

**CALAVERAS PUBLIC UTILITY DISTRICT**  
**506 W. St. Charles, Street San Andreas, CA 95249**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**March 17, 2026 at 5:00 p.m.**

Kevin Sparks  
President of the Board

Director Garrett Hesser  
Director Jack Tressler

Director Richard Blood  
Director Mathew Warmerdam

Calaveras Public Utility District hereby provides notice that it will convene its regularly scheduled public meetings of the Board of Directors at the District Office. If you are unable to attend in person, we encourage you to attend remotely as follows:

- **Join the Conference Call Meeting**
- **Dial-in number (US): 1(669)900-9128**
- **Join the online ZOOM meeting:**
- **<https://us02web.zoom.us/j/81691372893?pwd=azVkSFN3ZmJrU2V0aS85Vk92YThtZz09>**
- **Meeting ID: 816 9137 2893**
- **Meeting Passcode code: 545381**

*Please mute your call before joining. This will limit technical difficulties with audio. Only unmute your call if the President has requested public comment on an item. Upon completing your comments, please mute your call again. Do not put the call on hold, as hold music can ruin the call for all other participants. If that occurs, or in the event of disruptive conduct, staff reserves the right to disconnect that caller. Do no talk over the top of any other callers. Conversations must be one at a time.*

**AGENDA**

**1. CALL THE MEETING TO ORDER**

**2. ROLL CALL OF DIRECTORS**

- President Kevin Sparks
- Director Garrett Hesser
- Director Richard Blood
- Director Jack Tressler
- Director Mathew Warmerdam

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC COMMENT (Limit: 3 min/person)**

*At this time, members of the public may address the Board on any matter within its jurisdiction which is not on the agenda. The public is encouraged to work with staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to 3 minutes per person.*

**5. CONSENT ITEMS**

*Consent items should be considered together as one motion. Any item(s) requested to be removed will be considered after the motion to approve the Consent Items.*

- a. February 18, 2026, Regular Board Meeting Minutes
- b. February Claim Summary

Action: Roll call Vote

Consider motion to approve consent items a-b.

**ITEMS FOR BOARD DISCUSSION AND/OR ACTION**

*Board action may occur on any identified agenda item. Any member of the public may directly address the Board on any identified agenda item of interest, either before or during the Board's consideration of that item.*

**6. GREENGEN MOKELUMNE PUMPED STORAGE PROJECT WORKSHOP**

Action Requested: Discussion

Director Hesser will present information regarding the proposed Mokelumne Pumped Storage Project and lead a Board discussion.

**7. CONSIDERATION AND ACCEPTANCE OF FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2025**

Action Requested: Discussion & Roll Call Vote

Review and accept the Financial Statements for Fiscal Year Ending June 30, 2025

**8. CONSIDERATION AND APPROVAL OF PROFESSIONAL SERVICES AGREEMENT FOR GASB 75 ACTUARIAL SERVICES**

Action Requested: Discussion & Roll Call Vote

Consider approval of a professional services agreement with North Bay Pensions LLC for actuarial services related to the District's retiree health benefit obligations in accordance with GASB Statement No. 75. The total cost for the services is not to exceed \$3,600.

**9. REVIEW DRAFT CAPITAL IMPROVEMENT PLAN (CIP)**

Action Requested: Discussion

- a. Review draft Capital Improvement Plan (CIP).
- b. Board comments and recommendations to Staff.

**10. REPORTS**

*The purpose of these reports is to provide information on projects, programs, staff actions, and committee meetings that are of general interest to the Board and public. No decisions are to be made on these issues.*

- a. Legal Counsel's Report
- b. Executive Assistant/Clerk of the Board
- c. Water System Superintendent's Report
- d. Engineer's Report
- e. General Manager's Report

- f. Directors' Comments: Directors may make brief announcements or brief reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on the future agenda.

**11. CLOSED SESSION**

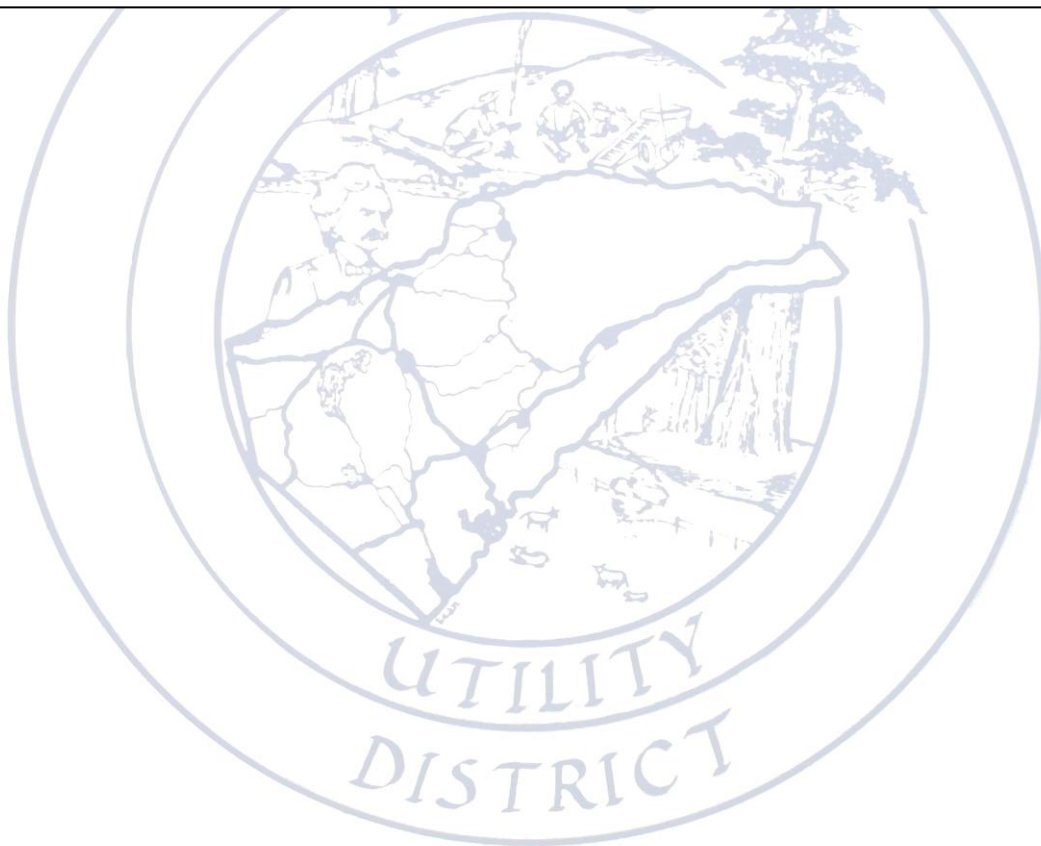
*PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code § 54957)*

Title: General Manager

**12. ADJOURNMENT**

If there is no other Board business the President will adjourn to its next regular meeting scheduled for April 21, 2026, at 5:00 p.m.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office at (209) 754-9442. Notification in advance of the meeting will enable CPUD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CPUD for review by the public.



CALAVERAS PUBLIC UTILITY DISTRICT  
Regular Meeting of the Board of Directors

February 17, 2026  
5:00 pm

DIRECTORS PRESENT: Kevin Sparks  
Garrett Hesser  
Richard Blood  
Jack Tressler (Arrived at 5:19pm)  
Mathew Warmerdam

MEMBERS ABSENT: None

STAFF PRESENT: Mathew Roberts, General Manager  
Carissa Bear, Clerk of the Board  
Wyatt Rovera, Water System Superintendent  
Adam Brown, District Legal Counsel

OTHERS PRESENT: Member of Public (Online)

1. CALL THE MEETING TO ORDER: The regular meeting was called to order by President Sparks at 5:03 P.M.
2. ROLL CALL OF DIRECTORS: Directors Blood, Warmerdam, Hesser and Sparks were present. Director Tressler was absent.
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None
5. CONSENT ITEMS
  - a. January 20, 2026, Regular Board Meeting Minutes
  - b. January Claim Summary
  - c. Tuition Reimbursement – Mathew Roberts – Section 4.10 of General Manager’s contract (Documentation attached; amount within FY2026 budget)

President Sparks commended Mr. Roberts on continuing his education. The Board reviewed and discussed the January claim summary. A motion was made by Director Blood, seconded by Director Sparks, to approve Consent Items a-c. A roll call vote was taken. Directors Blood, Warmerdam, Hesser, and Sparks voted yes. Motion carried 4-0.

**\*\*Director Tressler arrived.**

6. CLEARGOV WORKSHOP

Mr. Roberts provided background information on ClearGov, explaining that the previous General Manager was enthusiastic about the transparency the product could provide for the District’s budget. The Board had approved the service shortly before the previous General Manager left, so it was never implemented.

Mr. Roberts stated that he does not see the same benefits as the previous General Manager and believes the product would significantly increase his workload. He noted that the District's budget is already transparent and is posted on the District's website quarterly when it is presented to the Board; however, it does not include an interactive platform such as the one ClearGov provides.

Mr. Roberts also explained that the contract is an annual subscription with an escalator. Directors recalled that the product had been presented as a tool that could help the District qualify for a transparency award through the District's insurance provider. After discussion, the Board agreed that if the current General Manager does not find the product beneficial, the District should terminate the contract. A motion was made by Director Hesser, seconded by Director Blood, to terminate the contract with ClearGov. A roll call vote was taken. Directors Blood, Tressler, Warmerdam, Hesser, and Sparks voted yes. Motion carried 5-0.

## 7. DISCUSSION OF POTENTIAL OPTIONS WITH FERC REGARDING THE MIDDLE FORK DAM

Mr. Roberts recapped the FERC projects and discussed the current status. He explained that returning the projects to compliance with FERC is a lengthy process and that staff are continuing to work through the required Part 12D items.

Mr. Roberts asked the Board to begin considering the possibility of decommissioning the hydroelectric facility at Schaads. He noted that while the District must complete the current list of pending FERC requirements, it would be beneficial for the Board to be prepared when a decision regarding the future of the facility needs to be made.

The Board discussed concerns regarding the cost of maintaining Schaads Reservoir. It was noted that the District holds pre-1914 water rights associated with Schaads, which makes the reservoir an important asset to retain. Some Board members commented that if the District plans to keep Schaads Reservoir, discussions should also include potential ways to better utilize or capitalize on the asset.

President Sparks requested that this item be brought back to a future meeting with additional information outlining the pros and cons of decommissioning the hydroelectric facility at Schaads.

## 8. REPORTS

### a. Legal Counsel's Report

Mr. Brown informed the Board that an update on the telecommunication policy will be provided at the next Board meeting. He also reported that the Verizon cellphone tower lease he had been working on with Crown Castle will not be moving forward. Mr. Brown stated he will follow up with Crown Castle for confirmation, but it appears the upgrade is no longer needed. Once confirmed, Mr. Roberts stated that staff will need to amend the budget, as the anticipated lease revenue had already been included.

### b. Executive Assistant/Clerk of the Board

Mrs. Bear reminded the Board of their form 700s and required training is due.

### c. Water System Superintendent's Report

Mr. Rovera presented the Monthly Maintenance Report for February. He thanked Director Hesser and the Mokelumne Hill Fire Department for their assistance with the New Year's Day leak in Mokelumne Hill.

d. Engineer's Report

Mr. Roberts voiced some concerns with WGA regarding soil conditions at the Rich Gulch project site. WGA recommended that a geotechnical engineer be brought in to test the soil. Mr. Roberts confirmed with WGA that geotechnical soil sampling is included in the scope of work and will be budgeted accordingly. While WGA is eager to move forward with the design, Mr. Roberts is awaiting confirmation from the grant engineers that the project is approved for the swap. He is also in discussions with the USDA regarding potential grant funding to cover the remainder of the project as written in the State Revolving Fund (SRF) Construction Grant Application.

e. General Manager's Report

Mr. Roberts presented the General Manager's Report and informed the Board that the District recently sent a staff member to Class A schooling. He thanked the Board for their continued support in this effort. He also noted that another office staff member is in the process of obtaining her notary commission, which will help relieve some of the notary-related duties currently handled by Mrs. Bear.

f. Directors' Comments:

Director Hesser reported that he met with the General Manager of East Bay Municipal Utility District. They discussed ten years of budgeting, and he received a significant amount of useful information. He expressed interest in exploring this further, as well as in strategies for utilizing the District's debt. Director Hesser noted that he hopes the Ad Hoc committees will begin meeting to plan for the District's future. He also provided related literature to Mr. Roberts. Director Blood reported on the most recent UMRWA meeting, where a presentation was given on the GreenGen project. He noted some concerns regarding the water rights associated with the project. President Sparks recommended inviting a presenter to provide the District with more information at the next Board meeting. Director Hesser indicated that, given his familiarity with the project, he is willing to provide a presentation for the Board at the next meeting.

9. ADJOURNMENT

There being no further business to come before the Board, President Sparks adjourned the meeting at 6:37 pm.

Respectfully Submitted,

**CALAVERAS PUBLIC UTILITY DISTRICT**

**CLAIM SUMMARY 2-2026**

**DATE: February 2026**

The claims listed on the schedules attached to this summary have been examined and found to be correct and proper demands against the Calaveras Public Utility District.

Claims Submitted	\$ 205,088.94
Payroll Submitted	\$ 79,106.52
Employee Reimbursement	\$ 3,955.00
P/R Tax Deposits	\$ 6,145.59
<b>Sub-total</b>	<b>\$ 294,296.05</b>

Claim Summary Approved for	<b>\$ 294,296.05</b>
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Clerk of the Board, Calaveras Public Utility District

**Expenses by Vendor Summary**  
**CALAVERAS PUBLIC UTILITY DISTRICT**  
**February 2026**

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
ACWA-Health	02/09/2026	Dental/Vision Coverage Month: March 2026	5220 - Dental/Vision/Life Insurance	\$2,111.34
Aire Serv	02/09/2026	HVAC System Check - Office	5437 - Repairs & Maintenance-Office	\$400.00
	02/19/2026	Diagnostic Fee	5437 - Repairs & Maintenance-Office	\$225.00
Alpha Analytical Labs, Inc.	02/09/2026	January Samples	5685 - Lab & Sampling	\$1,736.00
Amador Cleaning Service	02/09/2026	Janitorial Service 01/2026	5670 - Facility Maintenance	\$825.00
Amazon Capital Services	02/19/2026	Birthday Decorations	5290 - Employee Recognition	\$14.06
	02/19/2026	Pesticide Labels	5548 - Materials & Supplies-T&D	\$25.88
	02/19/2026	Pest Spray Truck - Toolbox	5585 - Tools	\$146.13
	02/19/2026	Surface Keyboard	5475 - Office Supplies	\$50.87
	02/19/2026	Flashlights	5585 - Tools	\$20.55
	02/19/2026	Emergency Lights	5566 - Safety Equipment	\$85.76
	02/19/2026	Push Button	5536 - Repairs & Maintenance-T&D (5336)	\$14.56
	02/19/2026	Spray truck - Flashing Lights, Plastic Sleeves, Electrical Wire	5536 - Repairs & Maintenance-T&D (5336)	\$76.14
	02/19/2026	Trailer Holder and Pins	5585 - Tools	\$43.27
	02/19/2026	Pipe Sealant	5536 - Repairs & Maintenance-T&D (5336)	\$25.45
	02/19/2026	Candy	5475 - Office Supplies	\$35.32
	02/19/2026	HP Surface Pro Case	5475 - Office Supplies	\$111.34
	02/19/2026	TD High Vis Overalls and Jacket	5566 - Safety Equipment	\$181.77
	02/19/2026	TD Boots	5566 - Safety Equipment	\$129.88
	02/19/2026	Birthday Decorations	5290 - Employee Recognition	\$8.65
American Fidelity Assurance	02/09/2026	January	5275 - Employee Section 125 Plan	\$476.74
	02/19/2026	February	5275 - Employee Section 125 Plan	\$476.74
American Fidelity Assurance Co.(Flex)	02/19/2026	Pay period 2/1/25 & 2/15/25	5275 - Employee Section 125 Plan	\$400.00
AT & T	02/09/2026	Hydro 3	5480 - Telephone	\$68.73
AT & T	02/09/2026	San Andreas Tank	5480 - Telephone	\$644.10
	02/09/2026	Hydro 3	5480 - Telephone	\$645.88
	02/09/2026	Special Circuit	5480 - Telephone	\$52.18
AT&T				

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
	02/09/2026	Phone and Internet - Shop - Jan 08-Feb 07	5480 - Telephone	\$146.44
	02/19/2026	Phone and Internet - Shop - Feb 08-Mar 07	5480 - Telephone	\$156.43
Calaveras Auto Supply				
	02/19/2026	Socket Set	5585 - Tools	\$34.63
	02/19/2026	Truck #1 - Wipers, Connector, & Fluid	5532 Repairs & Maintenance-Auto	\$159.63
	02/19/2026	Spray Truck - Tune-up, cleaner, spark plugs, socket, rags, & gloves	5548 - Materials & Supplies-T&D	\$86.19
	02/19/2026	Ditch Witch - Oil	5532 Repairs & Maintenance-Auto	\$150.42
Calaveras Public Power Agency				
	02/19/2026	CPUD Warehouse	5743 - Electricity-Office	\$302.26
	02/19/2026	Glencoe Booster Pump	5740 - Electricity-T & D	\$248.26
	02/19/2026	CPUD Office	5743 - Electricity-Office	\$166.72
	02/19/2026	Jeff Davis WTP	5742 - Electricity-Treatment	\$1,170.40
	02/19/2026	Licking Fork Pumping Station	5740 - Electricity-T & D	\$17,878.00
Cal PERS				
	02/10/2026	SIP - IRC 457 Contributions, SIP - 457 Plan, CalPERS, 01/25/2026 - 02/07/2026	2317 - 457 Plan	\$1,192.26
	02/10/2026	Employer Contribution, PEPRA, 26507, CalPERS, 01/25/2026 - 02/07/2026	5230 - Retirement Benefits-CalPERS	\$3,740.24
	02/10/2026	Employer Contribution, Classic, 1017, CalPERS, 01/25/2026 - 02/07/2026	5230 - Retirement Benefits-CalPERS	\$2,913.94
	02/13/2026	Employer Contribution, PEPRA, 26507, CalPERS, 02/08/2026 - 02/21/2026 - HW Correction	5230 - Retirement Benefits-CalPERS	\$35.96
	02/23/2026	SIP - IRC 457 Contributions, SIP - 457 Plan, 02/08/2026 - 02/21/2026	2317 - 457 Plan	\$1,196.20
	02/23/2026	Employer Contribution, PEPRA, 26507, CalPERS, 02/08/2026 - 02/21/2026	5230 - Retirement Benefits-CalPERS	\$3,758.22
	02/23/2026	Employer Contribution, Classic, 1017, CalPERS, 02/08/2026 - 02/21/2026	5230 - Retirement Benefits-CalPERS	\$2,913.94
	02/23/2026	Employee Health PA Billing - March	5200 - Medical Benefits	\$42,121.17
	02/23/2026	Retiree PA Billing - March	2325 - OPEB Liability	\$6,226.99
Cal-Waste				
	02/19/2026	Office - Trash and Recycle Service - Feb 2026	5760 - Sewer & Garbage	\$188.38
	02/19/2026	Shop Trash and Lock Service - Jan 2026	5760 - Sewer & Garbage	\$449.00
Care Free Lawns				
	02/09/2026	December Monthly Service	5670 - Facility Maintenance	\$150.00
CDK Supply				
	02/09/2026	Shop Lighting Main Control Value/ Hydro #1 & #3	5548 - Materials & Supplies-T&D	\$793.47
	02/09/2026	Shop Lights	5548 - Materials & Supplies-T&D	\$197.07
CINTAS				
	02/19/2026	February First Aid Restock - Office & Shop	5566 - Safety Equipment	\$104.49
Columbia Bank - CB				
	02/19/2026	RM Notary Training	5335 - Training	\$1,021.60
Columbia Bank - WR				
	02/19/2026	Crew Meal	5280 - Employee Overtime Meals	\$73.59
	02/19/2026	Gear Box	5532 Repairs & Maintenance-Auto	\$95.41
	02/19/2026	JC Pest Cert	5430-License, Certifications, Fees	\$140.00
	02/19/2026	TW Pest Cert	5430-License, Certifications, Fees	\$140.00
	02/19/2026	Annual County Burn Permit	5460 - Permits	\$15.99

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
	02/19/2026	Gear Box	5532 Repairs & Maintenance-Auto	\$91.07
	02/19/2026	After Hours Meal	5280 - Employee Overtime Meals	\$89.51
	02/19/2026	Toolbox Mount	5548 - Materials & Supplies-T&D	\$42.88
	02/19/2026	Toolbox	5585 - Tools	\$676.48
	02/19/2026	Rebate	Miscellaneous	-\$211.70
Comcast				
	02/09/2026	Office Internet & Fax	5480 - Telephone	\$322.12
Comcast Business (VE)				
	02/09/2026	Offices Phones - Feb 2026	5480 - Telephone	\$282.39
Costco				
	02/19/2026	Annual Membership Renewal	5475 - Office Supplies	\$65.00
Crawford Bookkeeping				
	02/19/2026	W2 and 1099 Filing	5630 - Accounting Services	\$481.25
Datco Billing				
	02/09/2026	DOT Random Drug Test	5430-License, Certifications, Fees	\$20.00
Ditch Witch West				
	02/09/2026	Vac trailer parts	5536 - Repairs & Maintenance-T&D (5336)	\$212.43
	02/09/2026	Vac trailer parts	5536 - Repairs & Maintenance-T&D (5336)	\$278.05
Ferguson (Neptune)				
	02/09/2026	Meters	5870 - Materials for Capital Projects	\$12,366.93
	02/09/2026	Meters	5870 - Materials for Capital Projects	\$17.32
	02/09/2026	Meters	5870 - Materials for Capital Projects	\$44,785.62
Gary R. Johnson, M.D.				
	02/09/2026	DOT/DMV Physical & Cert, Urine Drug Screen	5430-License, Certifications, Fees	\$185.00
Gatewood Heating and Air Conditioning, Inc				
	02/19/2026	WTP - HVAC Check	5535 - Repairs & Maintenance-Treatment	\$199.00
GEI Consultants, Inc.				
	02/19/2026	Middle Fork Dam Updated Static and Seismic Analysis - 11/29/25-12/26/25	5695 - Consultants-Dam	\$6,820.00
Grainger				
	02/09/2026	Timer Trippers/ Eyewash Replacement pull strap	5547 - Materials & Supplies-Treatment	\$55.10
	02/09/2026	Bench Chain Vise	5585 - Tools	\$100.89
	02/09/2026	Manual 2Way Ball Valve	5547 - Materials & Supplies-Treatment	\$132.07
	02/09/2026	Handle 60 IN L Tapered	5536 - Repairs & Maintenance-T&D (5336)	\$139.23
	02/09/2026	Earplugs and Gloves	5566 - Safety Equipment	\$90.29
	02/09/2026	Pasteur Pipette	5547 - Materials & Supplies-Treatment	\$57.66
	02/09/2026	Pipe Wrench	5585 - Tools	\$482.18
	02/09/2026	Hose	5548 - Materials & Supplies-T&D	\$184.21
	02/19/2026	Stopwatch	5547 - Materials & Supplies-Treatment	\$60.77
Granite Data Solutions				
	02/09/2026	Adobe Pro Subscription x9	5470 - Software Programs & Updates	\$1,080.00
Herd's Machine Shop				

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
	02/09/2026	Modify trailer and mud flaps on truck	5532 Repairs & Maintenance-Auto	\$812.01
	02/19/2026	Metal Stock	5536 - Repairs & Maintenance-T&D (5336)	\$24.83
Hill Rivkins Brown & Associates				
	02/19/2026	Legal Service January 2026	5645 - Legal Services	\$4,395.50
Hunt Oil of California				
	02/19/2026	Bobcat Hyd Oil	5536 - Repairs & Maintenance-T&D (5336)	\$129.85
Hunt & Sons Inc.				
	02/09/2026	Fuel 1/01/26-1/15/26	5540 - Fuel	\$1,524.00
	02/19/2026	Fuel 1/16/26-1/31/25	5540 - Fuel	\$1,513.50
Kreationz Ink				
	02/09/2026	New Employee Apparel	5592 - CPUD-Other Clothing	\$537.74
Lowe's				
	02/19/2026	Light Bulbs - Schaads	5533 - Repairs & Maint-Dams & Hydros	\$64.42
Matrix Trust Company				
	02/09/2026	Pay Period Ending 1/24/26	2317 - 457 Plan	\$1,127.90
	02/19/2026	Pay Period Ending 2/7/26	2317 - 457 Plan	\$1,055.27
McMaster-Carr				
	02/09/2026	Trailer Parts	5532 Repairs & Maintenance-Auto	\$163.16
	02/09/2026	Fittings	5547 - Materials & Supplies-Treatment	\$59.29
	02/09/2026	Gloves & Glasses	5566 - Safety Equipment	\$258.50
	02/19/2026	WTP - Mounting Plate	5547 - Materials & Supplies-Treatment	\$89.66
Mission IT Solutions				
	02/09/2026	Monthly Recurring charges - January 2026	5632 - IT & Computer Support	\$2,312.00
	02/09/2026	Remote session, Surface Pro, & tablet set up	5632 - IT & Computer Support	\$2,941.74
	02/09/2026	Monthly Recurring charges - February 2026	5632 - IT & Computer Support	\$2,312.00
Motherlode Answering Service				
	02/09/2026	Answering Service Feb 2026	5606 - Answering Service	\$473.31
Pace Supply				
	02/09/2026	Inventory	5548 - Materials & Supplies-T&D	\$2,545.20
Petty Cash				
	02/09/2026	Lien Release x8	5605 - Administration Services	\$160.00
PG&E - ENERGY STATEMENT				
	02/09/2026	Schaads Hydro	5741 - Electricity-Hydros	\$106.66
	02/09/2026	Warehouse Light Pole #344	5740 - Electricity-T & D	\$10.68
	02/09/2026	Warehouse Light Pole #351	5740 - Electricity-T & D	\$10.68
	02/09/2026	Office	5740 - Electricity-T & D	\$176.61
	02/19/2026	Schaads Hydro	5741 - Electricity-Hydros	\$265.32
	02/19/2026	Hydro #3	5741 - Electricity-Hydros	\$311.18
	02/19/2026	Hydro #2	5741 - Electricity-Hydros	\$120.10
PGE-NON ENERGY INVOICES				
	02/09/2026	Hydro 1	5741 - Electricity-Hydros	\$7.75

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
	02/09/2026	Hydro 2	5741 - Electricity-Hydros	\$7.75
	02/09/2026	Hydro 3	5741 - Electricity-Hydros	\$7.75
	02/09/2026	Schaads Hydro	5741 - Electricity-Hydros	\$197.86
Pitney Bowes (Lease)				
	02/09/2026	Folding Machine	5464 - Printing	\$1,005.10
	02/09/2026	Postage Machine	5462 - Postage	\$451.15
Pitney Bowes (Reserve Acct)				
	02/09/2026	Reserve Account Postage	5462 - Postage	\$2,500.00
San Andreas Sanitary District				
	02/09/2026	Sewer Service - Office 01/26/26	5760 - Sewer & Garbage	\$117.23
	02/09/2026	Sewer Service - Shop 01/26/26	5760 - Sewer & Garbage	\$110.89
SEIU Local 1021				
	02/09/2026	Pay Period Ending 01/24/26	2322 - SEIU Union Dues	\$508.02
	02/19/2026	Pay Period Ending 02/07/26	2322 - SEIU Union Dues	\$536.19
Sender's Market Inc.				
	02/09/2026	Mini Ex	5548 - Materials & Supplies-T&D	\$490.30
	02/09/2026	PVC	5535 - Repairs & Maintenance-Treatment	\$98.04
	02/09/2026	Hose	5536 - Repairs & Maintenance-T&D (5336)	\$47.81
	02/09/2026	Wire	5547 - Materials & Supplies-Treatment	\$19.38
	02/09/2026	Flatbed Trailer	5548 - Materials & Supplies-T&D	\$132.57
	02/09/2026	Key	5536 - Repairs & Maintenance-T&D (5336)	\$38.88
	02/09/2026	Mini Ex	5548 - Materials & Supplies-T&D	\$324.72
	02/09/2026	Shop Lights	5548 - Materials & Supplies-T&D	\$59.27
	02/09/2026	Hydro Lights	5548 - Materials & Supplies-T&D	\$33.95
Treat's General Store				
	02/09/2026	Pump Station - Hardware	5548 - Materials & Supplies-T&D	\$19.29
	02/09/2026	Birthday Bagels	5290 - Employee Recognition	\$28.42
	02/09/2026	Water - Shop	5548 - Materials & Supplies-T&D	\$37.73
	02/09/2026	Keys & Glue	5475 - Office Supplies	\$11.02
	02/09/2026	Board Meeting - Snacks & Drinks	Board Meetings-Director Fees	\$64.20
	02/09/2026	Water - WTP	5547 - Materials & Supplies-Treatment	\$39.59
USA Blue Book				
	02/09/2026	WTP Supplies	5547 - Materials & Supplies-Treatment	\$406.59
	02/19/2026	WTP Lab Supply	5547 - Materials & Supplies-Treatment	\$445.41
	02/19/2026	WTP Lab Supply	5547 - Materials & Supplies-Treatment	\$821.92
Verizon Wireless				
	02/09/2026	District Cell Phones	5480 - Telephone	\$845.02
	02/19/2026	Special Circuits - Jan 02- Feb 01	5480 - Telephone	\$60.25
Volcano Telephone				
	02/09/2026	District Up Country Telephone, Internet, & Long Distance	5480 - Telephone	\$617.51
Weber, Ghio & Associates				

Name	Transaction date	Memo/Description	Distribution account	Ledger amount
	02/19/2026	CPUD - General Engineering Services	5635 - Engineering-Non-Capital	\$46.25
	02/19/2026	Rich Gulch Replacement Project - Funding Application	5850 - Engineering-Capital	\$2,600.00
	02/19/2026	CPUD FEMA - Indirect & Direct Admin Costs	5635 - Engineering-Non-Capital	\$1,950.00
	02/19/2026	Fairfield Inn Hotel	5635 - Engineering-Non-Capital	\$231.25
Wells Fargo Bank - C. Bear				
	02/19/2026	Google One	5470 - Software Programs & Updates	\$19.99
	02/19/2026	Intuit - Payroll Elite	5470 - Software Programs & Updates	\$235.00
	02/19/2026	1099 Forms - Print & Mail	5630 - Accounting Services	\$75.00
	02/19/2026	Training Meal	5335 - Training	\$35.46
	02/19/2026	W2 - Print and Mail	5630 - Accounting Services	\$89.25
	02/19/2026	Zoom - February	5470 - Software Programs & Updates	\$16.25
Wizix				
	02/19/2026	Office Copier	5464 - Printing	\$93.43
				<b>\$205,088.94</b>

**CALAVERAS PUBLIC UTILITY DISTRICT  
MEMORANDUM**

**To:** Board of Directors

**From:** Mathew Roberts, General Manager

**Subject:** Consideration and Acceptance of Financial Statements – FY Ending June 30, 2025

**Date:** 03/17/2026

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The audit of the District's financial statements for FY 2024–25 has been completed by Larry Bain, CPA. The financial statements fairly present the District's financial position. No material weaknesses were identified, but two significant deficiencies were noted.

Deficiencies:

- Segregation of Duties: One individual can process transactions from start to finish due to limited staff. Recommendation: Separate responsibilities where feasible.
- Compensated Absences: An instance was noted where time off recorded on a timesheet did not match the payroll tracking schedule. Recommendation: Ensure accurate recording of time-off during payroll processing.

Other Key Points:

- Accounting estimates for assets and postemployment benefits were reasonable.
- All identified misstatements were corrected.
- Restatement was made for accumulated sick leave under GASB 101.
- Written task orders from GEI are recommended prior to services being performed.

Board Action:

The Board is asked to review and accept the Financial Statements for FY 2024–25 and discuss any actions related to the significant deficiencies noted.

Respectfully Submitted,



Mathew Roberts  
General Manager

**CALAVERAS PUBLIC UTILITY DISTRICT**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2025**

# CALAVERAS PUBLIC UTILITY DISTRICT

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# LARRY BAIN, CPA

An Accounting Corporation

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2148 Frascati Drive, El Dorado Hills, CA / 916.601-8894  
[lpbain@sbcglobal.net](mailto:lpbain@sbcglobal.net)

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Calaveras Public Utility District  
San Andreas, CA

### **Opinion**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calaveras Public Utility District as of June 30, 2025, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Calaveras Public Utility District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Calaveras Public Utility District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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

### **Other Matters**

#### *Required Supplementary Information*

The Calaveras Public Utility District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The required supplementary information other than MD&A, as listed in the table of contents on page 26 as Schedule of the Plan's Proportionate Share of the Net Pension Liability, page 27 as Schedule of District Contributions and page 28 as the District's Other Postemployment Benefits (OPEB) Plan Schedule of Changes in the District's Net OPEB Liability and Related Ratios, is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Larry Bain, CPA*

Larry Bain, CPA,  
An Accounting Corporation  
February 24, 2026

# CALAVERAS PUBLIC UTILITY DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2025

Current Assets	
Cash and investments	\$ 3,326,961
Accounts receivable	466,337
Grants receivable	616,926
Due from OPEB trust	76,038
Interest receivable	18,840
Prepaid accounts	133,882
Leases receivable	977
Total current assets	4,639,961
Noncurrent Assets	
Restricted cash	600
Leases receivable	1,112,060
Capital assets	
Nondepreciable capital assets	
Land	150,436
Construction in progress	184,066
Depreciable capital assets	
Building and improvements	408,387
Dam	354,774
Pumping equipment	1,553,335
Treatment	7,995,575
Transmission and distribution	9,138,358
General	460,912
Less accumulated depreciation	(9,178,491)
Total depreciable capital assets-net	10,732,850
Total capital assets (net of accumulated depreciation)	11,067,352
Total noncurrent assets	12,180,012
Total assets	16,819,973
Deferred Outflows of Resources	
Deferred outflows-pension	561,473
Deferred outflows-OPEB	802,766
Total deferred outflows of resources	1,364,239
Current Liabilities	
Accrued expenses	136,514
Current portion-long term liabilities	118,322
Total current liabilities	254,836
Noncurrent Liabilities	
Compensated absences	75,766
Note payable	1,625,275
Lease payable	57,647
Net pension liability	1,634,842
Net OPEB liability	957,108
Total long-term liabilities	4,350,638
Total liabilities	4,605,475
Deferred Inflows of Resources	
Deferred inflows-pension	168,740
Deferred inflows-OPEB	101,461
Deferred inflows-leases	1,028,969
Total deferred inflows of resources	1,299,170
Net Position	
Net investment in capital assets	9,266,108
Restricted	600
Unrestricted	3,012,859
Total net position	\$ 12,279,567

The notes to financial statements are an integral part of this statements

**CALAVERAS PUBLIC UTILITY DISTRICT**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Operating revenue	
Water sales	\$ 3,547,785
Hydro electric charges	88,923
Hookup fees	23,152
Total operating revenues	3,659,860
Operating expenses	
Hydro expense	133,981
Pumping	171,154
Water treatment	74,592
Transmission and distribution	323,338
Personnel services	1,759,366
Contractual services	32,778
Administration and general	440,775
Depreciation	508,914
Total operating expenses	3,444,898
Operating income (loss)	214,962
Nonoperating revenue (expenses)	
Interest income	138,375
Rents and leases	25,337
Other	77,929
Grant revenue	111,666
County taxes	199,118
Interest expense	(55,376)
Nonoperating revenues (expenses)	497,049
Decrease in net position	712,011
Net position, beginning as previously reported	11,442,231
Adjustment-change in accounting principal (note 9)	(21,760)
Adjustment-increase prior year capital assets (note 9)	39,240
Adjustment-increase prior year FEMA receivable (note 9)	107,845
Net position, beginning as restated	11,567,556
Net position, end of fiscal year	\$ 12,279,567

The notes to financial statements are an integral part of this statements

**CALAVERAS PUBLIC UTILITY DISTRICT**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Cash flows from operating activities:	
Cash receipts from customers	\$ 3,579,850
Cash payments to suppliers for goods and services	(1,166,907)
Cash payments to employees for services and benefits	(1,794,846)
Net cash provided (used) by operating activities	618,097
Cash flows from noncapital and related financing activities:	
Proceeds from property tax and assessments	199,118
Proceeds from rents and leases	30,749
Proceeds from miscellaneous items	77,929
Net cash provided by noncapital financing activities	307,796
Cash flows from capital and related financing activities:	
Additions to capital assets	(412,807)
Principal payment on long-term debt	(114,082)
Interest paid on long-term debt	(55,376)
Proceeds from grant reimbursements	34,843
Net cash provided (used) by capital and related financing activities	(547,422)
Cash flows from investing activities:	
Interest received on investments	100,191
Net increase (decrease) in cash and cash equivalents	478,662
Cash and cash equivalents, beginning of fiscal year	2,848,899
Cash and cash equivalents, end of fiscal year	\$ 3,327,561
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>	
Cash	\$ 354,112
Investments	2,972,849
Restricted cash	600
<b>Cash and cash equivalents, end of fiscal year</b>	<b>\$ 3,327,561</b>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	\$ 214,962
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	508,914
Changes in assets and liabilities:	
Accounts receivable	(80,010)
Prepaid expenses	(2,458)
Deposits	
Accrued expenses	12,168
OPEB liability	(61,682)
GASB 68-pension adjustments	31,080
Compensated absences	(4,877)
Net cash provided (used) by operating activities	\$ 618,097

The notes to financial statements are an integral part of this statements

**CALAVERAS PUBLIC UTILITY DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>CERBT OPEB Trust Fund</u>
<u>Assets</u>	
Cash and investments	<u>\$ 1,236,869</u>
Total Assets	<u><u>\$ 1,236,869</u></u>
 <u>Net Position</u>	
Held in trust for OPEB benefits	<u><u>\$ 1,236,869</u></u>

The notes to financial statements are an integral part of this statements

**CALAVERAS PUBLIC UTILITY DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	CERBT OPEB Trust Fund
Additions:	
Employer contributions	\$ -
Total contributions	
Deductions:	
Payment for benefits	(76,038)
Total deductions	(76,038)
Investment income (loss):	
Net adjustment to fair value of investments	143,533
Total additions (deductions)	143,533
Change in plan net position	67,495
Net Position:	
Held in trust for OPEB benefits:	
Beginning of fiscal year	1,169,374
End of fiscal year	\$ 1,236,869

The notes to financial statements are an integral part of this statements

# CALAVERAS PUBLIC UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

### Note 1: Summary of Significant Accounting Policies

The Calaveras Public Utility District operates under the Public Utility District Act, Division 7, of the Public Utilities Code, State of California. The Act permits formation of multipurpose government agencies to provide public services on a regional basis. In accordance with the Act, voters approved creating the Calaveras Public Utility District to provide domestic water to unincorporated communities of San Andreas and Mokelumne Hill. The District's governing body is a Board of Directors comprised of 5 members with 4 year staggered terms.

#### A. Reporting Entity

The District has defined its reporting entity in accordance with U.S. generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with GASB.

#### B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

#### Fund Financial Statements

The proprietary fund financial statements provide information about the District's funds. Separate statements for each fund category - *proprietary and fiduciary* - are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The District reports on the following proprietary fund:

Water Fund

This fund accounts for the activities of treating and distributing water to the residents in the District and the general operations.

The District reports the following fiduciary fund type:

The Fiduciary fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary funds use the “economic resources” measurement focus and the accrual basis of accounting.

CERBT OPEB Trust Fund

Accounts for accumulation of resources associated with the District’s other post-employment benefits (OPEB) trust fund used for administration of health insurance for retirees.

C. Basis of Accounting

These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied. This is a basis of accounting that conforms to accounting principles generally accepted in the United States of America.

D. Prepaid Expenses

Accounts for prepaid liability insurance, prepaid healthcare insurance and prepaid department of water resources dam fees.

E. Cash Equivalents

For purpose of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes cash with Calaveras County and deposits with the State of California Local Agency Investment Fund (LAIF).

F. Budgetary Reporting

The District prepares an annual operating and capital budget, which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California State law does not require formal adoption of appropriated budgets for enterprise funds.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 1: Summary of Significant Accounting Policies (Continued)

G. Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Capital Contributions

Transmission and distribution system assets contributed to the District by installers are capitalized at the installers estimated cost, which approximates fair value at the time of the District's acquisition, and is recorded as capital contributions when received.

I. Estimated Insurance Liabilities

The District maintains an insurance policy with Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) that provides limits of liability of for general liability, auto and an additional umbrella policy. The District also maintains workers compensation insurance through ACWA/JPIA, with a pooled self-insurance.

J. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

*Net investment in capital assets*-This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted*-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position*-This component of net position consists of net position that does not meet the definition of "restricted" or "investment in capital assets."

K. Restricted and Unrestricted Resources:

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, and then unrestricted resources as needed.

L. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and the amount of accumulated sick leave that is expected to be used prior to termination. In accordance with GASB 101, the liability for accumulated leave includes all salary - related payments that are directly and incrementally connected with leave payments to employees.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 1: Summary of Significant Accounting Policies (Continued)

M. Property Taxes

The District receives property taxes from Calaveras County, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible taxes. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

N. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available. Capital assets include land, buildings, water system, equipment, office furniture and vehicles. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Building and improvements	20-50 years
Equipment and Infrastructure	5-100 years

O. Pensions

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

P. GASB Statement No. 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on the District's financial statements starting fiscal year ended June 30, 2022.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 1: Summary of Significant Accounting Policies (Continued)

P. GASB Statement No. 87 (Continued)

The District acts as the lessor for real property used for two cell tower operators. The District recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance of the lessee or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

Note 2: Cash and Investments

Cash and investments are reported on the balance sheet as follows:

Cash and investments	\$ 3,326,961
Restricted cash and investments	<u>600</u>
Total cash and investments	<u><u>\$ 3,327,561</u></u>

Cash and investments at June 30, 2025, consisted of the following:

Checking	\$ 353,811
Savings	600
Petty cash	301
Certificates of deposit	196,347
Calaveras County treasury	13,316
Money market	657,484
LAIF	<u>2,105,702</u>
Total cash and investments	<u><u>\$ 3,327,561</u></u>

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the Calaveras Public Utility District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk**, **credit risk** and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium term notes	5 years	30%	None
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	15%
Time deposits	5 Years	None	None
Local Agency Investment Fund (LAIF)	5 years *	None	None

\* The five year maximum maturity can be extended by the Board of Directors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

**B. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of and investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
Money Market*	\$ 657,484	\$ 657,484	\$ -
State Investment Pool*	2,105,702	2,105,702	
<b>Totals</b>	<b>\$ 2,763,186</b>	<b>\$ 2,763,186</b>	<b>\$ -</b>

\*Not subject to categorization

**C. Concentrations of Credit Risk**

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

**D. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's

# CALAVERAS PUBLIC UTILITY DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2025

### Note 2: Cash and Investments (Continued)

#### D. Custodial Credit Risk (Continued)

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

At June 30, 2025, the District's deposit balance was \$552,504, and the carrying amount was \$550,758. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance, \$446,347 was covered by the Federal Depository Insurance and the remainder in commercial banks was covered by collateral held in the pledging bank's trust department in the District's name or by the terms. Deposits held in UBS business services accounts above the FDIC insured limits flow into a triple "A" rated money market fund.

#### E. Investment in State Investment Pool

LAIF is included in the State's Pooled Money Investment Account. The total amount invested by all public agencies in the State's Pooled Money Investment Account approximates \$179.92 billion. Of the \$179.92 billion managed by the State Treasurer, 100% is invested in non-derivative financial products and 3.81% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

The District maintains a cash account with the Calaveras County Treasurer in an investment pool. The District's funds are managed in accordance with the investment policy of the County Treasury. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and investment risk can be found in the County's financial statements. The Calaveras County's financial statements may be obtained by contacting the County of Calaveras Auditor-Controller's office at 891 Mountain Ranch Road, San Andreas, CA 95249.

### Note 3: Leases Receivable

The District derives a portion of its revenue from the rental of real property based on a fixed lease amounts to organizations used for cellular towers. Two leases are treated as finance leases for accounting purposes under Governmental Accounting Board Statement No. 87. The initial lease terms have an assumed start date of July 1, 2021 for periods between thirty four years 10 months and forty one year's six months remaining on the leases, and can be terminated by the lessee at any time and without cause by giving the District written notice of termination. Early termination is not expected. The rents ranged from \$1,322 to \$1,455 per month and the cell tower leases increase by 15% each 5 year renewal period. Lease receivables consist of an agreement with the cell tower operators for their right-to-use of a portion of facilities owned by the District. The calculated interest rate used is based on an assumed 3% borrowing rate. For the fiscal year ended June 30, 2025, the District recognized \$25,337 in lease revenue (including recognition of deferred inflows) and \$33,420 in interest revenue related to these leases.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 3: Leases Receivable (Continued)

A summary of changes in lease receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance 7/1/2024	Additions	Adjustments	Balance 6/30/2025	Due Within One Year
Leases receivable	\$ 1,113,984	\$ -	\$ (948)	\$ 1,113,036	\$ 977

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 977	\$ 33,391	\$ 34,368
2027	2,593	33,362	35,955
2028	3,464	33,284	36,748
2029	3,837	33,180	37,017
2030	5,261	33,065	38,326
2031-2035	43,788	162,397	206,185
2036-2040	83,537	153,576	237,113
2041-2045	134,532	138,147	272,680
2046-2050	199,304	114,278	313,582
2051-2055	280,894	79,725	360,619
2056-2060	231,391	36,768	268,160
2061-2063	123,458	8,110	131,568
Total	\$ 1,113,036	\$ 859,284	\$ 1,972,320

Note 4: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Additions	Retirements/ Adjustments	Balance 6/30/2025
Capital assets not being depreciated				
Land	\$ 150,436	\$ -	\$ -	\$ 150,436
Construction in progress	75,413	108,653		184,066
Total capital assets, not being depreciated	225,849	108,653		334,502
Capital assets, being depreciated				
Buildings	408,387			408,387
Dam	270,529	84,245		354,774
Pumping plant	1,501,025	52,310		1,553,335
Treatment	7,995,575			7,995,575
Transmission and distribution	8,894,482	243,876		9,138,358
General plant & administration	452,944	7,968		460,912
Total capital assets, being depreciated	19,522,942	388,399		19,911,341
Less accumulated depreciation:	(8,624,572)	(553,919)		(9,178,491)
Total capital assets, being depreciated, net	10,898,369	(165,520)		10,732,850
Total capital assets, net	\$ 11,124,218	\$ (56,867)	\$ -	\$ 11,067,352

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 5: Long-Term Liabilities

Long-term liabilities consisted of the following at June 30, 2025:

	Balance 7/1/2024	Additions	Adjustments	Balance 6/30/2025	Due Within One Year
Compensated absences	\$ 58,883	\$ 16,883	\$ -	\$ 75,766	\$ -
Note payable	1,795,907		(84,151)	1,711,756	86,481
Lease payable	119,419		(29,931)	89,488	31,841
Net pension liability (Note 6)	1,646,358		(11,516)	1,634,842	
Net OPEB liability (Note 8)	507,864	449,244		957,108	
Total	<u>\$ 4,128,431</u>	<u>\$ 466,127</u>	<u>\$ (125,598)</u>	<u>\$ 4,468,960</u>	<u>\$ 118,322</u>

A. Compensated Absences

District employees accumulate earned but unused vacation benefits that can be converted to cash at termination or retirement from employment and accumulated sick leave expected to be used prior to termination or retirement. The amount of the compensated absences at June 30, 2025 was \$75,766.

B. Note Payable

On April 1, 2021, the district entered into an installment sale agreement with First Foundation Bank to finance the Clearwell Water Tank Replacement project. The amount financed was \$2,035,000, which included \$2,000,000 proceeds of debt and \$35,000 cost of issuance. The term of the loan is from April 1, 2021 to April 1, 2041 with an interest rate of 2.75%. The annual requirement to amortize the loan is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 86,481	\$ 46,483	\$ 132,964
2027	88,876	44,089	132,965
2028	91,337	41,627	132,964
2029	93,865	39,099	132,964
2030	96,555	39,099	135,654
2031-2035	637,541	177,420	814,961
2036-2040	617,192	64,260	681,452
Total	<u>\$ 1,711,847</u>	<u>\$ 452,077</u>	<u>\$ 2,163,924</u>

C. Lease payable

On March 10, 2023 the District entered into a lease agreement with John Deere Financial for the lease purchase of a Backhoe. The amount financed was \$156,555. The term of the loan is from March 10, 2023 to February 10, 2028. The annual requirement to amortize the lease is as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2026	\$ 31,841	\$ 4,654	\$ 36,495
2027	33,872	2,623	36,495
2028	23,775	557	24,332
Total	<u>\$ 89,488</u>	<u>\$ 7,834</u>	<u>\$ 97,322</u>

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan

The net pension liability represents the District’s obligation to fully fund the pensions of its current and prior employees based on the service they provided to the District over a number of prior years. In the past, accounting standards required that no liability be shown for this obligation, even though it did legally exist, as long as the District made its required contributions to the pension plan each year. This resulted in reporting pension expense each year that included both the cost of offering pension benefits to the District’s current employees for services they performed that year as well as catch-up contributions related to prior year employee service. The new standard improves the accounting for annual pension expense because the recognition of the net pension liability eliminates the need to include catch-up contributions in current year pension expense. The pension expense recognized by the District each year will now be designed to capture only the cost of providing pension benefits to employees related to their service in the current year, with a few adjustments necessitated by varying investment returns and other conditions because actuarial results cannot predict future events with complete precision. As a result, the District’s pension expense recognized under GASB 68 will generally be lower than what has previously been recognized.

**A. General Information about the Pension Plans**

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

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members hired prior to January 1, 2013 with five years of total service are eligible to retire at age 50, after January 1, 2013 at age 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting s chedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52 - 67
Monthly benefits , as a % of eligible	2.2% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	15.24%	7.87%

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

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

Contributions-employer	\$	230,133
Contributions-employee (paid by employer)	\$	30,122

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

Miscellaneous Plan	\$	1,634,842
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The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2024 and 2025 was as follows:

Proportion - June 30, 2024		0.03292%
Proportion - June 30, 2025		0.03380%
Change - Increase (Decrease)		0.00088%

For the year ended June 30, 2025, the District recognized pension expense of \$291,335. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 141,347	\$ (5,515)
Changes in assumptions	42,019	
Net difference between projected and actual earnings on pension plan investments	94,116	
Difference between actual and proportionate share of contributions		(72,709)
Change in proportion	23,736	(90,516)
District contributions subsequent to the measurement date	260,255	
Total	<u>\$ 561,473</u>	<u>\$ (168,740)</u>

\$260,255 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

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

<b>Measurement Period</b>	
<b>Ended June 30:</b>	
2026	\$ 33,560
2027	(196,688)
2028	(1,596)
2029	32,246
Thereafter	-

**Actuarial Assumptions** – The total pension liability in the June 30, 2023 actuarial valuation report was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	6.90%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age an
Investment Rate of Return	6.90%

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 6: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)(2)</u>
Global equity-cap weighted	30.0%	4.45%
Global equity non-cap weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage backed securities	5.0%	50.00%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%

(1) An expected inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management study.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Discount Rate -1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate +1% (7.90%)</u>
Miscellaneous	\$ 2,648,152	\$ 1,634,842	\$ 803,780

Note 7: Deferred Compensation Plan

Employees of Calaveras Public Utility District may elect to participate in a deferred compensation plan, as defined in the Internal Revenue Code Section 457. The contributions to the plan are voluntary. All amounts of compensation deferred under the plans, all property and rights purchased with these amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or beneficiaries) solely the property and rights of the employees and their beneficiaries. No part of the principal or income of the trust shall revert to the employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries. The district selected as the trustees of the plan assets. Each employee has the option to select either trustee.

Note 8: Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan

On June 1, 2004, the Board of Directors passed a resolution to establish health benefit vesting requirements for future retirees under public employees’ medical and hospital care act, whereas an employee who is with Calaveras Public Utility District for 5 years or longer and who has met other vesting requirements as defined by Government Code 20079, shall receive up to a maximum 100% of the health benefit for the employee premium plus 90% of the additional premium required for enrolment of family members in selected plans. The total District expense on the pay as you go basis for postretirement health benefits in the 2024-25 fiscal year was \$49,713. As of June 30, 2025, five retired employees were receiving postretirement health benefits.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 8: Other Postemployment Benefits (OPEB) (Continued)

***Plan Description***

Calaveras Public Utility’s (CPUD) Post-Retirement Healthcare Plan is a single-employer defined benefit healthcare plan administered by CalPERS. CalPERS provides medical insurance benefits only to eligible retirees and their spouse. The District approved post-retirement health insurance benefits for all of its employees based on employees as of June 30, 2004 under the Public Employees’ Medical and Hospital Care Act (PEMHCA).

**Benefits Provided**

The retiree benefits for employees hired prior to June 4, 2004 are entitled to receive the same benefits as active employees noted above if they qualify for CalPERS retirement. Those hired after June 4, 2004 are entitled to receive medical only lifetime benefits with required service of 20 years and the plan paying 50% of premiums after 10 years of service and an additional 5% for each additional year of service with a maximum district contribution of 100%. The minimum age for receiving benefits is 50 and the District cap is the State contributions. The plan also provides coverage for eligible spouses. For employees who are eligible to participate in the plan the District will contribute the health benefit cost for the retiree and eligible spouse up to 100% of the PERS Choice plan. A retiree with less than the required years of service with the District will receive no benefit, unless they have previous employment qualifying them for CalPERS retirement, in which case they are eligible to receive the CalPERS minimum at the time of retirement. The CalPERS minimum is set by law. The retiree is on the same medical plan as the District’s active employees, however monthly rates for coverage of covered active and retired employees are computed separately.

**Employees Covered By Benefit Terms**

At the OPEB liability measurement date of June 30, 2024, the following employees were covered by the benefit terms:

Retirees currently receiving benefit payments	5
Active employees	11
Total	<u>16</u>

**Contributions**

The District’s annual other post-employment benefit (OPEB) cost (expense) is calculated based on the actuarially determined contribution of the employer (ADC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The District chose a 30 year period to amortize the unfunded actuarial liability.

The contribution requirement of plan members is established by the District’s Board of Directors. The 2023-24 fiscal year contribution was based on the actuarially determined contribution using entry age actuarial cost with normal costs calculated as a level percentage of payroll, as required by GASB 75. For the fiscal year ending June 30, 2023 measurement, the District contributed \$0 towards the unfunded actuarial liability (UAL). The District chose CalPERS CERBT as the trustee for the plan. The District also paid the retiree premiums for fiscal year end June 30, 2023 valuation directly to health insurance providers totaling \$100,457. Plan members receiving benefits contributed \$0 of the total premiums.

*Net OPEB Liability:* At June 30, 2025 the District reported a net OPEB liability of \$957,108. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation with a valuation date of June 30, 2023.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 8: Other Postemployment Benefits (OPEB) (Continued)

**Actuarial Assumptions**

The net OPEB liabilities as of the June 30, 2025 reporting date was determined using the following actuarial assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial Assumptions:	
Discount rate	4.52%
Healthcare trend rates	5.50%
Salary increase	3.00%
Inflation	2.75%
Investment rate of return	4.52%

**OPEB Assets**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	49.00%	5.25%
Fixed income	23.00%	0.99%
Treasury securities	5.00%	0.45%
REIT's	20.00%	4.50%
Cash	3.00%	3.90%
Total	<u>100.00%</u>	

(1): The estimated yield of 3.00% for commodities was obtained from various sources, and is an estimated amount. Using these figures, the weighted-average real rate of return is estimated to be 3.81%. Adding estimated inflation of 2.75% we obtain 6.56% as an estimate of the expected rate of return, which is then rounded to 6.50%

The OPEB assets are held by CalPERS CERBT, the trustee for the OPEB assets. The OPEB assets are not FDIC insured there is no bank guarantee and the assets may lose value. The investments are in strategy 1 which is the least conservative of the 3 risk levels offered by the trustee. The investment objective is to seek returns that reflect the broad investment performance of the financial markets through capital appreciation and investment income. There is no guarantee that the portfolio will achieve its investment objective.

The discount rate used to measure the total OPEB liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed the District's contributions will continue based upon the current OPEB funding policy. Based on those assumptions, the OPEB plans fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments determine the total OPEB liability.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 8: Other Postemployment Benefits (OPEB) (Continued)

**Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. fair value of Plan assets), and the net OPEB liability during the reporting period ending on June 30, 2025.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a-c)
Balances at 6/30/2024	\$ 1,627,566	\$ 1,119,702	\$ 507,864
Changes for the year:			
Service cost	37,461		37,461
Interest	102,341		102,341
Benefit changes			-
Difference between expected and actual experience			-
Assumption changes	465,763		465,763
Contribution-employer		33,725	(33,725)
Net investment income		122,961	(122,961)
Benefit payments	(106,165)	(106,165)	-
Administrative expense		(365)	365
Net changes	499,400	50,156	449,244
Balances at 6/30/25	\$ 2,126,966	\$ 1,169,858	\$ 957,108

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's share of the net OPEB liability if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 3.52%	Discount Rate 4.52%	1% Increase 5.52%
Net OPEB liability (asset)	\$ 1,276,486	\$ 957,108	\$ 698,656

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate**

	1% Decrease 4.50%	Trend Rate 5.50%	1% Increase 6.50%
Net OPEB liability (asset)	\$ 714,333	\$ 957,108	\$ 1,248,512

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 8: Other Postemployment Benefits (OPEB) (Continued)

**OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$143,740. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or methods. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 315,605	\$ (92,870)
Changes in assumptions	420,408	(8,591)
Net difference between projected and actual earnings on OPEB plan investments	17,040	
District contributions subsequent to measurement date	49,713	
Totals	\$ 802,766	\$ (101,461)

\$49,713 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

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

Year Ended June 30,	
2026	\$ (71,175)
2027	(111,138)
2028	(62,804)
2029	(62,639)
2030	(72,681)
Thereafter	(271,155)
Total	\$ (651,592)

Note 9: Restatements

In FY 2024/25 the District implemented a new pronouncement for Governmental Accounting Standards Board (GASB) 101 compensated absences. The new pronouncement uniformed and defined the elements required in the compensated absence liability calculation retroactively. Under the new guidance, the District now includes sick leave in the compensated absence liability calculation. The change in accounting principle increased the current and long-term liabilities. As a result, the beginning net position decreased \$21,760.

During the 2024/25 fiscal year the District recognized an impairment for the Schaads dam access road and capitalized restoration cost for Schaads and MCV roads incurred prior to 2024-2025. The net adjustment resulted in an increase to net position of \$39,240.

During the 2024/25 fiscal year the District recognized additional FEMA grant receivables for work performed in prior years. The effect of the adjustment was an increase to net position of \$107,845.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2025**

Note 10: Commitments and Contingent Liabilities

In the normal course of business, the District can be a defendant in lawsuits. Defense of lawsuits is typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance.

Grants are subject to audit to determine compliance with their requirements. District officials believe that if any refunds are required, they would not have a significant effect on the financial condition or liquidity of the District. The District is unaware of any pending litigation or other contingencies which would have a material effect on the financial condition or liquidity of the District.

On June 17, 2025 the District approved a \$148,500 agreement with GFT to perform inspections on the middle fork dam.

Note 11: Subsequent Events

Subsequent to fiscal year end the District amended the cell tower lease agreement with T-Mobile to expand the cell tower leased area. As a result T-Mobile will pay an additional \$1,500 per month starting upon the installation of the equipment on the new leased area.

Subsequent events were evaluated by management through February 24, 2026 the date these financial statements were available for distribution.

**CALAVERAS PUBLIC UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
JUNE 30, 2025**

<u>Reporting date</u>	<u>District's proportion of the net pension liability (asset)</u>	<u>District's proportionate share of the net pension liability (asset)</u>	<u>District's covered-employee payroll</u>	<u>District's proportionate share of the net pension liability (asset) (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
6/30/2016	0.02896%	\$794,436	\$406,081	195.63%	78.27%
6/30/2017	0.02913%	\$1,011,935	\$486,149	208.15%	76.29%
6/30/2018	0.02949%	\$1,162,316	\$524,788	221.48%	70.71%
6/30/2019	0.03039%	\$1,145,237	\$489,302	234.06%	72.30%
6/30/2020	0.03096%	\$1,239,811	\$535,124	231.69%	70.70%
6/30/2021	0.03159%	\$1,332,360	\$458,114	290.84%	70.69%
6/30/2022	0.04577%	\$868,994	\$481,105	180.62%	69.12%
6/30/2023	0.03294%	\$1,541,316	\$763,747	201.81%	79.55%
6/30/2024	0.03292%	\$1,646,358	\$694,389	237.09%	68.93%
6/30/2025	0.03380%	\$1,634,842	\$870,175	187.88%	68.43%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end

**CALAVERAS PUBLIC UTILITY DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
JUNE 30, 2025**

<u>Reporting date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contribution as a percentage of covered employee payroll</u>
6/30/2016	\$80,005	(\$80,005)	\$0	\$406,081	19.70%
6/30/2017	\$93,795	(\$93,795)	\$0	\$486,149	19.29%
6/30/2018	\$107,494	(\$107,494)	\$0	\$524,788	20.48%
6/30/2019	\$124,795	(\$124,795)	\$0	\$489,302	25.50%
6/30/2020	\$135,428	(\$135,428)	\$0	\$535,124	25.31%
6/30/2021	\$144,802	(\$144,802)	\$0	\$458,114	31.61%
6/30/2022	\$170,220	(\$170,220)	\$0	\$481,105	35.38%
6/30/2023	\$194,268	(\$194,268)	\$0	\$763,747	25.44%
6/30/2024	\$213,602	(\$213,602)	\$0	\$694,389	30.76%
6/30/2025	\$260,255	(\$260,255)	\$0	\$870,175	29.91%

\* The amounts presented for each fiscal year were determined as of the fiscal year-end

**CALAVERAS PUBLIC UTILITY DISTRICT**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN SCHEDULE OF  
CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS  
JUNE 30, 2025**

Last 10 Fiscal Years\*

	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
<b>Total OPEB liability</b>								
Service cost	\$ 64,167	\$ 66,092	\$ 61,515	\$ 37,424	\$ 38,547	\$ 44,738	\$ 46,080	\$ 37,461
Interest	73,752	80,053	82,578	80,659	84,505	83,221	85,599	102,341
Changes in benefit terms		(64,768)						
Differences between expected and actual experience			(127,847)		(54,051)		243,874	
Changes of assumptions			2,481		(15,463)		(14,666)	465,763
Benefit payments	(39,817)	(42,135)	(42,931)	(53,563)	(64,288)	(82,287)	(100,457)	(106,165)
Net change in total OPEB liability	98,102	39,242	(24,204)	64,520	(10,750)	45,672	260,430	499,400
Total OPEB liability-beginning	1,154,554	1,252,656	1,291,898	1,267,694	1,332,214	1,321,464	1,367,136	1,627,566
Total OPEB liability-ending (a)	<u>\$ 1,252,656</u>	<u>\$ 1,291,898</u>	<u>\$ 1,267,694</u>	<u>\$ 1,332,214</u>	<u>\$ 1,321,464</u>	<u>\$ 1,367,136</u>	<u>\$ 1,627,566</u>	<u>\$ 2,126,966</u>
<b>Plan fiduciary net position</b>								
Contributions-employer	\$ 113,478	\$ 130,394	\$ 107,431	\$ 93,563	\$ 64,288	\$ 82,287	\$ 100,457	\$ 33,725
Net investment income	53,030	50,121	47,779	31,547	261,813	(162,686)	67,583	122,961
Benefit payments from trust	(39,817)	(42,135)	(42,931)	(53,563)	(64,288)	(82,287)	(100,457)	(106,165)
Administrative expenses	(260)	(338)	(165)	(439)	(361)	(308)	(306)	(365)
Net change in plan fiduciary net position	126,431	138,042	112,114	71,108	261,452	(162,994)	67,277	50,156
Plan fiduciary net position-beginning	506,272	632,703	770,745	882,859	953,967	1,215,419	1,052,425	1,119,702
Plan fiduciary net position-ending (b)	<u>\$ 632,703</u>	<u>\$ 770,745</u>	<u>\$ 882,859</u>	<u>\$ 953,967</u>	<u>\$ 1,215,419</u>	<u>\$ 1,052,425</u>	<u>\$ 1,119,702</u>	<u>\$ 1,169,858</u>
District's net OPEB liability (a-b)	<u>\$ 619,953</u>	<u>\$ 521,153</u>	<u>\$ 384,835</u>	<u>\$ 378,247</u>	<u>\$ 106,045</u>	<u>\$ 314,711</u>	<u>\$ 507,864</u>	<u>\$ 957,108</u>
Plan FNP as a percentage of the total OPEB liability	51%	60%	70%	72%	92%	77%	69%	55%
Covered-employee payroll	\$ 446,005	\$ 661,238	\$ 702,715	\$ 573,557	\$ 617,615	\$ 756,372	\$ 763,747	\$ 488,186
District's net OPEB as a % of covered-employee payroll	139%	79%	55%	66%	17%	42%	66%	196%
Valuation Date	6/30/2017	6/30/2017	6/30/2019	6/30/2019	6/30/2021	6/30/2021	6/30/2023	6/30/2023

\* Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

March 7, 2026

Mr. Mathew Roberts  
General Manager  
Calaveras Public Utility District  
506 W. St. Charles Street  
San Andreas, CA 95249

**Re: Engagement Letter for GASB 75 Actuarial Services for 2026**

Mr. Roberts:

This letter will set forth our agreement for my services and fees, in connection with the calculation of the liabilities of your retiree health benefits program (the Program), and the amounts to be recorded on your financial statements under GASB Statement 75.

**Scope of Services**

The services to be provided under this engagement are the calculations under Statement of Governmental Accounting Standards No. 75 (GASB 75) for the Program sponsored by the District for certain current and former employees. These steps will be included:

- Consultation regarding the assumptions to be used. The primary assumptions to be decided are the discount rate, the rates of future increases in health care costs, rates of turnover and retirement, and mortality. Based on industry norms, my own experience and the District's expectations, I will recommend assumptions for this purpose for your consideration. It is understood that the District has responsibility for choosing all the assumptions.
- Using my proprietary actuarial valuation software, I will calculate the actuarial present value of the District's benefit obligations under the Program as of June 30, 2025. With this information, I will calculate the amounts that the District needs to accrue and disclose under GASB 75 for the fiscal year ending June 30, 2026.
- I will prepare a written report to summarize this information. The report will include an executive summary. The report will also include summaries of the participant data, the actuarial assumptions and methods, and the Program's provisions. The report is intended to serve as documentation for

the computations of the Program's obligations and of GASB 75 cost, and for audit by your independent auditors as needed.

- After June 30, 2026 economic information is available, it will be possible to establish a discount rate as of June 30, 2026. At that time, I will use the results of the June 30, 2025 valuation to calculate the liabilities of the Program as of June 30, 2026 using the new discount rate. This will be combined with the June 30, 2025 results to compute the amounts the District will need to accrue and disclose under GASB 75 for the 2026-2027 fiscal year. My expectation is that I will communicate this information to you via emails, and will formally document these calculations in the June 30, 2027 valuation report, once that is done.

### Fees

My fees for the services described in this engagement letter will be as follows:

- For the June 30, 2025 actuarial valuation and report, and the determination of GASB 75 accruals for the fiscal year ending June 30, 2026: **\$ 2,400.**
- For the calculations of benefit obligations as of June 30, 2026, and the determination of GASB 75 accruals for the 2026-2027 year: **\$ 1,200.**

Formal documentation of the accruals for 2026-2027 will be included in the June 30, 2027 actuarial valuation report, which is a separate project, not included here.

I am available for additional services that are related to this study. My hourly billing rate is \$240 per hour. I will participate in meetings via conference call at no charge.

Thank you for giving me the opportunity to propose on this project. I appreciate this opportunity to work with you. Please sign below and return a copy of this letter to me at the address shown above. If you have any questions or need additional clarification, please call me at 707-824-9600.

Sincerely,

ACCEPTED BY:

Nick Franceschine, F.S.A.  
Consulting Actuary  
North Bay Pensions LLC  
550 Du Franc Ave.  
Sebastopol, CA 95472

\_\_\_\_\_  
DATE

**CALAVERAS PUBLIC UTILITY DISTRICT  
MEMORANDUM**

**To:** Board of Directors  
**From:** Mathew Roberts, General Manager  
**Subject:** Review of Draft Capital Improvement Plan (CIP)  
**Date:** 03/17/2026

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The Draft Capital Improvement Plan (CIP) has been prepared for the Board's review. The CIP outlines planned projects, schedules, and estimated costs for maintaining and improving the District's water system infrastructure over the coming years.

**PURPOSE OF THE CIP:**

- To identify and prioritize critical water system projects, such as replacing aging pipelines, upgrading treatment facilities, and maintaining storage and distribution assets.
- To support long-term planning and budgeting, ensuring the District can meet regulatory requirements and provide safe, reliable water service.

**KEY POINTS IN THE DRAFT CIP:**

- Projects are prioritized based on system needs, regulatory requirements, and reliability.
- Estimated costs and timelines are being considered pending funding availability.
- Draft schedules are preliminary and may be adjusted based on Board input, funding, or project coordination needs.

**BOARD ACTION:**

The Board is asked to:

1. Review the draft CIP.
2. Provide feedback, comments, and recommendations to staff for incorporation into the final plan.

Respectfully Submitted,



Mathew Roberts  
General Manager

# Monthly Maintenance Report

## February 2026

LOCATION	DESCRIPTION OF WORK	STATUS
<b>Jeff Davis WTP</b>	Monthly operation and maintenance	Complete
	Routine water sampling and State reporting, WTP compliance Items	Complete
	Treated Water = 15,399,815 Gallons	Complete
	Filter Backwash Water Used= 1,091,948 Gallons	Complete
	Sold Water = 11,374,867 Gallons	Complete
	11' Below Spill	Ongoing
	Rain Total 7.25" (September 2025-August 2026 Total: 31.80")	Ongoing
<b>Warehouse Shop</b>	Routine Operation's	Ongoing
<b>South Fork Pump Station</b>	Weekly routine checks	Complete
	Raw Water Pumped = 84 Acre Feet (27,329,484 Gallons)	Ongoing
	River Flow 310 Cubic Feet Per second (CFS)	Ongoing
<b>Schaads Reservoir</b>	Weekly checks	Complete
	Schaads Metered Acc: 70,190 Gallons	Ongoing
	Issues with small unit (not running). Big generator running	Ongoing
	6" Above Spill	Ongoing
	CCWD Pump Data (West Point)= 0 Acre/Ft	Ongoing
<b>Glencoe Pump Station</b>	Weekly checks - routine monitoring	Complete
<b>Ponderosa PRV Hydro</b>	Weekly checks - routine monitoring	Complete
<b>MCV PRV Hydro</b>	Weekly checks - routine monitoring	Complete
<b>Garamendi's PRV Hydro</b>	Weekly checks - routine monitoring	Complete
<b>San Andreas Distribution</b>	Routine operations, sampling	Complete
	Magnolia Ln main line leak (2 inch PVC)	Complete
<b>Moke Hill Distribution</b>	Routine operations, sampling	Complete
	10520 Highway 26 main line leak (4 inch PVC)	Complete
<b>Glencoe Distribution</b>	Routine operations	Complete
<b>Paloma Distribution</b>	Routine operations, sampling	Complete
	6531 Camino De Oro service line leak (1 inch steel)	Complete
<b>Rail Road Flat Distribution</b>	Routine operations, sampling	Complete
<b>Safety/Training</b>	Routine Safety Talks	Ongoing
<b>Vehicle Maintenance</b>	2005 International (Clutch adjustment and cable sleeve repair)	Complete
<b>Spray Program</b>	Pre emergent	Ongoing
<b>Reports</b>	Water Diversion Reports	Complete
<b>Development Projects</b>	County Behavioral Health Building (line relocation)	Ongoing
	County Animal Services Building	Ongoing
	Fairfield Hotel	Ongoing
	Foothill court (26 units)	Ongoing
<b>Other</b>	Meter Program = 40 Installed / Total = 1023	Ongoing
	70 USA tags	Complete
	21 Customer service/work orders	Complete
	Monthly meter reading	Complete
<b>Complaints</b>	(Taste = 0) (Pressure = 3) (Odor = 0) (Color = 0)	Complete

## **CALAVERAS PUBLIC UTILITY DISTRICT GENERAL MANAGER REPORT**

**To:** Board of Directors

**From:** Mathew Roberts, General Manager

**Date:** March 17, 2026

**Reporting Period:** February 17, 2026 – March 2026

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### **A. Financial Update**

- Staff continues monitoring expenditures to ensure compliance with the FY 2025–26 adopted budget.
- A FEMA reimbursement check was received in the amount of \$21,451.95.
- \$200,000 was transferred from Wells Fargo to LAIF on February 19, 2026.

### **Audit Update**

- The revised FY 2024–25 audit draft was received from the auditor. Updates included FEMA receivable adjustments, depreciation updates, Schaads hydro impairment, capitalization of prior-year costs, and OPEB true-ups.
- The Board President has signed the Management Representation Letter, allowing the audit process to move forward.
- The FY 2024–25 audit will be presented at the March 17 Board meeting.
- Year-end financial closeout for FY 2024–25 will occur following Board acceptance of the final audit.

### **Retiree Health Benefit Review (GASB 75)**

Staff is working with Northbay Pensions to begin the required actuarial review of retiree health benefits for financial reporting. Employee and retiree data will be provided to the actuary to calculate the District's long-term liability, which will be reported in the annual audit.

### **Budget Update**

One budget category, Division 800 – GL 5870 (Capital Materials), is currently exceeding the adopted budget. Staff is reviewing the associated expenses and will provide a full update, along with any proposed adjustments, during the Quarterly Budget Update in April 2026. FEMA reimbursement funds may offset a portion of these costs.

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## **B. Interagency Coordination & Planning**

### **Drought Mitigation Coordination**

Staff continues coordinating with Calaveras County, CCWD, and other regional **agencies** regarding drought mitigation planning. The Department of Water Resources (DWR) has requested input on local wells, mitigation strategies, and potential fill station locations. Staff is providing operational feedback to ensure proposed solutions are practical for the community.

### **Calaveras County Cooperators Meeting**

Represented CPUD at the Calaveras County Cooperators Meeting on February 19, 2026, which focused on winter storm response coordination. Participating agencies included the National Weather Service, PG&E, Calaveras County Roads, Caltrans, CCWD, and UWPA. Discussions included storm response coordination, infrastructure impacts, and operational updates.

### **Interagency Coordination**

Met with San Andreas Sanitary District GM MR. Logan for a coordination meeting and facility tour. The meeting focused on operational practices, system management, and opportunities for continued coordination between agencies.

### **Project Funding Update**

Staff met with the California Department of Water Resources (DWR) regarding the District's project replacement request.

Key updates:

- DWR is supportive of the project amendment request.
- DWR reviewed the draft request letter and provided minor comments related to DAC service areas, task categorization, and additional clarification on one project task.
- DWR indicated they will work to expedite the amendment process once the requested information is submitted.

Important note:

Planning costs will only become eligible for reimbursement after the amendment is executed, so staff is prioritizing quick turnaround on requested information. Overall, the project continues to move forward positively with DWR coordination underway.

Staff also directed WGA to proceed with preliminary design coordination, including geotechnical preparation and early RFP planning, to maintain the project schedule.

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### **C. Capital Improvement Plan (CIP) & Grants**

- Staff continues working with Weber Ghio & Associates (WGA) on Capital Improvement Plan development and project planning.
- A draft CIP is being prepared and will be presented to the Board for initial discussion and feedback before returning for formal adoption.
- Staff is also evaluating projects for potential future grant funding opportunities.
- Rich Gulch Waterline Replacement Project (formerly Recycle Backwash Project)
- The funding application remains under review.
- A project agreement has been received from Woodard & Curran, and staff is responding to questions and providing supporting documentation.
- Once finalized, Woodard & Curran will submit the agreement to DWR for final approval.
- As with most state grant programs, funding is expected to be reimbursement-based, meaning construction costs will be paid upfront and reimbursement requests submitted quarterly.

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### **D. Dam Safety & Regulatory Compliance (FERC & DSOD)**

Staff continues coordinating with consultants and regulators regarding dam safety compliance.

#### **Coordination**

- Participated in a coordination call with the Independent Consultant regarding the upcoming FERC Part 12D Periodic Inspection.
- Ongoing coordination continues with GFT, GEI, and FERC.

#### **Outstanding Documentation Items (Estimated Costs)**

- Supplemental Technical Information Document (STID – 2006): approx. **\$80,000**
- Owners Dam Safety Plan (ODSP – 2013): approx. **\$35,000**
- Dam Safety Surveillance Monitoring Plan (DSSMP – 2017): approx. **\$40,000**
- Operations & Maintenance Manual: internal update in progress
- Emergency Action Plan: notification charts require updating

#### **FERC Coordination and Risk Discussion**

- Staff met with FERC representative Rich Sanchez to discuss the upcoming Part 12D inspection, documentation gaps, and long-term compliance requirements.
- The PMF and seismic studies have been completed, and preparation is underway for the Part 12D inspection.
- Some historical construction records from the 1940s are unavailable, which limits updates to certain legacy documents such as the STID and ODSP.

- Guidance from FERC and DSOD is to complete documentation using available information, with remaining gaps addressed during the Comprehensive Assessment scheduled in approximately five years.
  - From a risk management standpoint, maintaining proper documentation and safety studies is important to demonstrate due diligence should any dam safety concerns arise.
  - Long-term options include continuing operation of the hydroelectric facility under FERC oversight or evaluating decommissioning scenarios. Decommissioning could involve environmental review, licensing considerations, and potential water rights impacts.
  - Staff will continue evaluating long-term operational strategies and will keep the Board informed as additional information becomes available.
- 

## **E. Infrastructure & Development Projects**

### **Development Inquiries**

- Fairfield Inn Project: Preliminary water service fee options have been provided to the developer; staff is awaiting feedback.
  - Highway Sleeves Installation: The developer has submitted application to Caltrans for installing sleeves along the highway to support future hotel development.
  - CCOG Project: Application received – No change
  - Calaveras County Behavioral Health Facility: Construction has started. CPUD staff will continue monitoring the project and coordinating as needed during construction.
- 

## **F. Legal & Administrative Matters**

- PG&E Hydroelectric Contract - PG&E has formally cancelled the District's hydroelectric generation contract for Hydro 3. Staff has been contacting PG&E to obtain information regarding potential options for establishing a Power Purchase Agreement (PPA) or other alternatives for power sales. (No return call or email to date)
- Staff continues working with legal counsel regarding the cell tower contractual agreement.

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## G. Personnel Updates

District crews worked through snow and high winds beginning the week of February 16 to maintain operations, keep generators fueled, ensure water service continuousness and keep access roads open. Their efforts during the storm events are greatly appreciated. Much of this work occurs behind the scenes, and their commitment helps ensure reliable service to the community during difficult conditions.

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## H. Operational Oversight

- The FY 2026–27 budget development process has begun. A draft budget will be presented to the Board for review in May.
- Digital Budget Book Subscription Cancellation  
The Board approved cancellation of the Digital Budget Book subscription at the February 2026 meeting. The subscription will remain active through June 30, 2026, and will not renew.

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## J. Next Steps

- Develop funding strategy for required dam safety studies and inspections.
- Continue coordination with WGA and the Board on CIP development.
- Continue Part 12D documentation updates with FERC, GFT, and GEI.
- Finalize the Rich Gulch Waterline Replacement Project agreement and coordinate next steps with Woodard & Curran and DWR.
- Continue reviewing new water connection requests for system capacity and compliance.
- Prepare materials and recommendations related to the hotel development project.
- Continue preparing for New Budget FY 26/27

Respectfully submitted,



Mathew Roberts  
General Manager