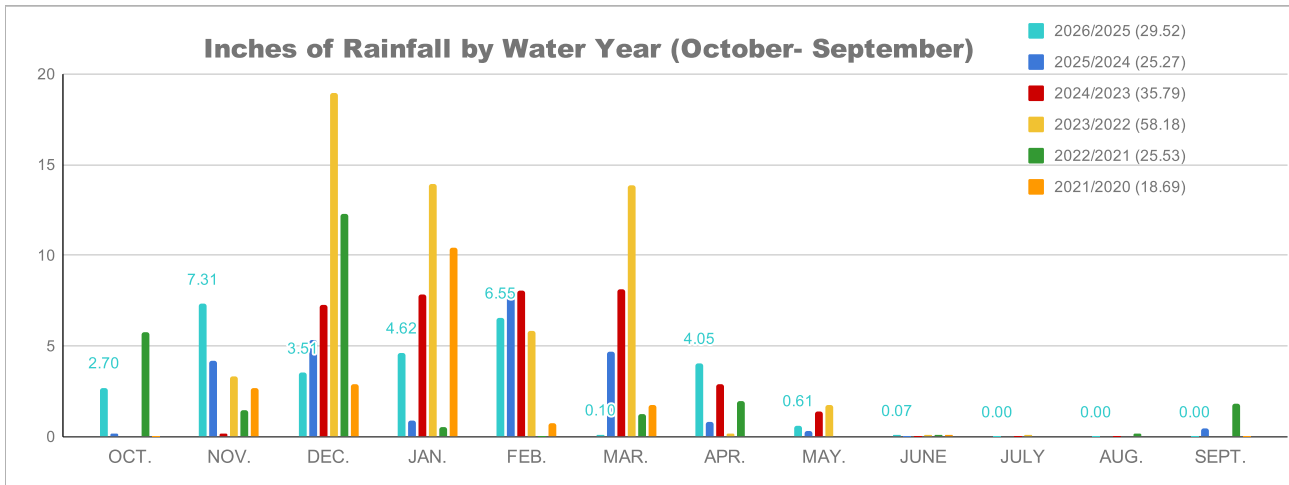
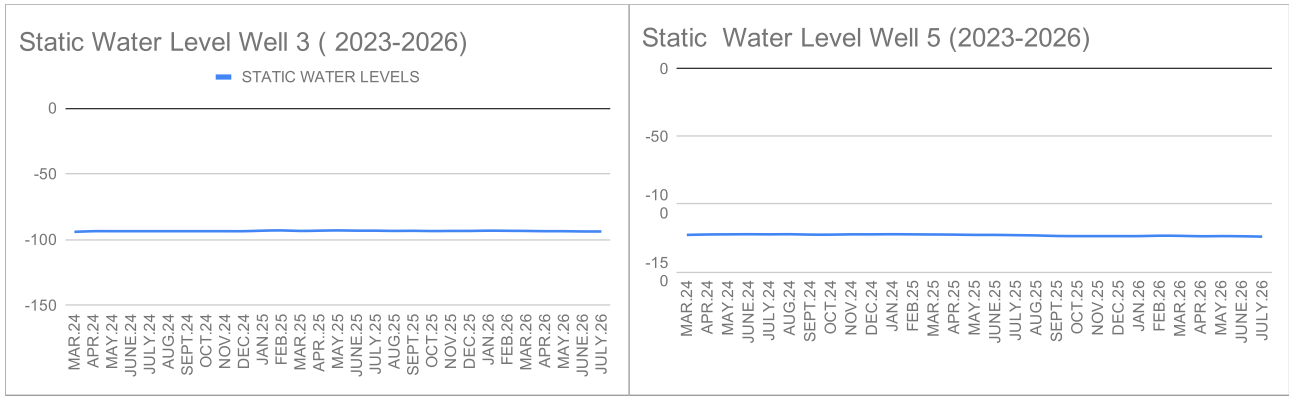
Operations & Maintenance

Routine operational activities continued throughout the reporting period. Staff completed the monthly meter reading cycle while continuing preparation of the Well 14 site to support future operations and long-term maintenance activities.

Staff Development

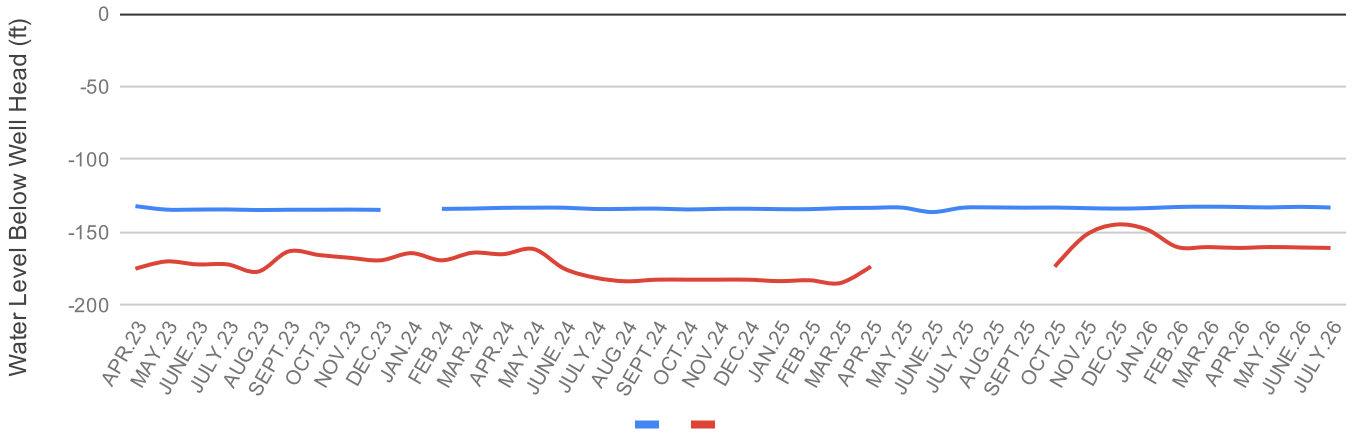
District staff continue to pursue professional development opportunities to maintain regulatory compliance and strengthen the District's operational capabilities.

During this reporting period, the Operations Supervisor successfully renewed his CA-NV AWWA Backflow Prevention Assembly Tester Certification. Renewal of this certification ensures the District maintains qualified personnel to perform testing and certification of backflow prevention assemblies, supporting the District's Cross-Connection Control Program and continued protection of the public water system.

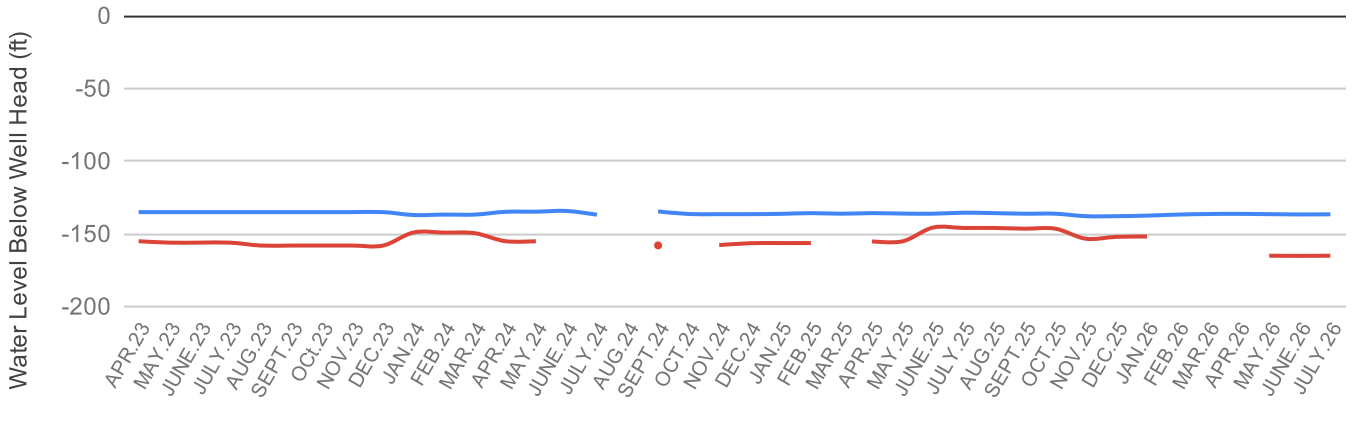


Rob Roy Well Field

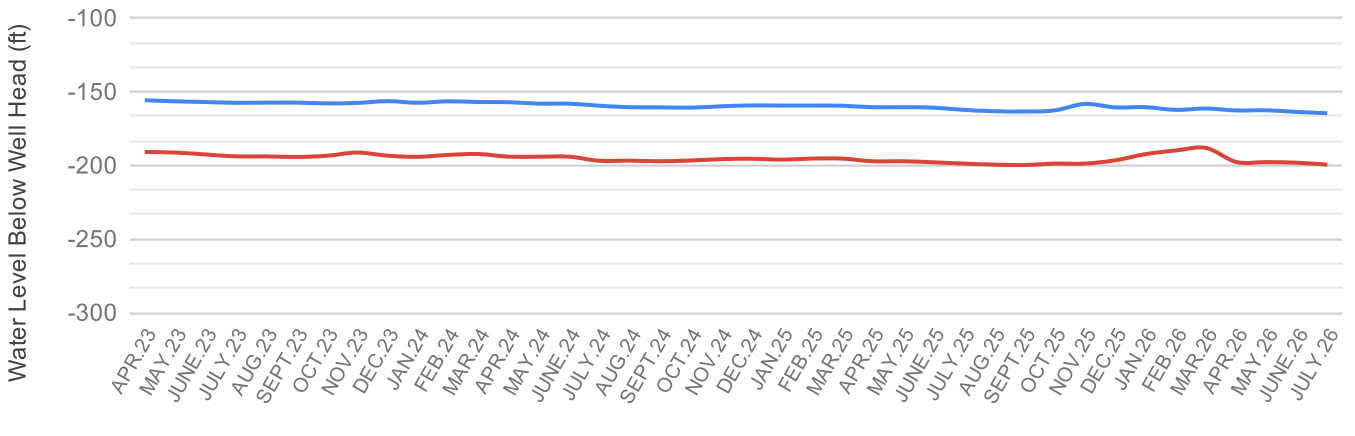
WELL 4 DYNAMIC vs STATIC WATER LEVELS



WELL 10 DYNAMIC vs STATIC WATER LEVELS



WELL 12 DYNAMIC vs STATIC WATER LEVELS





CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
(831) 688-2767

DATE: July 9, 2026
TO: Board of Directors
FROM: District Manager
SUBJECT: Well 14 Project Updates

Well 14 Progress & Updates

During the month of June steady progress has been made toward the Well 14 project. Crews have completed the Pump Station building and installed well components. Further internal plumbing, VFD, panels and the PG&E meter is on target to be installed in the anticipated timeframe.

- Maggiora Bros, Drilling Inc. built the Pump Station building and installed pertinent components such as the pump, motor and well head.
- SyCal is currently programming the SCADA schematics for integration and procuring materials for installation.
- The Operations Team rented a Skid Steer Loader to do the necessary grading at the Well 14 site.



Construction of the Pump Station Building



Pump Station Building Completion

Budget Status

Vendor	Contract Amt.	Paid to Date	Retention Due	Remaining Budget	Status
J. Johnson & Co. (Water & Electrical Lines)	\$276,925	\$294,600.97	\$0	-\$17,675.97	Completed
Maggiora Bros. (Well Drilling)	\$448,150	\$441,637.19	\$23,244.06	\$6,512.81	Approx. Completion
Maggiora Bros. (Pump Station) SyCal (SCADA Integration)**	\$355,000	\$147,250	\$7,750	\$196,949.79	Current
		\$10,800.21	\$0		Current
MKN (Project Mgmt.)	\$170,000*	\$152,673.85		\$17,326.15	Current

**Includes original \$150,000 contract and added \$20,000 for extended services and final as-built CAD work. **Final contract cost to be determined.*

Project Schedule

Even with the slight delay in the construction of the Well 14 Pump Station, the anticipated completion of the Well 14 Project is still mid-July 2026, which is within CWD’s expected timeframes for having the new replacement well operational.



CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
(831) 688-2767

DATE: July 8, 2026
TO: Board of Directors
FROM: District Manager
SUBJECT: C.J. Brown & Company, CPAs Cost Proposal for Financial Audit Services (Fiscal Years 2027 - 2031)

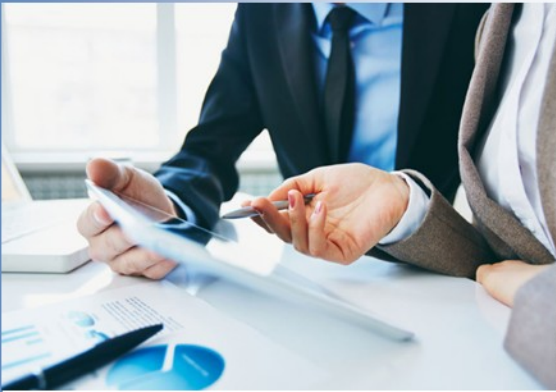
C. J. Brown & Company, CPAs, formerly Fedak & Brown LLP, has successfully performed the Central Water District’s annual financial audits since 2017.

Most recently, the Board of Directors approved a five-year “Cost Proposal for Financial Audit Services” for fiscal years ending June 30, 2022 through 2026, which will end this year. As a result, C. J. Brown & Company, CPAs provided the District with a cost proposal for continued audit services for fiscal years ending June 30, 2027 through 2031.

The proposal is attached for your review, and shows an approximate fee increase of 26% (from \$15,025 to \$18,950) for financial audit services for the fiscal year ending June 30, 2027, and an approximate 2.7% fee increase for each subsequent audit year. Although this is the largest cost services increase the District has observed from this vendor:

- For the past ten years, cost increases have been kept to a minimum (1- 5% annually).
- Proposed costs ensure discounted rates.
- The Services offered remain all-inclusive, and include audit services, preparation of the District’s annual State Controller’s Report, and presentation of the final audit report to the Board of Directors, and
- The proposed costs fall within the average cost (\$10K - \$30K) for a small district’s annual financial audit.

Possible Recommended Action(s): That, **BY MOTION**, the Board of Directors of the Central Water District accept the “Cost Proposal for Financial Audit Services” for fiscal years ending in June 30, 2027 through 2031, and direct the District Manager to notify C. J. Brown & Company, CPAs staff regarding the proposal’s approval.



**Certified
Public
Accountants**



**Consultants
& Advisors**



Central Water District

Cost Proposal to Provide Professional Audit Services

**For the Fiscal Years Ended
June 30, 2027 through 2031**

**Christopher J. Brown CPA, CGMA
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150
Cypress, California 90630

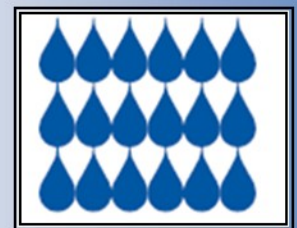
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jonathan@cjbrowncpa.com

California BOA License Number: 6529



**C.J. Brown & Company, CPAs
An Accountancy Corporation**



C.J. Brown & Company CPAs
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Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer
Michael Howell, CPA

July 6, 2026

Mr. Ralph Bracamonte, District Manager
Central Water District
400 Cox Road
Aptos, California 95003

Re: Request for Proposal for Professional Audit Services

Dear Mr. Bracamonte:

Based on our understanding of the Central Water District's (District) requirements, our total all-inclusive fee for services requested at our discounted rates for the fiscal year ending June 30, 2027, will be **\$18,950**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our all-inclusive fee for the fiscal years ending June 30, 2028, and 2031, will be **\$19,480, \$20,010, \$20,540, and \$21,070**, respectively.

Our estimate for out-of-pocket expenses may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2027 through 2031, are itemized in the attached Exhibits.

Our fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates and the level of experience required. We would execute separate contracts for these services if they are requested by the Authority.

I am authorized to make representations for C.J. Brown & Company, CPAs – An Accountancy Corporation and am duly authorized to sign a contract with the Authority.

Christopher J. Brown, CPA CGMA

July 6, 2026

Date

Exhibit I – Proposed Hours

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2027, through 2031, the financial audit of the District’s annual comprehensive financial report will approximately 130 hours by major area, and are summarized as follows:

Break out of Financial Statement Audit Hours				
Audit Steps	Partners	Mgr/Sup	Staff	Total
Planning	4	4	8	16
Risk Assessment	4	4	4	12
Controls Testwork	4	8	18	30
Substantive Testwork	4	12	36	52
Reporting	9	7	4	20
	<u>25</u>	<u>35</u>	<u>70</u>	<u>130</u>

As shown above, we expect approximately 46% of engagement hours to come from Partners, Managers, and Supervisors assigned to the engagement in the fiscal years 2027 through 2031, respectively.

Working on the premise that we will be provided with a year-end trial balance, along with an audit package of reconciled balances and supporting schedules of all balance sheet accounts, we expect to perform the audit of the District at fees as stated in the attached Exhibit II - Cost Proposal Schedule By Year on Page 3 for the fiscal years 2027 through 2031, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as, confirmations, report reproductions, postage, travel, etc.). We will obtain the assistance of the District’s personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due upon submission. Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our fixed fee. Our rates vary according to the degree of responsibility involved and the level of experience of the personnel assigned to the audits. We have provided a breakdown of our fees, which would apply to this engagement on the attached Exhibit III - Schedule of Professional Fees on Pages 4 through 6 of this cost proposal.

In accordance with California Code of Regulations, Title 16, Section 68.3, under the authority of the California Board of Accountancy, and Firm Policies, we will maintain our work papers for at least seven years from the date of issuance of the report (report release date) and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District.

We want the Board to understand that we will provide any assistance and answer any questions that the Authority’s staff or members of the Board may have when they arise for the entire duration of our contract. We find it important to stay abreast of the Authority’s activities and accounting issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and our interest in the Authority, we will provide you with assistance in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Cost Proposal Schedule by Year

Central Water District

<u>Fees By Fiscal Year</u>	<u>Audit Service Fees*</u>	<u>Out of Pocket Expenses**</u>	<u>State Controller's Report***</u>	<u>Total All-Inclusive Maximum Price</u>
Fiscal Year 2027	\$ 16,750	1,500	700	18,950
Fiscal Year 2028	17,260	1,500	720	19,480
Fiscal Year 2029	17,770	1,500	740	20,010
Fiscal Year 2030	18,280	1,500	760	20,540
Fiscal Year 2031	18,790	1,500	780	21,070
Total Fees by Fiscal Year	\$ 88,850	7,500	3,700	100,050

* Professional audit services fees - labor only (including the preparation of the Annual Basic Financial Statements).

** Estimate of out-of-pocket costs consist of: travel, confirmation, postage and printing costs.

*** Preparation of the Financial Transactions Report due to the State Controller's Office by January 31st each year.

Please note that any additional services requested by the District during the audit period shall be negotiated at the stated hourly rates per year as noted in the following schedules.

Exhibit III – Schedule of Professional Fees

Central Water District Fiscal Year 2027

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2027 Audit of District's Annual Financial Report			
Engagement Partner	20	\$ 180	\$ 3,600
Technical Review Partner	5	180	900
Manager/Supervisor	35	150	5,250
Staff	70	100	7,000
Subtotal	<u>130</u>		<u>16,750</u>
Out-of-Pocket Expenses			<u>1,500</u>
Financial Statement Audit for 2027	<u>130</u>		<u>18,250</u>
Annual Financial Transactions Report (State Controller's Report)	<u>5</u>	140	<u>700</u>
Total All-Inclusive Maximum fee for 2027	<u><u>135</u></u>		<u><u>\$ 18,950</u></u>

Central Water District Fiscal Year 2028

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2028 Audit of District's Annual Financial Report			
Engagement Partner	20	\$ 185	\$ 3,700
Technical Review Partner	5	185	925
Manager/Supervisor	35	155	5,425
Staff	70	103	7,210
Subtotal	<u>130</u>		<u>17,260</u>
Out-of-Pocket Expenses			<u>1,500</u>
Financial Statement Audit for 2028	<u>130</u>		<u>18,760</u>
Annual Financial Transactions Report (State Controller's Report)	<u>5</u>	144	<u>720</u>
Total All-Inclusive Maximum fee for 2028	<u><u>135</u></u>		<u><u>\$ 19,480</u></u>

Exhibit III – Schedule of Professional Fees, continued

Central Water District Fiscal Year 2029

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2029 Audit of District's Annual Financial Report			
Engagement Partner	20	\$ 190	\$ 3,800
Technical Review Partner	5	190	950
Manager/Supervisor	35	160	5,600
Staff	70	106	7,420
Subtotal	<u>130</u>		<u>17,770</u>
Out-of-Pocket Expenses			<u>1,500</u>
Financial Statement Audit for 2029	<u>130</u>		<u>19,270</u>
Annual Financial Transactions Report (State Controller's Report)	<u>5</u>	148	<u>740</u>
Total All-Inclusive Maximum fee for 2029	<u><u>135</u></u>		<u><u>\$ 20,010</u></u>

Central Water District Fiscal Year 2030

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2030 Audit of District's Annual Financial Report			
Engagement Partner	20	\$ 195	\$ 3,900
Technical Review Partner	5	195	975
Manager/Supervisor	35	165	5,775
Staff	70	109	7,630
Subtotal	<u>130</u>		<u>18,280</u>
Out-of-Pocket Expenses			<u>1,500</u>
Financial Statement Audit for 2030	<u>130</u>		<u>19,780</u>
Annual Financial Transactions Report (State Controller's Report)	<u>5</u>	152	<u>760</u>
Total All-Inclusive Maximum fee for 2030	<u><u>135</u></u>		<u><u>\$ 20,540</u></u>

Exhibit III – Schedule of Professional Fees, continued

**Central Water District
Fiscal Year 2031**

Breakdown of Fees by Hours

	<u>Hours</u>	<u>Hourly Rates</u>	<u>Total</u>
Fiscal Year 2031 Audit of District's Annual Financial Report			
Engagement Partner	20	\$ 200	\$ 4,000
Technical Review Partner	5	200	1,000
Manager/Supervisor	35	170	5,950
Staff	<u>70</u>	112	<u>7,840</u>
Subtotal	<u>130</u>		<u>18,790</u>
Out-of-Pocket Expenses			<u>1,500</u>
Financial Statement Audit for 2031	<u>130</u>		<u>20,290</u>
Annual Financial Transactions Report (State Controller's Report)	<u>5</u>	156	<u>780</u>
Total All-Inclusive Maximum fee for 2031	<u><u>135</u></u>		<u><u>\$ 21,070</u></u>



CENTRAL WATER DISTRICT
 400 Cox Road – Post Office Box 1869
 Aptos, California 95001-1869
 (831) 688-2767

DATE: July 7, 2026
 TO: Board of Directors
 FROM: District Manager
 SUBJECT: CalPERS Unfunded Liability Update & Payment Options

District employees are members of the California Public Employees’ Retirement System (CalPERS). Employees are enrolled in one of the following membership categories based on their prior work history and/or date of hire.

Membership Category	Hire Date	Retirement Formula	Final Compensation Period
1 FTE Classic	Hired on or before Dec. 31, 2012	2.0% @ 55	Highest Single Year
4 FTE PEPR	Hired on or after Jan. 1, 2013	2.0% @ 62	3 Years Average

Central Water District’s pension and unfunded pension liability costs have continually increased over the past years, and now represents a significant and growing expense component in the annual budget.

“Unfunded pension liability” is the amount by which pension benefits promised to current and future retirees exceed pension plan assets, and is discussed below.

Current & Projected Employer Unfunded Accrued Liability Contributions

The following tables show the projected employer unfunded pension liability contributions (before cost sharing) for the next six fiscal years, for both of the CalPERS plans that the District holds. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection

period. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below.

Classic & PEPRA Rate Plans (UAL Unfunded Accrued Liability)

	Required Contributions	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)				
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Fiscal Year	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Classic Plan Normal Cost %	12.56%	12.6%	12.6%	12.6%	12.6%	12.6%
PEPRA Plan Normal Cost %	7.93%	7.93%	7.93%	7.93%	7.93%	7.93%
UAL Payment	\$53,472*	\$53,000	\$57,000	\$56,000	\$55,000	\$55,000

**Note that the lump sum / annual cost is \$51,742, which would be a \$1,730 savings.*

The above data was taken from the June 30, 2024 Actuarial Valuation Report, and shows an increased lump sum cost of \$3,300 or approximately 6.8% from last year.

In all, the District can elect to pay the CalPERS Unfunded Accrued Liability (UAL) by either making monthly payments, with interest, or by paying the annual lump sum. Historically, Central Water District pays the UAL lump sum payment, which is recommended again for this fiscal year. Prepaying the CalPERS UAL at the start of the fiscal year will save approximately 3.3% in interest charges.

Possible Recommended Action(s): That, **BY MOTION**, the Board of Directors authorize the payment of the FY 26/27 CalPERS UAL for the CalPERS and PEPRA plans in the annual lump sum, totalling \$51,742.

CENTRAL SANTA CRUZ COUNTY WATER DISTRICT

400 COX ROAD
APTOS, CALIFORNIA 95003

July 14, 1976

MINUTES

The regular meeting of the Board of Directors of the Central Santa Cruz County Water District was called to order at 7:35 p.m.

Minutes: June 9, & 23, 1976. Several revisions were made on the aforementioned minutes. Refer to the revised minutes of June 9th and 23rd, 1976.

Motion by John Randolph to approve the minutes of June 9, and 23rd, 1976 as corrected. Seconded by Tom Kelley. Ayes: Randolph, Kelley, AmRhein, and Trengove. Abstain: Jim Patterson.

Correspondence: A letter from Cal Farm Insurance Company Claims Office. This letter being a request to reimburse them for money spent to repair water damages to Mr. Waugaman's water pipes and house. Mr Waugaman claims that a surge in water caused the damage.

Motion by Tom Kelley to reject the Cal Farm Insurance Claim's form. Seconded by Ray AmRhein. Ayes: Unanimous.

Letter from Mark Thomas and Co. stating that Mr. Carl Miller's proposed project is not complete at this time nor is it correct.

Letter from the Board of Supervisors explaining that if the Board of Directors would like to include a reply to the Grand Jury report with the Board of Supervisors reply the Board of Directors would have to have the reply to them by August 9, 1976.

Ray AmRhein suggested that each Director write a reply to the Grand Jury and get together to combine the letters into one and present it to the Board of Supervisors and the Grand Jury.

Discussion the Hodson proposed land split. In earlier years the Water District paid Mr. Hodson damages money because the District caused Mr. Hodson not to be able to split his land. This issue is to be referred to the Attorney to see if there is any recourse in this matter.

The manager is to notify the Planning Commission that the District would like their Right-of-way up to the H. & H. tank protected.

Accounts Payable: Several questions arose on the Maggiora bill. The bill now before the Board was, according to Maggiora Bros. for work done almost a year ago.

CENTRAL SANTA CRUZ COUNTY WATER DISTRICT

400 COX ROAD
APTOS. CALIFORNIA 95003

Motion by John Randolph to pay Accounts Payable in the amount of \$3,516.57 excluding Maggioras bill of \$340.44, plus salaries of \$1,705.67 totaling \$5,222.24. Seconded by Jim Patterson. Ayes: Randolph, Patterson, Kelley and Trengove. Abstain: AmRhein.

Motion by Tom Kelley to pay gas milage of 15¢ per mile to the Clerk-Bookkeeper. Seconded by Jim Patterson. Ayes: Unanimous.

Motion by Tom Kelley

Motion by Tom Kelley to approve the purchase of a Maintenance Contract for the office typewriter for \$45.00 per year. Seconded by Jim Patterson. Ayes: Kelley, Patterson, Randolph, Trengove. Noes: AmRhein.

The Manager asked that he be authorized to purchase the District a cut-off saw costing \$350.00.

Motion by Ray AmRhein to authorize the Manager to purchase a cut-off saw costing \$350.00. Seconded by Jim Patterson. Ayes: Unanimous.

Redwood Heights: Mr. Dave Johnson from Redwood Heights showed the Board a map, made by Ivan Parker, on his proposal for a new main line leading up Redwood Heights.

The Board asked that Mr. Johnson put together a whole proposal and then submit it to the Board for consideration.

Motion by Ray AmRhein that the map presented by Mr. Johnson be referred to Mark Thomas and Co. to see if it is compatible with the General Plan for that area on the Master Plan. Seconded by John Randolph. Ayes: AmRhein, Randolph, Kelley, Patterson, Trengove.

Oral Communications: Don Eggleston, owner of property on 301 Pleasant Valley Road, that is not in the District, asked to have permission to petition the Board to annex his parcel into the Water District.

The Manager recommended that Mr. Eggleston be allowed to annex into the District, if he would stand the cost all fees connected with the annexation, and that he not be charged any fee for annexation.

Motion by Ray AmRhein to adopt Resolution #1 76-77 Series, a resolution annexing Mr. Eggleston parcel #108-141-8 into the Central Santa Cruz County Water District. Mr. Eggleston to be charged an annexation fee of \$75.00 per acre or any portion thereof, also that he initiate all proceedings for the annexation and pay all necessary fees. Seconded by Tom Kelley. Ayes: AmRhein, Kelley, Patterson, Trengove. Noes: Randolph.

Carl Miller Project: Mark Thomas & Co. wrote a letter stating that the Carl Miller Project is not complete to their satisfaction. Carry this item.