SANTA CRUZ PORT DISTRICT
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PORT COMMISSIONERS
Toby Goddard
Reed Geisreiter
Stephen Reed
Bill Lee
Robert DeWitt

Regular Public Session of July 28, 2026

Santa Cruz Port Commission
MINUTES

Commission Members Present:

Reed Geisreiter	Chair
Robert DeWitt	Vice-chair
Toby Goddard	Commissioner
Stephen Reed	Commissioner
Bill Lee	Commissioner

REGULAR PUBLIC SESSION – 5:30 PM

Chair Geisreiter convened the regular public session at 5:30 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA (hybrid meeting platform).

1. Pledge of Allegiance

2. Oral Communication

   Commissioner Goddard expressed appreciation to District staff and its contractors for their coordination and progress on numerous major projects underway throughout the harbor.

   Vice-chair DeWitt presented a Certificate of Special Recognition from U.S. Senator Alex Padilla recognizing the formation of the Santa Cruz and San Benito County chapter of the California Special Districts Association and noted that the next chapter meeting is scheduled for September 17, 2026.

CONSENT AGENDA

3. Approval of Minutes
   a) Regular Public Meeting of June 23, 2026

4. Approval of Month-to-Month Rental Agreement for 333 Lake Avenue, Suite D & G (Tenant: Call Me Ishmael, LLC)

5. Approval of Month-to-Month Rental Agreement for 2222 East Cliff Drive, Suite 200 (Tenant: State Farm Insurance Agency)

6. General Election of November 2026

   a) Approval of Resolution 26-04 – Ordering an Election and Requesting Consolidation of the Election
   b) Administrative Calendar

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chair DeWitt, to approve consent agenda items 3, 4, 5, and 6.

- *Motion carried unanimously.*

REGULAR AGENDA

7. Introduce Administrative Amendments to Port District Ordinance § 108, 401, and 412

Discussion: Port Director MacLaurie presented proposed administrative amendments to District ordinances and stated that the revisions are intended to align the ordinances with current policies and operations. She stated that the proposed amendment to Section 108 reflects the recently approved increase to the Port Director's purchasing authority from $25,000 to $50,000, while amendments to Sections 401 and 412 modernize parking regulations by replacing outdated references to parking meters with technology-neutral language. She stated that, following introduction, the proposed amendments will be legally advertised and returned to the Commission for a public hearing and final adoption.

Commissioner Goddard proposed replacing the existing language in Section 401 referencing "merit" with the term "permit."

Commissioner DeWitt noted a typographical error in Section 412 and recommended removing the word "meter" in the title. Staff acknowledged the correction.

A discussion ensued regarding enforcement of parking violations, including the District's authority to require a vehicle to vacate a restricted parking space after receiving a citation and procedures for towing vehicles that remain on District property. Harbormaster Anderson stated that towing remains available following the applicable notification process and noted that staff is reviewing signage for compliance with updated towing requirements.

The Commission expressed support for the revised ordinance language and the flexibility it provides as parking technologies evolve.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Lee, to approve administrative amendments to Port District Ordinance § 108, 401, and 412, incorporating the proposed language amendments.

- *Motion carried unanimously.*

8. Award of Contract for G-Dock Lift Station Repair Project (NTE $91,000)

Discussion: Facilities Maintenance & Engineering (FME) Manager Wulf stated that staff evaluated the condition of the G-Dock lift station with Simonds Machinery and determined that the steel wet well casing remains in good condition. As a result, the District is able to rehabilitate the existing electrical and mechanical components only, rather than replace the entire system. He noted that G-Dock is the District's primary lift station, which receives wastewater from all other north harbor lift stations before being pumped out of the harbor.

In response to a question posed by Chair Geisreiter, FME Manager Wulf stated that the G-Dock lift station is the most critical in terms of both condition and priority. He identified the lift stations near T-Dock and X-Dock as the next priorities and stated that the goal would be to address one lift station each year moving forward

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chair DeWitt, to authorize the Port Director to execute contract documents with Simonds Machinery Company, authorize a not-to-exceed amount of $91,000 for lift station repairs, and approve an appropriation in the FY27 budget for the amount of the contract plus contingency.

- *Motion carried unanimously.*

9. Approval of Cash/Payroll Disbursements – June 2026

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant #11296 – Paring Knives
  Staff confirmed that paring knives are the preferred tool used by staff when cutting rope due to their durability and effectiveness.
- Warrant #11350 – Demolition and Reconstruction of G & X Docks Project Progress Payment
  Staff confirmed that a single reimbursement request will be submitted to CalOES upon project completion, rather than submitting requests throughout construction. Staff noted that CalOES has established a project number for the work and that this approach will streamline the reimbursement process.
- Warrant #11374 – 2026-2027 LAFCO Annual Fee
  Staff confirmed that the annual LAFCO fee is apportioned among independent special districts on a pro-rata basis using each district’s net revenue factor.
- Warrant #11415 – Washington Representation
  Staff confirmed that this fee includes federal lobbying and grant consulting services.
- Warrant #11368 – F19 Float System Supplies (Tenant Reimbursable)
  Staff confirmed that the new float system at F19 is for the Santa Cruz Yacht Club Junior Sailing Program and will be reimbursed by the Santa Cruz Sailing Foundation.

MOTION: Motion made by Vice-chair DeWitt, seconded by Commissioner Reed, to approve cash and payroll disbursements for June 2026, in the amount of $2,393,979.68.

- *Motion carried unanimously.*

INFORMATION

10. Port Director's Report

In response to a question posed by Chair Geisreiter regarding 616 Atlantic Avenue, Port Director MacLaurie stated that the project is moving forward. Staff is scheduled to meet with the project architect and engineer and is working toward submitting the project to the California Coastal Commission before December 31, 2026. She stated that the Coastal Commission has reviewed conceptual designs and has indicated that an additional extension could be granted if necessary.

Chair Geisreiter requested that staff evaluate the feasibility of obtaining two restaurant use permits in the southwest harbor. Port Director MacLaurie stated that the current Harbor Development Plan includes one restaurant use permit and that staff will research the process and regulatory requirements for a second permit and return to the Commission with additional information.

In response to a question posed by Commissioner Goddard, Port Director MacLaurie explained that the Coastal Commission originally approved the restaurant and seawall as part of the same project and is requesting evidence of City plan review before the project proceeds. She stated that the City's building review of the proposed container structure is anticipated to focus primarily on the foundation and utilities, while a separate use permit process will address restaurant operations.

11. Harbormaster's Report

Harbormaster Anderson stated that X-Dock construction is anticipated to be completed several days ahead of schedule, with final work expected Wednesday, July 29, 2026, and that staff will then begin relocating vessels as construction activities move over to G-Dock.

In response to a question from Chair Geisreiter, Harbormaster Anderson stated that, of the 17 vessels currently without insurance, approximately 7 are known to be uninsurable due to their age. He stated that, on average, approximately 40 vessels are without insurance or have expired policies and are assessed the uninsured vessel fee following a 60-day grace period. He noted that the fee has been an effective enforcement tool for obtaining updated insurance documentation from vessel owners.

12. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance & Engineering (FME) Manager Wulf stated that the *Twin Lakes* Dredge Haulout Project is progressing as planned, with sandblasting anticipated to begin the first week of August. He stated that the contractor, DSC Dredge, will complete the sandblasting in sections and immediately apply primer to prevent exposed metal from remaining untreated.

In response to questions posed by the Commission, FME Manager Wulf stated that the dredge hull is in better condition than anticipated. He reported that planned work includes replacing pins and bushings, inspecting and reinforcing the Christmas tree mounting system, and replacing the corrosion protection system.

Commissioner Lee emphasized the significant investment represented by the G & X Dock Replacement Project and the importance of proactive maintenance to protect the District's investment. He recommended maintaining the piles and adequate dredging depths to support the long-term condition and service life of the new docks.

13. Murray Street Bridge Seismic Retrofit & Barrier Replacement Project Update

Port Director MacLaurie stated that the Murray Street Bridge Seismic Retrofit and Barrier Replacement Project continues to progress and that the contractor is working to complete installation of the permanent sanitary sewer force main. She stated that testing and final switchover are anticipated later in the summer when sewer flow rates are lower.

Harbormaster Anderson stated that the contractor has maintained vessel passage through the channel during in-water work by utilizing safety boats to manage traffic beneath the bridge.

Commissioner Reed expressed concern regarding potential concrete truck washout activities in the contractor's boatyard staging area. FME Manager Wulf stated that staff has not recently observed any runoff issues and will follow up with the contractor regarding site drainage and washout practices.

14. O'Neill Sea Odyssey Annual Report

Port Director MacLaurie stated that the O'Neill Sea Odyssey usage report is provided annually for Commission review and noted that O'Neill Sea Odyssey Executive Director Tracey Weiss will provide a presentation on the program at the regular Commission meeting in August.

15. Financial Reports
a) Comparative Seasonal Revenue Graph
b) Quarterly Comparative Budget Report
c) Quarterly Employee Count
d) Quarterly Fuel Sales Report
e) Quarterly Boatyard Report
f) Quarterly Concession Percentage Rent Report
g) LAIF & CLASS Statements

In response to a question posed by Commissioner Goddard, Port Director MacLaurie stated that capital project expenditures primarily reflect interest expense and that additional interest on the District's approximately $13 million 2026 financing was not included in the FY27 budget, resulting in higher-than-budgeted expenditures.

In response to a question posed by Chair Geisreiter, Port Director MacLaurie stated that California CLASS continues to provide operational advantages because of its liquidity and ease of access for the District's current cash flow needs, and that staff will continue to monitor interest rates for both LAIF and CLASS.

16. Delinquent Account Reporting (*There was no discussion on this agenda item*)

17. Harbor Patrol Incident Response Report – June 2026

In response to a question posed by Commissioner Goddard, Harbormaster Anderson confirmed that the two Thursday evening incidents were associated with the Crow's Nest Beach BBQ events. He stated that Crow's Nest has increased security staffing, although one incident occurred while security personnel were responding to another incident. Commissioner Goddard requested continued attention to event security.

In response to a question posed by Commissioner Goddard, Harbormaster Anderson confirmed that the two bicycle incidents occurred near the north harbor entrance, a steep downhill area. He stated that staff continues to evaluate bicycle and pedestrian safety in the area.

Commissioner Reed expressed appreciation for the recently installed pedestrian signage at Harbor Beach Plaza and noted its effectiveness in encouraging visitors to walk their bicycles.

18. Written Correspondence

a) Certificate of Special Recognition from U.S. Senator Alex Padilla to the Special Districts Association of Santa Cruz and San Benito Counties
b) Letter from Mr. Faltas to Santa Cruz Port District

The Commission expressed appreciation for Mr. Faltas' letter and his recognition of the Port District and its staff.

19. Port Commission Review Calendar / Follow-Up Items

Commissioner Goddard stated that the Policy / Operations Committee is scheduled to meet on August 4, 2026, to review proposed revisions to the District's slip license agreement. Recommendations are anticipated to be presented to the full Commission for consideration at the August 25, 2026, regular meeting.

Vice-chair DeWitt stated that he will attend the August 25, 2026, regular meeting via teleconference.

Chair Geisreiter adjourned the regular public session at 6:25 PM.

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Reed Geisreiter, Chair

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TO:	Port Commission
FROM:	Renee Ghisletta, Administrative Services Officer
DATE:	August 18, 2026
SUBJECT:	Approval of Sublease Agreement – 2222 East Cliff Drive, Suite 234 (Subtenant: Monterey Bay Sanctuary Fund)

Recommendation: ***Approve sublease agreement.***

BACKGROUND

Monterey Bay National Marine Sanctuary Foundation (MBNMSF) has subleased the premises located at 2222 East Cliff Drive, Suite 234, since November 2022. In April 2026, MBNMSF separated from its parent organization and formed a new nonprofit entitled Monterey Bay Sanctuary Fund (MBSF). MBSF requests approval of a sublease agreement with O'Neill Sea Odyssey to formalize the continuation of the existing sublease under the new organization title.

ANALYSIS

A summary of the terms of the sublease is below:

Terms:	Month-to-Month
Subtenant:	Monterey Bay Sanctuary Fund
Space:	2222 East Cliff Drive, Suite 234 (432 SF)
Rent:	$1,356.48 / mo. ($3.14 / SF)
Use:	Office Space
Insurance:	$1 million with Santa Cruz Port District named as additional insured

IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with the sublease.

ATTACHMENTS: A. Sublease Agreement – 2222 East Cliff Drive, Suite 234

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease") is entered into this 1st day of September, 2026, in the County of Santa Cruz, State of California, by and between **O'Neill Sea Odyssey**, a California nonprofit corporation ("Landlord"), and **Monterey Bay Sanctuary Fund** ("Tenant"). For and in consideration of the rents and covenants set forth below, Landlord hereby leases and Tenant takes the Premises described below on the following terms and conditions, including any exhibits and addenda which are attached.

ARTICLE 1: BASIC LEASE PROVISIONS

The following basic lease provisions are part of this Lease, but are qualified and subject to further definition and clarification in the sections which follow.

- **Section 1.01 Tenant:** Monterey Bay Sanctuary Fund.
- **Section 1.02 Premises:** 2222 East Cliff Drive, Suite 234, Santa Cruz, California.
- **Section 1.03 Dimensions:** The Premises comprise approximately 432 square feet.
- **Section 1.04 Use of Premises:** Business office.
- **Section 1.05 Lease Term:** Twelve (12) month term, to commence September 1, 2026, with an option to renew lease.
- **Section 1.06 Future Rent Increases:** On April 1, 2027, and each year thereafter for the term of this Lease, the Base Rent in effect for the month immediately preceding the adjustment date shall be adjusted in accordance with the increase in the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-Hayward Metropolitan Area. In no event shall the Base Rent be decreased.
- **Section 1.07 Base Rent:** $1,356.48 per month.
- **Section 1.08 Late Charges:** 6% of unpaid amount, 6 days after due date.
- **Section 1.09 Security Deposit:** $2,034.72.
- **Section 1.10 Common Area Expenses, Utilities, and Taxes:** Payable monthly as estimates based on previous year charges.
- **Section 1.11 Anticipated Commencement Date:** September 1, 2026.

ARTICLE 2: PREMISES AND MASTER LEASE

Section 2.01 Premises. Landlord hereby leases, demises, and rents to Tenant, and Tenant hereby leases and takes from Landlord, the interior space only, as described in Section 1.02 above. The Premises shall have dimensions measuring from the center of any partition wall and to the outside of any exterior wall for a total approximate area as set forth in Section 1.03. The Premises are a part of a multi-tenant office building (the "Building"), commonly known as O'Neill Sea Odyssey Building, 2222 East Cliff Drive, Santa Cruz, California. Use and occupancy by Tenant of the Premises shall include the use in common with others of the Common Areas and facilities. Landlord does not warrant, represent or agree that the building or the Common Area will remain exactly as constructed or as presently existing.

Section 2.02 Master Lease. Landlord's interest in the Premises is Lessee under a Master Lease Agreement with the Santa Cruz Port District, a political subdivision, pursuant to a Master Lease Agreement (the "Master Lease"). This Lease is subject to all terms and conditions of the Master Lease. In the event any conflict arises between any terms and conditions of this Lease and the Master Lease, the terms and conditions of the Master Lease shall prevail. Tenant acknowledges having previously received a copy of the Master Lease.

ARTICLE 3: LEASE TERM AND POSSESSION

Section 3.01 Lease Term and Renewal Option.

- (a) **Term & Commencement.** Unless sooner terminated as provided in this Lease, the term of this Lease shall be for a period of twelve (12) months. The Lease shall commence September 1, 2026, when Landlord delivers possession of the Premises to Tenant, which Landlord anticipates will be on or about September 1, 2026.
- (b) **Option to Extend.** If Tenant is in compliance with all terms and conditions of this Lease and wishes to extend the expiration of this Lease, Tenant shall give Landlord a letter not more than 180 days nor less than 90 days prior to expiration stating that Tenant wishes to extend the Lease for an additional twelve-month term under the same terms and conditions.

- (c) ***Holding Over.*** *Should Tenant hold over and continue in possession after expiration of the term of this Lease or any extension thereof, Tenant's continued occupation shall be considered a month-to-month tenancy subject to all the terms and conditions of this Lease, except that the monthly rental rate during such holding over shall be equal to one hundred fifty percent (150%) of the total rent payment due for the last month of the Lease Term, as set forth in Section 9.03.*

Section 3.02 Delay in Delivery of Possession. If Landlord is unable to deliver possession of all or part of the Premises to Tenant on the date originally anticipated as a result of circumstances beyond Landlord's control, no rent shall accrue or become due under this Lease for the portion not delivered until actual physical possession is delivered and tendered to Tenant. Should Landlord be unable to deliver possession of all of the Premises to Tenant within 180 days after the anticipated Commencement Date specified in Section 1.11 above, Tenant may terminate this Lease by giving Landlord written notice of Tenant's election to do so, and in such event this Lease shall become null and void, and Landlord shall forthwith refund to Tenant any consideration given to Landlord pursuant to execution of this Lease.

Section 3.03 Acceptance of Premises. After Landlord delivers possession of the Premises to Tenant and Tenant takes occupancy of the Premises, Tenant shall have no legal or equitable remedy based upon a claim that Landlord failed to deliver possession in accordance with the terms of this Lease or based on a claim that the size, location, lay-out, dimensions, or construction of the Building, or service areas, sidewalks, and adjacent parking were not completed or furnished in accordance with the terms of this Lease.

ARTICLE 4: RENT, EXPENSES, AND UTILITIES

Section 4.01 Base Rent. Tenant shall pay the Landlord for the use and occupancy of the Premises Base Rent as set forth in Section 1.07, payable in advance on the first day of each month of the Lease term.

Section 4.02 Taxes and Common Area Charges.

- (a) **Additional Rent Obligations.** In addition to the Base Rent required under the terms of this Lease, Tenant shall pay to Landlord as additional rent, without deduction, set off or abatement, the following additional charges, the nonpayment of which shall be subject to all provisions of this Lease and of law as to default in the payment of rent:
  - (i) Tenant's proportionate share of all direct costs and expenses of every kind and nature paid or incurred by Landlord in operating and maintaining the Common Areas, including a reasonable fee for managing and administering the Common Area;
  - (ii) Tenant's proportionate share of all real estate taxes, governmental fees, and assessments of every kind and nature levied against or in connection with the land, building, or improvements of which the Premises are a part; and
  - (iii) Tenant shall pay all utility costs incurred in connection with Tenant's occupation and use of the Premises, including, without limitation, wireless internet service, water, gas, electricity, sewer, garbage removal, and other utility services, and all utility taxes levied in connection with utilities used on the Premises. Landlord shall not be responsible nor liable in any way whatsoever for the quality, impairment, interruption, or stoppage of utilities, or for interference with or stoppage of any service with or without notice to Tenant. Tenant's proportionate share of all utilities not separately metered shall be the same percentage set forth for taxes, insurance, and Common Area charges.

- (b) **Proportionate Share & Reconciliation.** Tenant's proportionate share of the foregoing charges shall be 26%. Tenant's share of the foregoing charges are made as monthly estimates and shall be paid in monthly installments. Landlord shall furnish to Tenant a statement of the actual amount of Tenant's proportionate share of such remaining reconciled expenses for the preceding calendar year when the annual sewer bill is received from the Santa Cruz Harbor. Within 30 days after delivery of such statement, Tenant shall pay to Landlord or Landlord shall issue a credit to the Tenant, as the case may be, the difference between the estimated amounts paid by Tenant and the actual amounts of such charges for the preceding calendar year. For purposes of calculating the actual charges for any partial year, the total charges shall be prorated based on twelve 30-day months.

Section 4.03 Late Charges and Dishonored Checks. If any rent payment otherwise due is not received by Landlord by the sixth (6th) day of the month such payment is due, in addition to the provisions for default in Section 9.01 below, there shall be added thereto, as additional rent, an amount equal to six percent (6%) of the amount due. No notice or demand shall be required for said additional rent to become due and payable. In the event that any check or other instrument tendered by Tenant is dishonored, in addition to late charges as specified above, Tenant shall pay an additional fee of $20.00 to reimburse Landlord for administrative costs incurred in connection with such dishonored instrument.

ARTICLE 5: USE OF PREMISES AND COMMON AREAS

Section 5.01 Permitted Use and Operational Covenants.

- (a) **Permitted Use.** The Premises shall be used for the sole purpose of operating business offices, and for such purposes as may be reasonably incidental thereto, and none other.
- (b) **Tenant Operational Covenants.** Tenant further agrees:
  - (i) To comply with all requirements of any state or Federal statute, or local ordinance or regulation, applicable to Tenant or its use of the Premises, and to save Landlord harmless from penalties, fines, costs, expenses or damages resulting from failure to do so;
  - (ii) To give to Landlord prompt written notice of any accident, fire, or damage occurring on, or to, the Premises and the Common Areas of the Building;
  - (iii) To make such arrangements as Landlord may reasonably require from time to time for the storage and disposal of all garbage and refuse;
  - (iv) To keep the Premises in good condition and repair, and clean, orderly, sanitary, and free from objectionable odors, litter and debris, and from insects, vermin, and other pests;
  - (v) To comply with any and all reasonable rules and regulations of Landlord in connection with the Premises or the Building which are now or hereafter in effect;
  - (vi) To install such fire extinguishers and other safety equipment as Landlord may require and to comply with the recommendations of Landlord's insurance carriers and their rate-making bodies.

- (c) **Prohibited Activities.** Tenant shall refrain from doing each and every one of the following:
    - (i) Using the Premises in any manner which, in Landlord's opinion, is, or may be, harmful to the Building or disturbing to other tenants in the Building;
    - (ii) Using the Premises in any manner which would make void or voidable any policy of fire or extended coverage insurance covering any of the Building buildings, and if by reason of any use by Tenant of the Premises or the keeping by Tenant of any item or material in the Premises, the hazard insurance premiums on policies maintained by Landlord shall be increased over normal rates for retail stores in the Building, the amount of the increase in the premium shall be paid to Landlord by Tenant on demand;
    - (iii) Causing or permitting any noxious, disturbing or offensive odors, fumes or gases, or any smoke, dust, steam or vapors, or any loud or disturbing noise or vibrations to originate in or be emitted from the Premises;
    - (iv) Committing or suffering to be committed by any person any waste upon the Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Building, or which may disturb the quiet enjoyment of any person within five hundred feet of the boundaries of the Building.

Section 5.02 Common Areas.

- (a) **Grant of Common Area Rights.** Landlord grants to Tenant and Tenant's invitees the nonexclusive right to use, in common with all others to whom Landlord has or may hereafter grant rights to use the same, the Common Areas located within the Building.
- (b) **Definition.** The term "Common Areas" as used in this Lease, shall include without limitation the parking areas, roadways, access roads, pedestrian sidewalks, pedestrian malls, hallways, stairs, elevators, common bathrooms, corridors, loading docks, delivery areas, ramps, landscaped areas, retaining walls, and all other areas or improvements which may be provided in the Master Lease for the common use of the tenants of the Building.
- (c) **Control and Management.** The Common Areas shall at all times be subject to the exclusive control and management of Santa Cruz Harbor (“Harbor”) as set forth in the

Master Lease, and Harbor shall have the right from time to time to establish, modify, and enforce reasonable rules and regulations with respect to the Common Areas and all facilities situated thereon. Tenant acknowledges that all parking areas and all other common areas within the Santa Cruz Small Craft Harbor shall remain under the operation and control of the Harbor. Tenant possesses no legal interests with regard to the parking areas. Tenant agrees to all other terms and conditions in the Master Lease with respect to the Common Areas.

Section 5.03 Ancillary Amenities.

- (a) **Use of Meeting Space.** OSO staff will use best efforts to accommodate, during traditional business hours, Tenant's use of the meeting space in the "ecology classroom". Tenant is responsible for all set up and clean up of the space. Advance notice requested. All requests will be handled on a case-by-case basis and approval is in Landlord's sole and absolute discretion.
- (b) **Vestibule (Addendum A).** Tenant acknowledges that the vestibule between Suite 222 and Suite 234 is shared and will remain accessible by both Tenant and Landlord at all times. Both parties agree that the space may be used equitably for storage as needed by Tenant and Landlord.

Section 5.04 Hazardous and Toxic Substances. Tenant shall not use, generate, store or dispose, or give consent to anyone else to use, generate, store or dispose, any hazardous, toxic, or radioactive materials [hereinafter referred to collectively as "Hazardous Materials"]. As herein used, Hazardous Materials shall include, without limitation, those materials identified in Sections 66680 through 66685 of Title 22 of the California Administrative Code Division 4, Chapter 30, as amended from time to time, and those substances defined as "hazardous substances," "hazardous materials," "hazardous waste", or other similar designations in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 USC, Section 9601 et seq., the Hazardous Materials Transportation Act, 49 USC, Section 1801 et seq., and any other governmental statutes, laws, ordinances, rules, and regulations now or hereafter in effect. Tenant shall indemnify, defend and hold Landlord from and against any and all claims, damages, costs and liabilities, including all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant, including, without limitation, the cost of any required or necessary repair, clean up, or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the termination of this Lease, to the full extent that such action is attributable, directly or indirectly, to the use, generation, storage, or disposal of Hazardous Materials by Tenant or any person claiming under Tenant. Neither the written consent by Landlord to the use, generation, storage or disposal of Hazardous Materials nor the strict compliance by Tenant with all statutes, laws, ordinances, rules and regulations pertaining to Hazardous Materials shall excuse Tenant from Tenant's obligation of indemnification pursuant to this section. Tenant's obligation pursuant to the foregoing indemnity shall survive the termination of this Lease.

ARTICLE 6: MAINTENANCE, ALTERATIONS, AND IMPROVEMENTS

Section 6.01 Maintenance and Repair.

- (a) **Landlord Obligations.** From and after the time Tenant obtains possession of the Premises, Landlord shall have no obligation to make any repairs, improvements, or alterations whatsoever to the interior of the Premises, except to the extent necessitated by the negligence or misconduct of Landlord. Harbor shall maintain in good and substantial repair during the Lease term, the exterior of the building in which the Premises are located (including the roof and exterior walls, but not glass, plate glass, or doors) and paved parking and other Common Areas, except to the extent that the damage thereto is caused by negligence or misconduct of Tenant, in which event Tenant shall be responsible therefor.
- (b) **Tenant Obligations.** As provided above, Tenant shall at Tenant's own cost and expense, keep and maintain all interior portions of the Premises in good order and repair and in as safe and clean a condition as they were when received by Tenant, reasonable use and wear excepted. Said obligations shall include maintenance of exterior entrances,

all partitions, doors, door jambs, door closers, door hardware, fixtures, equipment and appurtenances thereof, and plumbing, electrical, lighting, and heating systems which protrude into the Premises and all other portions of the building in which the Premises are situated except as provided in the preceding paragraph. Tenant shall at Tenant's sole cost and expense repair and replace the glass in any display window on the Premises that becomes broken, regardless of cause.

- (c) **Landlord Self-Help.** If Tenant refuses or neglects to repair items properly required under this Section as soon as reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's merchandise, fixtures, or other property or the Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay Landlord's costs for making such repairs, plus 10% for Landlord's overhead and supervision.

Section 6.02 Alterations and Liens. Tenant shall not have the right to make any alterations, improvements or additions to the Premises without first obtaining the Landlord's written consent. Tenant shall present to Landlord plans and specifications for such work at the time consent is sought. Tenant shall not cause or permit any lien to be placed on or accrue upon the Premises or any part thereof by reason of anything done or omitted to be done upon said Premises by or with the permission of Tenant. All alterations, additions, improvements, and fixtures, except furniture and trade fixtures, made or placed in or on the Premises by Tenant or any other person shall be the property of Landlord, and upon termination of this Lease shall remain upon and be surrendered with the Premises as a part thereof; or, alternatively, Landlord may, at its option, upon the expiration of the Lease, require that Tenant at Tenant's expense remove all such alterations, improvements and additions, and restore the Premises to the condition they were in when originally delivered to Tenant, save ordinary wear and tear. Any floor covering affixed to the floor of the Premises shall be and become the property of Landlord.

Section 6.03 Initial Tenant Improvements. Landlord shall deliver the Premises to Tenant with all perimeter walls taped and textured, with basic electrical service and lighting fixtures to the minimum standards required by code, and with Landlord’s basic floor coverings. Painting, electrical, lighting, or floor covering upgrades, or other tenant improvements or upgrades, shall be completed by Tenant at Tenant’s sole cost and expense, subject to the provisions of Section

6.02 above.

Section 6.04 Installation and Removal of Trade Fixtures. Tenant at Tenant's sole cost and expense may install in the Premises such fixtures and equipment not permanently affixed to the realty as Tenant deems advisable, and may remove the same from the Premises at any time during the term of this Lease; provided, however, that no injury shall be done to the structural strength of the building when said fixtures or equipment are removed, and the building shall be restored to substantially its original condition. Any trade fixtures not removed from said Premises by Tenant prior to the expiration or sooner termination of this Lease shall be deemed abandoned by Tenant and shall become the property of Landlord. Landlord shall not be liable for trespass, conversion or negligence by reason of its acts or acts of anyone claiming under it or by reason of the negligence of any person with respect to acquisition and/or disposition of such property.

ARTICLE 7: CASUALTY, CONDEMNATION, AND INSURANCE

Section 7.01 Destruction of Premises.

- (a) **Insured Casualty & Restoration.** If the Premises shall be partially or totally destroyed by fire or other casualty covered under a full standard extended risk insurance policy so as to become partially or totally untenantable, the same shall be repaired or rebuilt as speedily as practical under the circumstances at the expense of Landlord, unless Landlord elects not to repair or rebuild as provided in Section 7.01(b) below; and, during the period required for restoration, a just and proportionate part of Base Rent shall be abated until the Premises are repaired or rebuilt.
- (b) **Landlord Right of Termination.** If the Premises are (i) rendered substantially untenantable by reason of such occurrence; or (ii) damaged or destroyed during the last three (3) years of the Term; or (iii) damaged or destroyed as a result of a risk which is not insurable under full standard extended risk insurance; or (iv) if the building of which the Premises are a part is damaged (whether or not the Premises are damaged) to the extent of fifty percent (50%) or more of its then monetary value; or (v) if the other buildings or Common Areas which then comprise the Building are damaged to such an extent that the

Building cannot, in the sole judgment of the Landlord, be operated economically as an integral unit, then and in any such events Landlord may at its option terminate this Lease as of the date of the occurrence, by notice in writing to the Tenant. Unless Landlord gives such notice, this Lease will remain in full force and effect and Landlord shall repair such damage at its expense as expeditiously as possible under the circumstances.

- (c) **Insurance Limitation.** If Landlord should elect or be obligated to repair or rebuild because of any damage or destruction, Landlord's obligation shall be limited to the basic building and any other work of improvements which may have been originally performed or installed at Landlord's expense. If the cost of performing Landlord's obligation would exceed the actual proceeds of insurance paid or payable to Landlord on account of such casualty, Landlord may at its option terminate this Lease. Tenant shall replace all work and improvements originally installed or performed by Tenant at its expense.
- (d) **Tenant Right of Termination.** If the Premises are rendered substantially untenantable by reason of such occurrence, Tenant may at its option terminate this Lease as of the date of the occurrence, by notice in writing to Landlord.

Section 7.02 Condemnation.

- (a) **Total or Substantial Taking.** If title to all of the Premises is taken for any public or quasi-public use by eminent domain or by private purchase in lieu thereof, or if in Landlord's judgment title to so much of the Premises is so taken that a reasonable amount of reconstruction thereof will not result in the Premises being a practical improvement and reasonably suitable for use for the purpose for which the Premises are leased, then, in either event, this Lease shall terminate on the date that title vests in the condemning authority. This Lease shall not, however, terminate under this provision unless more than ten percent (10%) of the floor area of the Premises is so taken.
- (b) **Rent Apportionment & Claims.** If this Lease is terminated under this Section, all rent shall be apportioned and adjusted as of the date of termination. Tenant shall have no claim for the value of its leasehold estate or for the value of the unexpired Term of Lease, or for any other matter whether the same be of a direct or consequential nature.
- (c) **Partial Taking Restoration.** If there is a partial taking of the Premises or the Building and this Lease is not thereby terminated under the provisions of this Section, then this

Lease shall remain in full force and effect, and the Landlord shall, within a reasonable time thereafter, repair and restore the remaining portion of the Premises to the extent necessary to render the same reasonably suitable for the purposes for which the Premises were leased, and shall repair or reconstruct the remaining portion of the Building to the extent necessary to make the same a complete architectural unit; provided that such work shall not exceed the scope of the work required to be done by Landlord in originally constructing such buildings and the cost thereof shall not exceed the proceeds of the condemnation award paid to Landlord.

- (d) **Award Rights.** All compensation awarded or paid upon a total or partial taking of the Premises or the Building shall belong to and be the property of the Landlord without any participation by Tenant. Nothing herein shall be construed to preclude Tenant from prosecuting any claim directly against the condemning authority for loss of business, damage to, and cost of removal of trade fixtures, furniture and other personal property belonging to Tenant; provided, however, that no such claim shall diminish or adversely affect Landlord's award.
- (e) **Rent Abatement.** After any partial taking of the Premises which does not result in a termination of this Lease, Base Rent for the remainder of the Term shall be reduced by the same percentage as the ground floor area of the space taken bears to the ground floor area of the entire Premises prior to such taking.

Section 7.03 Liability and Indemnity. Landlord shall not be liable to Tenant for any damage arising from unforeseeable acts or negligence of other tenants or occupants of the Building. Tenant shall indemnify, defend, protect and hold Landlord harmless from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused by (i) any act, omission or negligence of Tenant or any subtenant of Tenant, or their respective contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur, or (ii) any use of the Premises, or any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part thereof, and any service delivery facilities of any other portions of the Building used by Tenant, excluding such claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees) arising from or in connection with, or caused by, Landlord's active negligence or willful misconduct.

Section 7.04 Liability Insurance. Tenant shall, at Tenant's expense, obtain and keep in full force during the term of this Lease or any extensions thereof, a policy of comprehensive general liability insurance including contractual liability coverage, insuring Tenant and Landlord, against any liability arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be in the amount of not less than One Million Dollars ($1,000,000.00) for combined single limit bodily injury and property damage coverage. The limit of any such insurance shall not, however, limit the liability of the Tenant hereunder. Tenant may provide this insurance under a blanket policy, provided that said insurance shall have a Landlord's protective liability endorsement attached thereto. If Tenant shall fail to procure and maintain said insurance, Landlord may, but shall not be required to procure and maintain same, and at the expense of Tenant. Tenant shall deliver to Landlord, prior to right of entry, copies of policies of liability insurance required herein, or certificates evidencing the existence and amounts of such insurance, with loss payable clauses satisfactory to Landlord. No policy shall be cancelable, or subject to reduction of coverage without thirty (30) days' notice to Landlord at the address indicated below. All such policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry, shall name any lender of Landlord of which Tenant has knowledge as an additional insured, and shall be written by a company or companies rated A+, AAA, or better in "Best's Insurance Guide".

Section 7.05 Waiver of Subrogation. Each of the parties hereto waives any and all rights of recovery against the other or against any other tenant or occupant of the subject Premises or against the officers, employees, agents, representatives, patients and business visitors of such other party or of such other tenant or occupant of the subject Premises for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under the standard form of fire insurance policy with all permissible extension endorsements covering additional perils or under any other policy of insurance carried by such waiving party in lieu thereof, to the extent such loss or damage is insured against by such policy. Such waiver shall not be binding on either party unless the same is permitted by each party's insurance carrier without the payment of additional premium.

Section 7.06 Tenant’s Property Insurance and Tax Obligations. Tenant agrees to insure the contents of the Premises against fire, theft, vandalism, and such other hazards as are readily insurable under a normal "fire and extended coverage" policy, and to provide Landlord with a copy of such policy or any policies, and any modifications or replacements thereto, within thirty (30) days of execution of this Lease. Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon, or about the Premises by Tenant. Except in the case of Landlord's intentional misconduct or gross neglect, Landlord shall not be liable for any damage to property of Tenant or of others located on the Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise. Except in the case of Landlord's intentional misconduct or gross neglect, Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, gas, electricity, water, rain or leaks from any part of the Premises, or the Common Areas, or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by any other cause of whatsoever nature. Landlord shall not be liable for any such damage caused by other tenants or persons in the Premises, occupants of adjacent property, of the Common Area, or the public, or caused by operations and construction of any private, public or quasi-public work. Landlord shall not be liable for any latent defect in the Premises or in the building of which they form a part. All property of Tenant kept or stored on the Premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any claims arising out of such damage to the same, including subrogation claims by Tenant's insurance carriers, unless such damage shall be caused by the willful act or gross neglect of Landlord, and through no fault of Tenant.

ARTICLE 8: ASSIGNMENT, SUBLETTING, AND FINANCING

Section 8.01 Assignment and Subletting.

- (a) **Consent Requirement.** Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's employees) to occupy or use all or any part of the Premises, without first obtaining Landlord's written consent.
- (b) **Notice & Particulars.** If Tenant desires to make such an assignment, encumbrance,

sublease or permit another person or entity to occupy or use part or all of the Premises, Tenant shall notify Landlord in writing by certified mail of such intent setting forth in detail all particulars of the proposed transaction, including adequate credit, financial, personal and business information on any person or entity involved in the proposed transaction.

- (c) **Grounds for Disapproval.** After the expiration of thirty (30) days from receipt of all items of information specified above, Tenant shall be entitled to proceed with the proposed assignment, encumbrance, sublease or additional occupancy, unless Landlord in the reasonable exercise of Landlord's judgment disapproves of the proposed assignee, sublessee, or occupant, on one or more of the following grounds:
    - (i) That the proposed use of the Premises conflicts or is incompatible with existing uses of the Building;
    - (ii) That the proposed assignee, sublessee, or occupant's financial or credit ability or reputation is unsatisfactory;
    - (iii) That the business or personal reputation of the proposed assignee, sublessee, or occupant is unsatisfactory;
    - (iv) That the quality of previous or proposed business operations of the proposed assignee, sublessee, or occupant is unsatisfactory;
    - (v) That the business experience of the proposed assignee, sublessee, or occupant is unsatisfactory;
    - (vi) That other factors or circumstances exist which Landlord reasonably believes would render occupancy of all or part of the Premises by the proposed assignee, sublessee, or occupant detrimental to the Building or to other businesses situated in the vicinity.
- (d) **Change of Ownership.** If Tenant is a corporation, an unincorporated association, or a partnership, any transfer, assignment or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of 25% shall be deemed an assignment within the meaning of this section.
- (e) **Attorneys' Fees.** Tenant shall reimburse Landlord for attorneys' fees reasonably paid or incurred by Landlord in connection with any proposed assignment, encumbrance, sublease, or occupancy pursuant to this section.
- (f) **Effect of Transfer.** In the event of any assignment, encumbrance, sublease, or occupancy pursuant to this section, the provisions of this section shall apply to any further

proposals to assign, sublease, encumber or allow any other person or entity to use all or part of the Premises. Landlord may collect rent from any assignee, subtenant or occupant of all or any part of the Premises, and may apply the net amount collected to the rent required under the terms of this Lease, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of any of the provisions of this section, or the acceptance of the assignee, subtenant, or occupant as tenant, or a release of Tenant from the further performance by Tenant of the covenants on the part of Tenant herein contained. Tenant shall in no event be relieved of any liability or responsibility by reason of any assignment, sublease, encumbrance or change in occupancy.

Section 8.02 Lenders and Successors to Landlord.

- (a) **Subordination.** Tenant agrees that this Lease shall be subordinate to any mortgages, trust deed, or other security of which Tenant is given written notice, now or hereafter encumbering the land and buildings of which the Premises are a part or upon any buildings hereafter placed upon the land of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof; provided, however, any such mortgage, deed of trust, or other security instrument shall contain a provision to the effect that so long as Tenant is not in default under this Lease or any renewal thereof, no foreclosure of the mortgage, deed of trust, or other security instrument, or any other proceeding in respect thereof, shall divest, impair, modify, abrogate, or otherwise adversely affect any interests or rights whatsoever of Tenant under this Lease. This shall be self-operative and no further instrument of subordination shall be required, provided, however, the Tenant shall from time to time on the request from the Landlord or of any other party in interest, execute and deliver any document or instrument that may be required by a lender to effectuate any subordination. If Tenant without reasonable cause fails to execute and deliver any such document or instrument, Landlord will have the right to take such action as Landlord may be permitted otherwise to exercise under this Lease including the right to terminate this Lease.
- (b) **Estoppel Certificate.** Within thirty (30) days after receipt of a written request therefor by Landlord, Tenant agrees to execute and deliver in recordable form an estoppel certificate to any mortgagee or proposed mortgagee or purchaser to the Landlord

certifying (if such be the case) that this Lease is unmodified and in full force and effect (and if there has been modification, that the same is in full force and effect as modified and stating the modifications); that there are no defenses or offsets against the enforcement thereof or stating those claimed by the Tenant; and stating the date to which rentals and other charges are paid. Such certificate shall also include such other information as may be reasonably required. The failure by the Tenant to deliver any such certificate within thirty (30) days shall be conclusive upon the Tenant that this Lease is in full force and effect and has not been modified except as may be represented by Landlord. Notices of any default by Landlord shall be given by Tenant to any mortgagee of whom Tenant has been notified in writing, and said mortgagee shall have the right but not the obligation to cure said default.

- (c) **Attornment.** Tenant shall attorn and be bound to any of Landlord's successors under all the terms, covenants and conditions of this Lease for the balance of the Lease Term.

ARTICLE 9: DEFAULT, REMEDIES, AND TERMINATION

Section 9.01 Default and Remedies.

- (a) **Events of Default.** The occurrence of any of the following shall constitute a default under this Lease:
  - (i) Tenant's failure to pay rent or to make any other payment required to be made by Tenant hereunder when due, which failure continues for ten (10) days after written notice thereof.
  - (ii) Abandonment or vacation of the Premises by Tenant, for any purpose except remodeling or restoration for a time period approved by Landlord.
  - (iii) Tenant's failure to cause to be released any mechanic's or materialmen's liens filed against the Premises within ten (10) days after the date the same shall have been filed.
  - (iv) (iv) Tenant's failure to observe or perform any other provision of this Lease to be observed or performed by Tenant, other than those described in Subparagraphs (i), (ii), and (iii) above, where such failure continues for thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of such

failure cannot reasonably be cured within such thirty-day period, Tenant shall not be deemed to be in default if Tenant shall within such period commence such cure and thereafter diligently prosecute the same to completion, provided further that such extended cure period shall not exceed sixty (60) days from the date of Landlord's initial written notice, unless a longer period is mutually agreed upon in writing by Landlord and Tenant.

  - (v) The insolvency of Tenant or the execution by Tenant of an assignment for the benefit of creditors; the filing for reorganization or arrangement under any law relating to bankruptcy or insolvency; or, the appointment of a receiver or trustee to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease.

- (b) **Landlord's Remedies upon Termination.** In the event of any default by Tenant hereunder, then, in addition to any other remedies available to Landlord at law or in equity, Landlord may at its option terminate this Lease and recover damages from Tenant, including (i) the worth at the time of award of the unpaid rent which has been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for such period that Tenant proves could be reasonably avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform his obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom.
- (c) **Continuation of Lease & Re-Entry.** Alternatively, in the event of such default, Landlord may elect not to terminate the Lease and Landlord may enforce rights and remedies under the Lease, including the right to recover rent as it becomes due. In the event Landlord terminates the Lease, Landlord shall have the right to reenter and take possession of the Premises, to remove all persons and property therefrom, which property may be stored by Landlord at a warehouse or elsewhere at the risk, expense and for the account of Tenant, and to relet the Premises, or any part thereof, for the account of Tenant, for such term and upon such conditions and at such rent as Landlord at its sole

discretion may deem proper. To the fullest extent permitted by law, the proceeds of any reletting shall be applied as follows: first, to pay Landlord all costs and expenses of such reletting (including without limitation, costs and expenses of retaking or repossessing the Premises, removing persons and property therefrom, securing new tenants, and if Landlord shall maintain and operate the Premises, the cost thereof); second, to pay any indebtedness of Tenant to Landlord other than rent; third, to the rent due and unpaid hereunder; fourth, the residue, if any, shall be held by Landlord and applied in payment of any other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue.

- (d) **Indemnification & Non-Waiver.** Nothing in this section shall be deemed to affect Landlord's right to indemnification for liabilities arising prior to termination of this Lease for personal injury or property damage under the indemnification clause or clauses contained in this Lease. No reentry or reletting of the Premises shall be construed as an election by Landlord to terminate either Tenant's right to possession or this Lease unless a written notice of such intention is given by Landlord to Tenant and notwithstanding any such reletting without such termination, Landlord may at any time thereafter elect to terminate Tenant's right to possession in this Lease.
- (e) **Landlord Self-Help & Remedies.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any set-off or abatement of rent. If Tenant shall fail to pay any sum of money, other than rent, required to be paid hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable grace period set forth above, Landlord may, but shall not be obligated to do so, and without waiving or releasing Tenant from any obligations of Tenant, make on Tenant's behalf any such payment or perform any such other act to be made or performed by Tenant as provided in this Lease. All sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the maximum legal rate permitted by the laws of California, to the date the default is cured, shall be payable to Landlord on demand, and Tenant covenants to pay any such sum. Landlord shall have, in addition to any other right or remedy of Landlord, the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of rent. All remedies given to Landlord in this Lease shall not be exclusive but

shall be cumulative and in addition to all remedies now or hereafter at law or in equity.

Section 9.02 Insolvency of Tenant. Tenant agrees that in the event all or substantially all of the Tenant's assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of thirty (30) days, or should Tenant make an assignment for the benefit of creditors or be adjudicated a bankrupt, or should Tenant institute any proceedings under the bankruptcy act or under any amendment thereof which may hereafter be enacted, or under any other act relating to the subject of bankruptcy wherein Tenant seeks to be adjudicated a bankrupt, or to be discharged of its debts, or to effect a plan of liquidation, composition, arrangement or reorganization, or should any involuntary proceeding be filed against Tenant under any such bankruptcy laws and Tenant consent thereto or acquiesce therein by pleading or default, then this Lease or any interest in and to the Premises shall not become an asset in any of such proceedings, and, in any such event and in addition to any and all rights and remedies of Landlord hereunder or by law provided, it shall be lawful for Landlord to declare the term hereof ended and to reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder.

Section 9.03 Surrender of Premises and Holding Over. Upon the expiration of the Lease Term, Tenant shall surrender the Premises to Landlord in as good order and condition as at the Commencement of Lease Term (except for ordinary wear and tear) together with all additions, alterations and improvements which may have been made in or to the Premises. Landlord may, at its option, require the Tenant at the Tenant's expense to remove all such alterations, improvements and additions and to restore the Premises to the condition they were in when originally delivered to Tenant, save ordinary wear and tear. In the event Tenant continues to occupy the Premises after the expiration of the Lease Term, without being given or being entitled to renewal or a new lease, such occupancy shall be considered a tenancy from month-to-month at a monthly rental equal to one hundred fifty percent (150%) of the rent payment due for the last month of the Lease Term including but not limited to Base Rent, as adjusted in accordance with Section 4.02 above, Taxes, Insurance, and all other rents due and payable by Tenant to Landlord. This provision shall not give Tenant any right to continue occupancy following the expiration of this Lease except with the written consent of Landlord. Tenant shall be liable to Landlord for all damages occasioned by such holding over, including claims by any succeeding occupant of the Premises for such delay.

ARTICLE 10: MISCELLANEOUS PROVISIONS

Section 10.01 Inspection and Access to Premises. Landlord expressly reserves the following rights: (a) to enter the Premises at reasonable times to examine or to make such repairs, additions or alterations as it may deem necessary for the safety, improvement or preservation thereof, or of the building in which the Premises are located, or of the Building, but Landlord assumes no obligation to make repairs to said Premises or said building or the Building other than as expressly stated in this Lease; (b) should Tenant fail to exercise, or not be entitled to exercise, the option to renew as provided below, Landlord shall have the right to enter the Premises and display a notice or sign "for rent" at any time within three (3) months prior to the expiration of this Lease, and to maintain the same as placed; (c) during or after the time Tenant should abandon or vacate the Premises or otherwise default hereunder, to enter and decorate, remodel, repair, alter or otherwise prepare the Premises for re-occupancy; and (d) to install upon the roof and exterior walls of the Premises such signs, displays, antenna and other objects or structures as Landlord shall deem necessary or appropriate for the promotion, operation, expansion, maintenance or repair of the Building. The exercise of any reserved right by Landlord shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises and shall never render Landlord liable in any manner to Tenant or to any other person. Tenant shall permit Landlord and its agents to erect, use, maintain and repair conduits, plumbing, vents, wires and equipment into, under, and through the Premises. All such work and installations shall be done so as not to unnecessarily interfere with Tenant's use of the Premises.

Section 10.02 Signs. Except as otherwise set forth in this Lease, Tenant shall have the right, subject to the requirements of the County of Santa Cruz, to provide and install a storefront sign in accordance with the Building sign program. Except as thus provided, Tenant shall not place or suffer to be placed or maintained on any exterior door, roof, wall or window of the Premises any sign, awning or canopy, or advertising matter or other thing of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Premises, without first obtaining Landlord's written approval and consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved in good condition and repair at all times and to remove the same at the end of the Term if requested by Landlord to do so. Upon removal thereof, Tenant agrees to repair any damage to the Premises caused by such installation.

Section 10.03 Relationship of Parties (No Joint Venture). It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture or agency relationship between Landlord and Tenant or between Landlord and any other party, or cause either party to be responsible in any way for the debts or obligations of the other party. Neither the method of computation of any rent nor any other provision contained herein nor any acts of the parties hereto shall be deemed to create any relationship other than the relationship of Landlord or Tenant, and Tenant shall take or suffer no action which might lead a third person to believe otherwise. It is both a fact and it is understood between the parties that Landlord shall not be liable for any debts incurred by Tenant in the conduct of Tenant's business.

Section 10.04 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein provided shall be deemed to be other than on account of the earliest rent due and payable hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other proper remedy.

Section 10.05 Waiver. The failure of Landlord to insist in any one or more instances upon a strict performance of any of the covenants or agreements in this Lease or to exercise any option herein contained, shall not be construed as a waiver or a relinquishment for the future of such covenant, agreement, or option, but the same shall continue and remain in full force and effect. The receipt by Landlord of rent, with knowledge of the breach of any covenant or agreement hereof, shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Landlord.

Section 10.06 Legal Expenses and Attorneys' Fees. Tenant shall pay to Landlord all amounts for reasonable attorneys' fees incurred by Landlord in connection with any breach or default under this Lease or incurred in order to enforce the terms or provisions hereof. Such amount shall be payable upon demand. In addition, in the event that any action shall be instituted by either of the parties hereto for the enforcement of any of its rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the other party, all costs incurred by said prevailing party in said action, including reasonable attorneys' fees to be fixed by the court therein.

Section 10.07 Notices. Any notice, demand, request or other document or instrument which may be or is required to be given under this Lease shall be given only in writing and shall be deemed delivered if sent by United States certified, postage prepaid mail, return receipt requested, or by a national overnight delivery service, and shall be addressed (i) if to Landlord, to 2222 East Cliff Drive, Suite 222, Santa Cruz, California, 95062; and (ii) if to Tenant, at the address set forth in Section 1.02 above. Notices shall be effective upon deposit with reputable overnight delivery services or in the United States mails in accordance with the above provisions. Each party may designate such other address as shall also be given by such written notice. Other modes of delivery may also be utilized, provided such other delivery service can provide a proof of delivery.

Section 10.08 Time of Essence. Time is of the essence of this Lease. The parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that the failure to timely perform any of the obligations hereof by either party shall constitute a breach of and a default under this Lease by the party so failing to perform.

Section 10.09 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and to the Premises, and supersedes all prior and contemporaneous leases, agreements, representations, and understandings of the parties. No supplement, modification, or amendment shall be binding unless executed in writing by all of the parties. Landlord makes no guarantee, warranty, representation, agreement, or statement concerning the use, occupancy, or suitability of the Leased Premises for Tenant's intended use, or the adequacy or fitness of the Premises for such use. Tenant warrants and represents, for the express benefit of Landlord, that (a) Tenant has undertaken a complete and independent evaluation of the risks inherent in the execution of this Lease and the operation of the Leased Premises for Tenant's intended use; (b) that Tenant assumes all risk with respect thereto; (c) that no oral or written inducements, express or implied, have been made to Tenant to execute this Lease; (d) that in entering into this Lease, Tenant did not rely upon any statement, fact, promise, or representation not specifically set forth herein in writing; and (e) that for purposes of this provision, the foregoing references to Landlord shall include Landlord's agents and employees, if any.

Section 10.10 Cooperation and Non-Disclosure. The Parties agree that they will use their best efforts to cooperate with each other to minimize any interruption of their businesses. Tenant covenants with Landlord that, at all times after the date of this Lease, Tenant, including its employees and contractors, will hold in strictest confidence any and all confidential nonpublic data and information within its knowledge concerning the business of the Landlord and its clients.

Section 10.11 Partial Invalidity. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 10.12 Successors. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and assigns of the said parties; and if there shall be more than one tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant, unless the assignment to such assignee has been approved by Landlord as provided above.

Section 10.13 Construction of Document. This Lease has been the subject of negotiation by the parties.

Section 10.14 No Offer. The submission of this Lease by Landlord to Tenant does not constitute a reservation of or an option for the Premises, and this Lease becomes effective as a lease only upon the execution hereof by Landlord and Tenant, and delivery of the executed Lease by Tenant to Landlord, together with one month's rent and the security deposit required by this Lease.

Section 10.15 Brokers' Commissions. Tenant represents and warrants that Tenant has not employed any real estate agent or finder and that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease. Tenant agrees to indemnify, defend, protect and hold Landlord harmless from any and all liabilities, claims, demands, or causes of action arising from any such claim, including attorneys' fees.

Section 10.16 Waiver of Jury Trial. Landlord and Tenant hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either Landlord against Tenant or Tenant against Landlord on any matter whatsoever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

IN WITNESS WHEREOF, Landlord and Tenant have caused this instrument to be executed by their duly authorized representatives as of the day and year first written above.

LANDLORD:

O'Neill Sea Odyssey, a California nonprofit corporation

By: _____________________________________

Name: ___________________________________

Title: ____________________________________

Date: ____________________________________

TENANT:

Monterey Bay Sanctuary Fund

By: ____________________________________

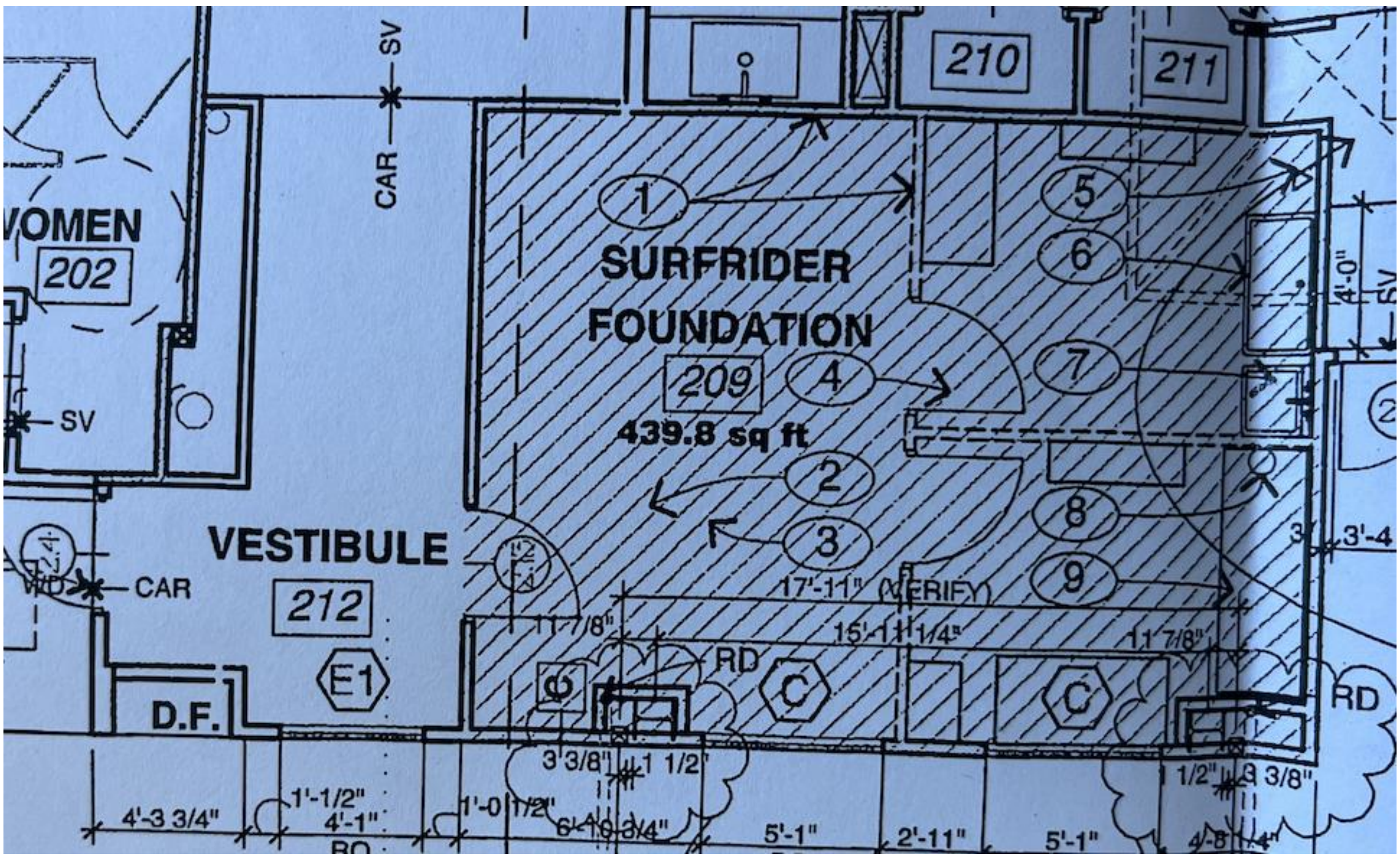
Name: __________________________________

Title: __________________________________

Date: ___________________________________

Addendum A

Square Footage of interior: 432 sq ft. +/-
Shared Common Space: 106 sq. ft +/- Vestibule & Private Entrance



SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161
scpd@santacruzharbor.org
www.santacruzharbor.org

TO: Port Commission

FROM: Mark Eldridge, Finance Officer

DATE: August 19, 2026

SUBJECT: Review Draft FY26 Audited Financial Statement

INFORMATION

Jared Solmonsen of the auditing firm Nigro & Nigro will participate in the August 25, 2026, meeting and present the draft audit. The draft audit is appended as Attachment C. Additional supporting materials are included as Attachments A and B.

The final audit will be presented to the Commission for acceptance at the September meeting.

ATTACHMENTS:
A. Presentation to Port Commission
B. Communications Letter
C. Draft Audited Financial Statements as of March 31, 2026

SANTA CRUZ PORT DISTRICT

Presentation to the Board of Port Commissioners

For the Fiscal Year Ended
March 31, 2026

NIGRO & NIGRO PC

SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

2. Our responsibility is to plan and perform the audit to obtain ***reasonable assurance*** **(not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.

3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not providing any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's ***Unmodified Opinion*** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension and OPEB expenses, as well as, Lease revenues and expenses.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

Santa Cruz Port District
Dashboard – Audited Financial Statements
March 31, 2026 vs 2025

Revenues & Expenses	2026	2025	Variance
Operating Revenues:			
Berthing and services	$ 9,468,559	$ 9,049,066	$ 419,493
Rent and concessions	2,445,917	2,478,776	(32,859)
Non-Operating Revenues:			386,634
Investment earnings	737,486	951,333	(213,847)
Grants and contributions	1,583,166	695,756	887,410
Dredging reimbursement	630,000	525,000	105,000
Other non-operating revenues	122,642	84,008	38,634
Capital Contributions			
Local capital contributions	3,713,317	266,140	3,447,177
Total Revenues	18,701,087	14,050,079	4,651,008
Operating Expenses:			
Salaries and benefits	5,362,387	5,393,455	(31,068)
Facilities and maintenance	704,398	1,872,958	(1,168,560)
Professional and legal services	447,069	421,217	25,852
Materials and services	2,615,161	2,452,318	162,843
Insurance	1,288,586	1,712,603	(424,017)
Operating expenses before depr.	10,417,601	11,852,551	(1,434,950)
Depreciation expense	2,248,092	2,100,035	148,057
Total Operating Expenses	12,665,693	13,952,586	(1,286,893)
Non-Operating Expenses:			
Interest expense	320,750	296,226	24,524
Cost of debt issuance	96,043	-	96,043
Total Expenses	13,082,486	14,248,812	(1,166,326)
Change in Revenues & Expenses	$ 5,618,601	$ (198,733)	$ 5,817,334
Capital Outlay:			
Capital Asset Additions	$ (6,256,732)	$ (2,380,185)	$ (3,876,547)
Depreciation Expense	2,248,092	2,100,035	148,057
Change in Capital Expense	$ (4,008,640)	$ (280,150)	$ (3,728,490)
Debt Service:			
Principal Received	$ 13,100,000	$ -	$ 13,100,000
Principal Paid	(1,273,549)	(1,413,057)	139,508
Change in Debt Service	$ 11,826,451	$ (1,413,057)	$ 13,239,508
Cash & Investments	$ 30,444,372	$ 20,126,911	$ 10,317,461
Quick Summary:			
Change in Revenues & Expenses	$ 5,618,601		
Change in Capital Expense	(4,008,640)	Use of cash	
Change in Debt Service	11,826,451	Use of cash	
Change in Customer Deposits & Deferred	(3,672,388)	Change to cash	
Change in Accounts Receivable	(55,502)	Change to cash	
Change in Inventory & Prepaid Items	(50,091)	Change to cash	
Change in Accounts Payable	175,672	Change to cash	
Change in Pension & OPEB liability	407,619	Non-cash	
Change in Cash & Investments	$ 10,241,722	**Approximately**	**$ (75,739)**
Investment Earnings to Portfolio	**4.23%**		
	17,425,642	Average Portfolio	

SANTA CRUZ PORT DISTRICT

Report to the Board of Port Commissioners

For the Fiscal Year Ended
March 31, 2026

SANTA CRUZ PORT DISTRICT
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For the Fiscal Year Ended March 31, 2026

Page

A Professional Accountancy Corporation

Board of Port Commissioners
Santa Cruz Port District
Santa Cruz, California

We are pleased to present this report related to our audit of the financial statements of the Santa Cruz Port District (District) as of and for the year ended March 31, 2026. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Port Commissioners and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

Nigro & Nigro, PC

Walnut Creek, California
August 25, 2026

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

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WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area		Comments
Our Responsibilities with Regard to the Financial Statement Audit		Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated March 15, 2026. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit		An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.
Accounting Policies and Practices		**Accounting Policies and Practices** Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted. **Adoption of, or Change in, Significant Accounting Polies or Their Application** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **Management's Judgments and Accounting Estimates** Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.
Audit Adjustments		Audit adjustments are summarized in the attached **Summary of Adjusting Journal Entries**.
Uncorrected Misstatements		We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Area		Comments
Discussions With Management		We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management		We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants		We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management		No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit		No significant difficulties were encountered in performing our audit.
Required Supplementary Information		We applied certain limited procedures to the: 1. Management's Discussion and Analysis 2. Required Pension Plan Disclosures 3. Required OPEB Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Area		Comments
Supplementary Information		We were engaged to report on the, Supplementary Information: 1. Schedule of Operating Expenses Which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of Board of Port Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Our Audit Methodology

As part of our firm's standard audit methodology, once our Audit Team has uploaded management's trial balance into our audit software, we are required to report to the Governance Board and Management all adjustments made to the trial balance during the audit process. This includes any proposed audit adjustments identified by our auditors as well as any adjustments provided by management. Our policy is designed to ensure full transparency and to give the Governance Board and Management a clear understanding of the nature and extent of changes considered during the audit, thereby reinforcing the integrity and depth of the audit procedures performed.

Disclosure of Audit Adjustments and Reclassifications

As part of our external audit engagement, we operate under the presumption that the District's books and records are materially accurate and appropriately closed prior to the commencement of audit fieldwork. Nonetheless, audit adjustments and reclassifications are often proposed during the course of the audit to ensure the District's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and to enhance comparability with prior-year financial data. In the interest of transparency and governance, we have included, as an attachment to this letter, a summary of audit adjustments and reclassification journal entries identified during the audit.

The existence or absence of such adjustments does not inherently indicate deficiencies, but rather reflects the auditor's role in enhancing the fair presentation of the financial statements. Disclosure of these items provides the Board of Directors with insight into the scope and depth of the audit procedures performed.

To promote timely and accurate financial reporting, we recommend that management strengthen internal controls and oversight over the year-end financial close process. Enhancing these procedures can reduce the volume of post-closing audit adjustments and reclassifications, improve the quality of interim and year-end financial reporting, and support the District's efforts in maintaining compliance with financial reporting requirements and best practices in fiscal governance.

Management Override of Controls

Professional auditing standards require auditors to consider the risk that management may override established internal controls, regardless of the perceived effectiveness of those controls. During our audit, we identified management override of controls as a significant risk due to the inherent ability of management to initiate, authorize, record, or adjust transactions and financial records. Such override could occur through inappropriate journal entries, management bias in accounting estimates, or the circumvention of established approval and review processes, potentially resulting in material misstatement of the financial statements, whether due to error or fraud.

While our audit procedures did not identify any instances of inappropriate management override, the presence of this risk is inherent in all organizations and warrants continued attention. We recommend that the District continue to strengthen governance and oversight practices, including active involvement by the Governance Board, consistent monitoring of journal entries and significant estimates, segregation of duties where feasible, and periodic independent reviews of key financial processes. These measures help mitigate the risk of management override and support the integrity and reliability of the District's financial reporting.

Summary of Adjusting Journal Entries

SANTA CRUZ PORT DISTRICT

Summary of Adjusting Journal Entries

For the Fiscal Year Ended March 31, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To true up Comp Abs - PBC			
000-000-000-0000-2020	Accrued Vacation Payable	28,708.69	
100-100-110-0000-5015	Salaries - Comp. Time	20.79	
100-100-110-0000-5025	Salaries - Holiday Pay	337.98	
100-100-110-0000-5030	Salaries - Sick Pay	4,888.02	
100-100-120-0000-5015	Salaries - Comp. Time	14.58	
100-100-120-0000-5030	Salaries - Sick Pay	579.64	
100-200-210-0000-5015	Salaries - Comp. Time	5.84	
100-200-210-0000-5025	Salaries - Holiday Pay	3,197.68	
100-200-210-0000-5030	Salaries - Sick Pay	4,434.78	
100-200-220-0000-5015	Salaries - Comp. Time	9.24	
100-200-220-0000-5025	Salaries - Holiday Pay	657.98	
100-200-220-0000-5030	Salaries - Sick Pay	2,756.62	
100-200-240-0000-5015	Salaries - Comp. Time	15.28	
100-200-240-0000-5025	Salaries - Holiday Pay	565.57	
100-200-240-0000-5030	Salaries - Sick Pay	204.91	
100-300-310-0000-5025	Salaries - Holiday Pay	242.14	
100-300-310-0000-5030	Salaries - Sick Pay	1,234.90	
100-300-330-0000-5015	Salaries - Comp. Time	10.62	
100-300-330-0000-5025	Salaries - Holiday Pay	111.66	
100-300-330-0000-5030	Salaries - Sick Pay	221.99	
100-300-340-0000-5025	Salaries - Holiday Pay	360.52	
100-300-340-0000-5030	Salaries - Sick Pay	5,733.49	
100-300-400-0000-5015	Salaries - Comp. Time	56.62	
100-300-400-0000-5025	Salaries - Holiday Pay	710.96	
100-300-400-0000-5030	Salaries - Sick Pay	1,217.92	
100-500-500-0000-5025	Salaries - Holiday Pay	92.54	
100-500-500-0000-5030	Salaries - Sick Pay	135.27	
000-000-000-0000-2010	Accrued Holiday Payable		6,277.03
000-000-000-0000-2015	Accrued Comp. Time Payable		132.97
000-000-000-0000-2023	Accured Sick Time Payable		21,407.52
100-100-110-0000-5020	Salaries - Vacation Pay		2,503.03
100-100-120-0000-5020	Salaries - Vacation Pay		3,345.95
100-200-210-0000-5020	Salaries - Vacation Pay		2,538.47
100-200-220-0000-5020	Salaries - Vacation Pay		2,734.48
100-200-240-0000-5020	Salaries - Vacation Pay		3,425.67
100-300-310-0000-5020	Salaries - Vacation Pay		3,210.82
100-300-330-0000-5020	Salaries - Vacation Pay		3,149.60
100-300-340-0000-5020	Salaries - Vacation Pay		2,227.65
100-300-400-0000-5020	Salaries - Vacation Pay		2,364.67
100-500-500-0000-5020	Vacation Pay		3,208.37
Total		**56,526.23**	**56,526.23**
Adjusting Journal Entries JE # 2			
To true up the depreciation expense			
000-000-000-0000-6003	Depreciation - Docks	48,518.00	
000-000-000-0000-6030	Depreciation - Equipment	7,589.01	
000-000-000-0000-1110	Accumulated Depreciation		28,518.41
000-000-000-0000-4500	Gain/Loss on Asset Disposal		27,588.60
Total		**56,107.01**	**56,107.01**
Adjusting Journal Entries JE # 3			
To reclass cost of debt issuance expense to non-operating for FINANCIAL REPORTING.			
100-300-390-0000-5299	Cost of Debt Issuance	96,043.00	
100-100-120-0000-5290	Miscellaneous Expenses		96,043.00
Total		**96,043.00**	**96,043.00**
Adjusting Journal Entries JE # 4			
To RECLASS portion of restricted cash to unrestricted cash to agree to the amount required by debt agreement. FOR FINANCIAL REPORTING PURPOSES. DO NOT POST			
000-000-000-0000-1010	Comerica Accounts	105,998.27	
000-000-000-0000-1019	PNC Bank Reserved Funds		105,998.27
Total		**105,998.27**	**105,998.27**
	Total Adjusting Journal Entries	**314,674.51**	**314,674.51**

SANTA CRUZ PORT DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

For the Fiscal Years Ended
March 31, 2026
(With Comparative Amounts as of March 31, 2025)

NIGRO & NIGRO PC

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FINANCIAL SECTION

Financial Section

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Board of Port Commissioners
Santa Cruz Port District
Santa Cruz, California

Opinion
We have audited the accompanying financial statements of the Santa Cruz Port District (District), which comprise the balance sheets as of March 31, 2026, and related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and related notes to the 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 the District as of March 31, 2026, and the respective changes in its financial position and cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

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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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the District's Proportionate Share of the Plan's Net Pension Liability, Schedule of the District's Contributions to the Pension Plan, and Schedule of Changes in the District's Total OPEB Liability and Related Ratios be 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, 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.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The Schedule of Operating Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior-Year Comparative Information
The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended March 31, 2025, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards,* we have also issued a separate report dated August 25, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Walnut Creek, California
August 25, 2026

Management's Discussion and Analysis (MD&A) offers readers of Santa Cruz Port District's financial statements a narrative overview of the District's financial activities for the years ended March 31, 2026. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- In fiscal year 2026, the District's net position increased 15.39%, or $5,618,601 from the prior year's net position of $36,512,255 to $42,130,854, as a result of the year's operations.

- In fiscal year 2026, operating revenues increased by 3.35%, or $386,634 from $11,527,842 to $11,914,476 from the prior year, primarily due to a $419,493 increase in charges for berthing and services.

- In fiscal year 2026, operating expenses before depreciation expense decreased by 12.11% or $1,434,950 from $11,852,551 to $10,417,601, from the prior year, primarily due to a $2,092,939 decrease in facilities and maintenance expense due to less repair expenses due to storm damage in the previous year.

REQUIRED FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Balance Sheet includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Balance Sheet and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. You can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation.

Condensed Balance Sheets

	March 31, 2026	March 31, 2025	Change
Assets:			
Current assets	$ 17,921,498	$ 21,001,781	$ (3,080,283)
Noncurrent	25,087,094	12,769,964	12,317,130
Capital assets, net	40,109,615	36,100,974	4,008,641
Total assets	83,118,207	69,872,719	13,245,488
Deferred outflows of resources	1,605,116	1,654,792	(49,676)
Total assets and deferred outflows of resources	$ 84,723,323	$ 71,527,511	$ 13,195,812
Liabilities:			
Current liabilities	$ 6,323,578	$ 9,446,051	$ (3,122,473)
Noncurrent liabilities	24,745,456	13,674,933	11,070,523
Total liabilities	31,069,034	23,120,984	7,948,050
Deferred inflows of resources	11,523,434	11,894,273	(370,839)
Net position:			
Net investment in capital assets	33,208,820	27,926,630	5,282,190
Restricted	993,475	1,081,801	(88,326)
Unrestricted	7,928,560	7,503,823	424,737
Total net position	42,130,855	36,512,254	5,618,601
Total liabilities, deferred inflows and net position	$ 84,723,323	$ 71,527,511	$ 13,195,812

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources by $42,130,855 and $36,512,254 as of March 31, 2026, and 2025, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Condensed Balance Sheets (continued)
By far the largest portion of the District's net position (48% as of March 31, 2026, and 76% as of March 31, 2025) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its customers; consequently, these assets are not available for future spending.

At the end of fiscal years 2026 and 2025, the District showed a positive balance in its unrestricted net position of $7,928,560 and $7,503,823, respectively, which may be utilized in future years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	March 31, 2026	March 31, 2025	Change
Revenues:			
Operating revenues	$ 11,914,476	$ 11,527,842	$ 386,634
Non-operating revenues	3,073,294	2,256,097	817,197
Total revenues	14,987,770	13,783,939	1,203,831
Expenses:			
Operating expenses	10,513,644	11,852,551	(1,338,907)
Depreciation	2,248,092	2,100,035	148,057
Non-operating expenses	320,750	296,226	24,524
Total expenses	13,082,486	14,248,812	(1,166,326)
Capital contributions	3,713,317	266,140	3,447,177
Change in net position	5,618,601	(198,733)	5,817,334
Net position:			
Beginning of year	36,512,254	36,710,987	(198,733)
End of year	$ 42,130,855	$ 36,512,254	$ 5,618,601

The statement of revenues, expenses and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased by $5,618,600 and decreased $198,733 for the years ended March 31, 2026, and 2025, respectively.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Total Revenues

Operating revenues:	March 31, 2026	March 31, 2025	Change
Charges for berthing and services	$ 9,468,559	$ 9,049,066	$ 419,493
Rents and concessions	2,445,917	2,478,776	(32,859)
Total operating revenues	11,914,476	11,527,842	386,634
Non-operating revenues:			
Investment earnings	737,486	951,333	(213,847)
Grants and contributions	1,583,166	695,756	887,410
Dredging reimbursement	630,000	525,000	105,000
Other non-operating revenues	122,642	84,008	38,634
Total non-operating revenues	3,073,294	2,256,097	817,197
Capital contributions	3,713,317	266,140	3,447,177
Total revenue	$ 18,701,087	$ 14,050,079	$ 4,651,008

In fiscal year 2026, operating revenues increased by 3.35%, or $386,634 from $11,527,842 to $11,914,476 from the prior year, primarily due to a $419,493 increase in charges for berthing and services. Non-operating revenue increased by $817,197 primarily due to an increase in grants and contributions.

Total Expenses

Operating expenses:	March 31, 2026	March 31, 2025	Change
Salaries and benefits	$ 5,362,387	$ 5,393,455	$ (31,068)
Facilities and maintenance	704,398	1,872,958	(1,168,560)
Professional and legal	447,069	421,217	25,852
Materials and services	2,615,161	2,452,318	162,843
Insurance	1,288,586	1,712,603	(424,017)
Total operating expenses	10,417,601	11,852,551	(1,434,950)
Depreciation	2,248,092	2,100,035	148,057
Non-operating expenses:			
Interest expense – long-term debt	320,750	296,226	24,524
Cost of debt issuance	96,043	-	96,043
Total non-operating expenses	416,793	296,226	120,567
Total expenses	$ 13,082,486	$ 14,248,812	$ (1,166,326)

In fiscal year 2026, operating expenses before depreciation expense decreased by 12.11% or $1,434,950 from $11,852,551 to $10,417,601, from the prior year, primarily due to a $2,092,939 decrease in facilities and maintenance expense due to less repair expenses due to storm damage in the previous year.

FINANCIAL ANALYSIS OF THE DISTRICT (continued)

Capital Assets

Description	March 31, 2026	March 31, 2025
Non-depreciable assets	$ 4,077,970	$ 3,624,394
Depreciable assets	78,199,427	73,565,446
Accumulated depreciation	(42,167,782)	(41,088,866)
Total capital assets, net	$ 40,109,615	$ 36,100,974

At the end of fiscal year 2026, and 2025, the District's investment in capital assets amounted to $40,109,615, and $36,100,974 (net of accumulated depreciation), respectively. Capital asset additions amounted to $6,256,732 for various projects and equipment for the year ended March 31, 2026. See Note 5 for further information.

Debt Administration
The long-term debt of the District is summarized below:

Description	March 31, 2026	March 31, 2025
Long-term debt	$ 20,000,795	$ 8,174,344

Long-term debt increased by $11,826,450 for the year ended March 31, 2026, due to the issuance of a new revenue obligation bond. See Note 8 for further information.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Port Director at 135 5th Avenue, Santa Cruz, CA 95062

SANTA CRUZ PORT DISTRICT
Balance Sheets
For the Years Ended March 31, 2026 (With Comparative Amounts as of March 31, 2025)

ASSETS	2026	2025
Current assets:		
Cash and investments (Note 2)	$ 16,350,897	$ 19,668,347
Accrued interest receivable	3,126	3,366
Accrued interest receivable –leases	30,725	32,950
Accounts receivable	514,518	301,516
Lease receivable (Note 4)	773,501	794,671
Materials and supplies inventory	26,627	20,435
Prepaid items	222,104	180,496
Total current assets	17,921,498	21,001,781
Non-current assets:		
Restricted – cash and cash equivalents (Note 3)	14,093,475	1,081,801
Lease receivable (Note 4)	10,993,619	11,688,163
Capital assets – not being depreciated (Note 5)	4,077,970	3,624,394
Capital assets – being depreciated, net (Note 5)	36,031,645	32,476,580
Total non-current assets	65,196,709	48,870,938
Total assets	83,118,207	69,872,719
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions (Note 9)	1,371,500	1,515,801
Deferred outflows of resources related to OPEB (Note 10)	233,616	138,991
Total deferred outflows of resources	1,605,116	1,654,792
Total assets and deferred outflows of resources	$ 84,723,323	$ 71,527,511

SANTA CRUZ PORT DISTRICT
Balance Sheets (continued)
For the Years Ended March 31, 2026 (With Comparative Amounts as of March 31, 2025)

LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 568,064	$ 392,392
Customer deposits and unearned revenue (Note 6)	3,920,627	7,593,015
Accrued interest payable	102,504	40,388
Long-term liabilities – due within one year:		
Compensated absences (Note 7)	142,945	146,707
Loans payable (Note 8)	1,017,862	1,057,521
Revenue obligations payable (Note 8)	571,576	216,028
Total current liabilities	6,323,578	9,446,051
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 7)	333,537	342,316
Loans payable (Note 8)	4,000,067	5,017,929
Revenue obligations payable (Note 8)	14,411,290	1,882,866
Total OPEB liability (Note 10)	891,895	707,562
Net pension liability (Note 9)	5,108,667	5,724,260
Total non-current liabilities	24,745,456	13,674,933
Total liabilities	31,069,034	23,120,984
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to leases (Note 4)	10,410,903	11,410,945
Deferred inflows of resources related to pensions (Note 9)	826,684	156,390
Deferred inflows of resources related to OPEB (Note 10)	285,847	326,938
Total deferred inflows of resources	11,523,434	11,894,273
NET POSITION		
Net investment in capital assets (Note 11)	33,208,820	27,926,630
Restricted for debt service (Note 3)	993,475	1,081,801
Unrestricted	7,928,560	7,503,823
Total net position	42,130,855	36,512,254
Total liabilities, deferred inflows of resources and net position	$ 84,723,323	$ 71,527,511

SANTA CRUZ PORT DISTRICT

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended March 31, 2026 (With Comparative Amounts as of March 31, 2025)

	2026	2025
OPERATING REVENUES		
Charges for berthing and services	$ 9,468,559	$ 9,049,066
Rents and concessions	2,445,917	2,478,776
Total operating revenues	11,914,476	11,527,842
OPERATING EXPENSES		
Salaries and benefits	5,362,387	5,393,455
Facilities and maintenance	704,398	1,872,958
Professional and legal services	447,069	421,217
Materials and services	2,615,161	2,452,318
Insurance	1,288,586	1,712,603
Total operating expenses before depreciation	10,417,601	11,852,551
Operating income(loss) before depreciation	1,496,875	(324,709)
Depreciation expense	(2,248,092)	(2,100,035)
Operating income(loss)	(751,217)	(2,424,744)
NON-OPERATING REVENUES (EXPENSES)		
Investment earnings	737,486	951,333
Interest expense – long-term debt	(320,750)	(296,226)
Grants and contributions	1,583,166	695,756
Dredging reimbursement (Note 12)	630,000	525,000
Cost of debt issuance	(96,043)	-
Other non-operating revenues	122,642	84,008
Total non-operating revenue(expense), net	2,656,501	1,959,871
Net income(loss) before capital contributions	1,905,284	(464,873)
CAPITAL CONTRIBUTIONS		
Local capital contributions	3,713,317	266,140
Total capital contributions	3,713,317	266,140
Change in net position	5,618,601	(198,733)
Net position:		
Beginning of year	36,512,254	36,710,987
End of year	$ 42,130,855	$ 36,512,254

SANTA CRUZ PORT DISTRICT
Statements of Cash Flows
For the Years Ended March 31, 2026 (With Comparative Amounts as of March 31, 2025)

	2026	2025
Cash flows from operating activities:		
Cash receipts from customers and others	$ 11,552,709	$ 11,096,179
Cash paid to employees for salaries and benefits	(5,127,309)	(4,605,003)
Cash paid to vendors and suppliers for materials and services	(4,927,342)	(6,524,945)
Net cash provided by (used in) operating activities	1,498,058	(33,769)
Cash flows from non-capital financing activities:		
Grant and contribution funding	1,583,166	695,756
Dredging reimbursement	472,500	525,000
Other non-operating revenue	122,642	84,008
Net cash provided by non-capital financing activities	2,178,308	1,304,764
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,191,642)	(2,380,185)
Proceeds from local capital contributions	-	2,490,377
Proceeds from revenue obligation	13,100,000	-
Cost of debt issuance	(96,043)	-
Principal paid on long-term debt	(1,273,549)	(1,413,057)
Interest paid on long-term debt	(258,634)	(296,226)
Net cash Provided by (used in) capital and related financing activities	5,280,132	(1,599,091)
Cash flows from investing activities:		
Investment earnings	737,726	951,333
Net cash provided by investing activities	737,726	951,333
Net increase in cash and cash equivalents	9,694,224	623,237
Cash and cash equivalents:		
Beginning of year	20,750,148	20,126,911
End of year	$ 30,444,372	$ 20,750,148
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash and investments	$ 16,350,897	$ 19,668,347
Restricted assets – cash and cash equivalents	14,093,475	1,081,801
Total cash and cash equivalents	$ 30,444,372	$ 20,750,148

SANTA CRUZ PORT DISTRICT

Statements of Cash Flows (continued)

For the Years Ended March 31, 2026 (With Comparative Amounts as of March 31, 2025)

	2026	2025
Reconciliation of operating income(loss) to net cash provided by operating activities:		
Operating income(loss)	$ (751,217)	$ (2,424,744)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:		
Depreciation	2,248,092	2,100,035
Change in assets – (increase)decrease:		
Accounts receivable	(55,502)	(105,436)
Lease receivable	717,939	722,470
Materials and supplies inventory	(6,192)	(1,935)
Prepaid items	(41,608)	(50,091)
Change in deferred outflows of resources – (increase)decrease		
Deferred outflows of resources related to pensions	144,301	593,288
Deferred outflows of resources related to OPEB	(94,625)	24,582
Change in liabilities – increase(decrease):		
Accounts payable and accrued expenses	175,672	(13,823)
Customer deposits and unearned revenue	(24,162)	(7,886)
Compensated absences	(12,541)	317,569
Total OPEB liability	184,333	59,329
Net pension liability	(615,593)	(60,153)
Change in deferred inflows of resources – increase(decrease)		
Deferred inflows of resources related to leases	(1,000,042)	(1,040,811)
Deferred inflows of resources related to pensions	670,294	(113,829)
Deferred inflows of resources related to OPEB	(41,091)	(32,334)
Total adjustments	2,249,275	2,390,975
Net cash provided by operating activities	$ 1,498,058	$ (33,769)

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Port District (District) is a political subdivision of the State of California. The District is governed by an elected Board of Commissioners, each of whom is elected to serve a four-year term. The District was organized on November 20, 1950, in conformity with Division 8, Part 4 of the Harbors and Navigation Code, Section 6200 et seq. The District was formed for the purpose of creating a legal entity to negotiate with various governmental agencies for the financing and construction of a small craft harbor and the subsequent operation of the facility. The District began the operation of the small craft harbor in January 1964.

The District operates as principal landlord for the purpose of assigning or leasing Port facilities and land areas. The District's principal sources of revenue are from berthing and related services, and rentals of land and facilities. Capital construction is financed through operations, grants and revenue bond debt proceeds. Daily operation of Port facilities and regular maintenance are performed by the District's regular workforce. Major maintenance and new construction projects are awarded by bid to commercial contractors.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, The Financial Reporting Entity (GASB Statement No. 61). The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a district election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Presentation, Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net position from operations as operating income in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, and other infrequently occurring transactions of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents
For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of 90 days or less, when purchased, to be cash equivalents. Cash deposits are reported at the carrying amount, which reasonably estimates fair value.

2. Investments
Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

3. Receivables and Allowance for Doubtful Accounts
Trade receivables consist of tenant and slip holder rents. The District believes its receivables to be fully collectible and, accordingly, no allowance for doubtful accounts is recorded.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

4. Lease Receivable and Deferred Inflows of Resources
The primary objective is to enhance the relevance and consistency of information about the governments' leasing activities. As a lessor, the District is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions. The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreement, the District may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

5. Materials and Supplies Inventory
Inventory is stated at the lower of cost or market, determined by the first-in, first-out method. Inventory consists of boat supplies and merchandise for resale.

6. Prepaids
Certain payments of vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

7. Capital Assets
Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over $5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Wharves and docks	3-40 years
Land improvements	3-40 years
Buildings and buildings improvements	3-30 years
Equipment	3-10 years

8. Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Compensated Absences

The District's employee benefits provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Full cash payment for all unused vacation leave is available to employees upon retirement or termination. Cash payment for all unused sick leave is available at 50% of the employee's current pay rate upon retirement or termination. The cost of vacation is recorded in the period accrued.

In accordance with GASB No. 101, Compensated Absences, leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This analysis includes assessing relevant factors such as historical information about the use, payment or forfeiture of compensated absences and the District's portion of Social Security and Medicare taxes.

10. 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 and addition 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.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2024
Measurement Date June 30, 2025
Measurement Period July 1, 2024 to June 30, 2025

11. Post-employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Santa Cruz Port District Retiree Benefits Plan ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Valuation Date March 31, 2024
Measurement Date March 31, 2025
Measurement Period April 1, 2024 to March 31, 2025

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

12. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets -** This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of debt for those capital assets.

- **Restricted -** This component of net position consists of constraints placed on net position use through external 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 "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Use of Estimates

The preparation of financial statements in conformity with 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 amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

E. Grant Funding

Grants for operating assistance and capital acquisitions are included in their respective non-operating and capital contribution sections of the statement of revenues, expenses and changes in net position. Grant funds are claimed on a reimbursement basis and receivables for grant funds are recorded as the related obligations are incurred. Grant funds advanced but not yet earned are treated as unearned revenue until the respective obligations these grants were funded for are incurred.

F. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by outside parties.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments were classified in the accompanying financial statements as follows:

Description	March 31, 2026
Cash and investments	$ 16,350,897
Restricted – cash and cash equivalents	14,093,475
Total	$ 30,444,372

Cash and investments consisted of the following:

Description	March 31, 2026
Cash on hand	$ 3,200
Deposits held with financial institutions	763,953
Deposits in Local Agency Investment Fund (LAIF)	318,980
Deposits in California CLASS	28,258,766
Deposits in money-market funds	1,099,473
Total	$ 30,444,372

Demand Deposits
At March 31, 2026, the carrying amount of the District's demand deposits was $763,953, and the financial institution balance was $1,177,243. The $413,290 net difference as of March 31, 2026, represents outstanding checks, deposits-in-transit and/or other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to $250,000 by the FDIC.

The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an agent of depositor has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government.

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk
The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment policy requires that collateral be held by an independent third party with whom the District has a current custodial agreement.

Local Agency Investment Fund (LAIF)
The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of March 31, 2026, the District held $318,980 in LAIF.

California Cooperative Liquid Assets Securities System (California CLASS)
The California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS provides California public agencies with a convenient method for investing in high-quality, short- to medium-term securities carefully selected to optimize interest earnings while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that governs the investment of public funds.

The management of California CLASS is under the direction of a Board of Trustees comprised of eligible Participants of the program. The Board of Trustees has appointed Public Trust Advisors, LLC to serve as the Investment Advisor and Administrator of the program and has appointed U.S. Bank as the Custodian. The District is a voluntary participant in California CLASS. The fair value of the District's investment in this pool is reported at an amount based upon the District's pro-rata share of the fair value provided by California CLASS for the entire California CLASS portfolio (in relation to the amortized cost of the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by California CLASS. California CLASS is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. The California Class Prime and Enhanced Cash funds receive a credit rating of AAAm (S&P Global Ratings) and AAAf/S1 (FitchRatings), respectively. For financial reporting purposes, the District considers California CLASS a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of March 31, 2026, the District held $28,258,766 in California CLASS.

NOTE 2 – CASH AND INVESTMENTS (continued)

Money-Market Funds
Money-market funds are an investment whose objective is to earn modest investment earnings while maintaining a net asset value (NAV) of $1 per share (which is the funds main goal – preservation of principal). A money-market fund's portfolio is typically comprised of short-term, or less than one year, securities representing high-quality, liquid debt and monetary instruments with minimal credit risk. Money-market funds are Level 1 investments (with quoted prices in active markets for identical assets) that are Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers money market funds a cash equivalent due to their highly liquid nature and NAV of $1 per share. As of March 31, 2026, the District held $1,099,473, in money market funds.

Authorized Investments and Investment Policy
The District has adopted an investment policy directing the Fiscal Officer to deposit funds in financial institutions to purchases financial investments in accordance with California Government Code 53600-53610.

Fair Value Measurement Input
The District categorizes its fair value measurement inputs within the fair value hierarchy established by generally accepted accounting principles. The District has presented its measurement inputs as noted in the previous table.

Credit Risk
Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of March 31, 2026, the District's investment in the LAIF was not rated as noted in the previous table, and the District's investment in the VCPIF was rated AAAf/S-1+.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District has elected to use the segmented time distribution method of disclosure for the maturities of its investments as related to interest rate risk as noted in the previous table.

Concentration of Credit Risk
The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in LAIF, CA CLASS or money-market funds.

NOTE 3 – RESTRICTED – ASSETS AND RESTRICTED – NET POSITION

Restricted – cash and investments as of March 31st consisted of the following:

Description	March 31, 2026
Unspent proceeds from bond issuance	$ 13,100,000
Money-market funds held for debt service reserves	993,475
Total restricted assets	14,093,475
Less: Unspent proceeds from bond issuance	(13,100,000)
Total restricted – net position	$ 993,475

The District's restricted cash and investments are funds required for debt service.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES

Changes in the District's lease receivable for the year ended March 31, 2026, were as follows:

Description	Balance April 1, 2024	Additions	Deductions	Adjustments	Balance March 31, 2025
State Farm	$ 51,217	$ -	$ (38,143)	$ -	$ 13,074
O'neill Sea Odyssey	397,429	-	(23,551)	-	373,878
Santa Cruz Yacht Club	2,480,893	-	(80,678)	-	2,400,215
Pacific Yachting & Sailing	33,439	-	(14,900)	-	18,539
Chardonnay	11,146	-	(4,966)	-	6,180
Bayside Marine	349,706	-	(34,549)	-	315,157
UCSC	15,843	-	(12,615)	-	3,228
Beacon Pointe Advisors, LLC	47,875	-	(47,875)	-	-
Intero Real Estate	328,912	-	(97,330)	-	231,582
Johnny's Harborside Restaurant	1,823,085	-	(54,448)	-	1,768,637
H&H Fresh Fish	46,146	-	(15,416)	-	30,730
Java Junction	442,673	-	(76,856)	-	365,817
Cafe El Palomar	1,573,112	-	(122,065)	-	1,451,047
Crow's Nest Beach Market	718,596	-	(68,075)	-	650,521
Crow's Nest	4,162,762	-	(220,021)	195,774	4,138,515
Total lease receivable	$ 12,482,834	$ -	$ (911,488)	$ 195,774	$ 11,767,120

The District is the lessor of 15 individual land and improvements leases under long-term, non-cancelable operating leases, expiring in various dates through December 2043. Of the District's total capital assets, a portion of total land, structures and improvements is available for rent and concessions, and docks (berths) are available for slip licensing, while the remainder is held for District use. The leases held by the District do not have an implicit rate of return, therefore the District used their incremental borrowing rate at as of the time the lease initiated to discount the lease revenue to the net present value.

In some cases, leases contain termination clauses. In these cases, the clause requires the lessee or lessor to show cause to terminate the lease. Also, certain leasing-types are considered "volatile leases." Those volatile leases were not extended past their initial lease period for financial statement recognition due to their volatility. Certain long-term, non-cancelable leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

The District is reporting a total lease receivable of $11,767,120 and a total related deferred inflows of resources of $10,410,903 for the year ending March 31, 2026. Also, the District is reporting total lease revenue of $1,050,696 and interest revenue of $390,477 related to lease payments received for the year ending March 31, 2026. The District's leases are summarized as follows:

State Farm
The District, on June 1, 2022, entered into a lease agreement for 50 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $145,167. As of March 31, 2026, the value of the lease receivable was $13,074. The lease is required to make monthly fixed payments of $2,961 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $11,844 as of March 31, 2026. The District recognized lease revenue of $35,533 and interest revenue of $809 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

O'neill Sea Odyssey
The District, on June 1, 2022, entered into a lease agreement for 258 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $452,737. As of March 31, 2026, the value of the lease receivable was $373,878. The lease is required to make monthly fixed payments of $1,759 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $374,562 as of March 31, 2026. The District recognized lease revenue of $21,102 and interest revenue of $12,542 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Santa Cruz Yacht Club
The District, on May 1, 2022, entered into a lease agreement for 240 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $2,671,100. As of March 31, 2026, the value of the lease receivable was $2,400,215. The lease is required to make monthly fixed payments of $11,180 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $2,157,690 as of March 31, 2026. The District recognized lease revenue of $134,157 and interest revenue of $79,460 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Pacific Yachting and Sailing
The District, on April 1, 2022, continued a lease agreement for 62 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $72,127. As of March 31, 2026, the value of the lease receivable was $18,539. The lease is required to make monthly fixed payments of $1,182 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.42%. The value of the deferred inflow of resources was $16,550 as of March 31, 2026. The District recognized lease revenue of $14,185 and interest revenue of $615 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Chardonnay
The District, on April 1, 2022, continued a lease agreement for 62 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $24,046. As of March 31, 2026, the value of the lease receivable was $6,180. The lease is required to make monthly fixed payments of $394 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was $5,518 as of March 31, 2026. The District recognized lease revenue of $4,729 and interest revenue of $205 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Bayside Marine
The District, on April 1, 2022, continued a lease agreement for 130 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $436,540. As of March 31, 2026, the value of the lease receivable was $315,157. The lease is required to make monthly fixed payments of $3,384 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $277,511 as of March 31, 2026. The District recognized lease revenue of $40,611 and interest revenue of $10,793 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

UCSC
The District, on April 1, 2022, continued a lease agreement for 51 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $48,665. As of March 31, 2026, the value of the lease receivable was $3,228. The lease is required to make monthly fixed payments of $973 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was $2,918 as of March 31, 2026. The District recognized lease revenue of $11,670 and interest revenue of $220 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Beacon Pointe Advisors, LLC
The District, on April 1, 2022, continued a lease agreement for 45 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $235,126. As of March 31, 2026, the value of the lease receivable was $0. The lease is required to make monthly fixed payments of $5,467 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $0 as of March 31, 2026. The District recognized lease revenue of $43,740 and interest revenue of $368 during the fiscal year. The lessee will be evaluated by the District for future extensions and has ended as of March 31, 2026.

Intero Real Estate
The District, on April 1, 2022, continued a lease agreement for 113 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $581,398. As of March 31, 2026, the value of the lease receivable was $231,582. The lease is required to make monthly fixed payments of $7,962 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was $207,022 as of March 31, 2026. The District recognized lease revenue of $95,548 and interest revenue of $6,689 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Johnny's Harborside Restaurant
The District, on April 1, 2022, continued a lease agreement for 74 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $1,950,175. As of March 31, 2026, the value of the lease receivable was $1,768,637. The lease is required to make monthly fixed payments of $8,403 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $1,554,468 as of March 31, 2026. The District recognized lease revenue of $100,830 and interest revenue of $58,476 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

H&H Fresh Fish
The District, on April 1, 2022, continued a lease agreement for 70 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $85,885. As of March 31, 2026, the value of the lease receivable was $30,730. The lease is required to make monthly fixed payments of $1,244 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was $27,373 as of March 31, 2026. The District recognized lease revenue of $14,931 and interest revenue of $915 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Java Junction
The District, on April 1, 2022, continued a lease agreement for 97 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $641,389. As of March 31, 2026, the value of the lease receivable was $365,817. The lease is required to make monthly fixed payments of $6,679 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources was $327,287 as of March 31, 2026. The District recognized lease revenue of $80,152 and interest revenue of $9,709 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Café El Palomar
The District, on April 1, 2022, continued a lease agreement for 112 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $1,877,309. As of March 31, 2026, the value of the lease receivable was $1,451,047. The lease is required to make monthly fixed payments of $12,771 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $1,277,135 as of March 31, 2026. The District recognized lease revenue of $153,256 and interest revenue of $49,139 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Crow's Nest Beach Market
The District, on April 1, 2022, continued a lease agreement for 132 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $882,899. As of March 31, 2026, the value of the lease receivable was $650,521. The lease is required to make monthly fixed payments of $6,686 for the first 12-month period, then increases annually based on the CPI index. The lease has an interest rate of 3.00%. The value of the deferred inflow of resources was $568,304 as of March 31, 2026. The District recognized lease revenue of $80,231 and interest revenue of $22,230 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

Crow's Nest
The District, on April 1, 2022, continued a lease agreement for 248 months as lessor for the use of District property. An initial lease receivable was recorded in the amount of $4,547,441. As of March 31, 2026, the value of the lease receivable was $4,138,515. The lease is required to make monthly fixed payments of $18,335 for the first 12-month period, then increases annually based on the CPI index. As of March 31, 2026 the lease interest rate increased from 3.26% to 4.12% and the lease receivable and deferred inflow of resources balances were adjusted accordingly. The value of the deferred inflow of resources was $3,602,721 as of March 31, 2026. The District recognized lease revenue of $220,022 and interest revenue of $138,307 during the fiscal year. The lessee will be evaluated by the District for future extensions after the completion of this lease period.

Minimum future lease receipts are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 773,501	$ 367,106	$ 1,140,607
2028	794,775	343,475	1,138,250
2029	734,860	319,763	1,054,623
2030	718,997	319,763	1,038,760
2031	755,859	296,562	1,052,421
2032-2036	3,455,849	1,118,712	4,574,561
2037-2041	3,469,576	585,298	4,054,874
2042-2044	1,063,703	76,120	1,139,823
Total	11,767,120	$ 3,426,799	$ 15,193,919
Current	(773,501)		
Long-term	$ 10,993,619		

Changes in the District's deferred inflows of resources related to leases for March 31, 2026, were as follows:

Description	Balance April 1, 2024	Additions	Deductions	Adjustments	Balance March 31, 2025
State Farm	$ 47,377	$ -	$ (35,533)	$ -	$ 11,844
O'neill Sea Odyssey	395,664	-	(21,102)	-	374,562
Santa Cruz Yacht Club	2,291,847	-	(134,157)	-	2,157,690
Pacific Yachting & Sailing	30,735	-	(14,185)	-	16,550
Chardonnay	10,247	-	(4,729)	-	5,518
Bayside Marine	318,122	-	(40,611)	-	277,511
UCSC	14,588	-	(11,670)	-	2,918
Beacon Pointe Advisors, LLC	43,740	-	(43,740)	-	-
Intero Real Estate	302,570	-	(95,548)	-	207,022
Johnny's Harborside Restaurant	1,655,298	-	(100,830)	-	1,554,468
H&H Fresh Fish	42,304	-	(14,931)	-	27,373
Java Junction	407,439	-	(80,152)	-	327,287
Cafe El Palomar	1,430,391	-	(153,256)	-	1,277,135
Crow's Nest Beach Market	648,535	-	(80,231)	-	568,304
Crow's Nest	3,772,088	-	(188,267)	18,900	3,602,721
Total lease receivable	$ 11,410,945	$ -	$ (1,018,942)	$ 18,900	$ 10,410,903

NOTE 4 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES – LEASES (continued)

The amounts reported as deferred inflows of resources related to leases for the year ended March 31, 2026, will be amortized in future periods as follows:

Amortization Period Fiscal Year Ended March 31	Deferred Inflows of Resources
2027	$ 974,516
2028	941,503
2029	846,285
2030	830,360
2031	756,888
Thereafter	6,061,351
	$ 10,410,903

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Changes in capital assets for the fiscal year ended March 31, 2026, were as follows:

Description	Balance April 1, 2025	Additions	Deletions/ Transfers	Balance March 31, 2026
Non-depreciable assets:				
Land	$ 2,201,360	$ -	$ -	$ 2,201,360
Construction-in-process	1,423,034	733,450	(279,874)	1,876,610
Total non-depreciable assets	3,624,394	733,450	(279,874)	4,077,970
Depreciable assets:				
Structures and improvements	33,552,205	1,822,185	-	35,374,390
Docks	28,378,419	3,538,958	(743,300)	31,174,077
Equipment	11,580,448	422,766	(413,155)	11,590,059
Office equipment	54,374	19,247	(12,720)	60,901
Total depreciable assets	73,565,446	5,803,156	(1,169,175)	78,199,427
Accumulated depreciation:				
Structures and improvements	(23,376,181)	(633,267)	-	(24,009,448)
Docks	(11,790,580)	(1,095,736)	743,300	(12,143,016)
Equipment	(5,867,731)	(518,613)	413,155	(5,973,189)
Office equipment	(54,374)	(475)	12,720	(42,129)
Total accumulated depreciation	(41,088,866)	(2,248,091)	1,169,175	(42,167,782)
Total depreciable assets, net	32,476,580	3,555,065	-	36,031,645
Total capital assets, net	$ 36,100,974	$ 4,288,515	$ (279,874)	$ 40,109,615

NOTE 6 – CUSTOMER DEPOSITS AND UNEARNED REVENUE

Customer deposits and unearned revenue consisted of the following:

Description	March 31, 2026
Prepaid slip rent	$ 244,053
Slip and key deposits	442,841
Unearned revenue – Murray St. Bridge Project	3,233,733
Total	$ 3,920,627

On August 10, 2021, The District entered into an agreement with the City of Santa Cruz. The agreement grants the city possession and use of portions of District property for the purpose of constructing the Murray Street Bridge seismic retrofit and barrier replacement project. Per the agreement, the city acquired both permanent and temporary easements, the City deposited $5,149,000 into an escrow account with First American Title Company. $345,818 is for the purchase of a permanent easement, with the remaining $4,803,182 to be used by the District for curative work to reconfigure the port as necessary to continue operations. In the fiscal year ending March 31, 2025, the District received an additional $2,490,377 from the City of Santa Cruz for the Murray Street Bridge project

The District recorded the initial $4,803,182 as deferred revenue and will recognize revenue as the costs are incurred for the curative work. In the fiscal year ending March 31, 2026, the District recognized $3,648,226 in capital contributions related to the agreement.

NOTE 7 – COMPENSATED ABSENCES

As of March 31, 2026, the total liability for compensated absences was $476,482, of which $142,945 is expected to be paid within one year and is reported as a current liability.

Balance April 1, 2025	Net Change	Balance March 31, 2026	Due Within One Year	Due in More Than One Year
$ 489,023	$ (12,541)	$ 476,482	$ 142,945	$ 333,537

NOTE 8 – LONG-TERM DEBT

Changes in long-term debt for the year ended March 31, 2026, were as follows:

Long-Term Debt	Balance April 1, 2025	Additions/ Adjustments	Payments/ Amortization	Balance March 31, 2026	Current Portion	Non-Current Portion
497 Lake avenue loan	$ 893,093	$ -	$ (19,048)	$ 874,045	$ 19,824	$ 854,221
PNC bank loan– taxable	99,656	-	(84,893)	14,763	14,763	-
PNC bank loan– non-taxable	5,082,701	-	(953,580)	4,129,121	983,275	3,145,846
Loans payable	6,075,450	-	(1,057,521)	5,017,929	1,017,862	4,000,067
Revenue obligation payable – 2018A	1,096,438	-	(112,851)	983,587	116,835	866,752
Revenue obligation payable – 2018B	1,002,456	-	(103,177)	899,279	106,821	792,458
Revenue obligations payable, net – 2018	2,098,894	-	(216,028)	1,882,866	223,656	1,659,210
Revenue obligation payable – 2026	-	13,100,000	-	13,100,000	347,920	12,752,080
Total long-term debt	$ 8,174,344	$ 13,100,000	$ (1,273,549)	$ 20,000,795	$ 1,589,438	$ 18,411,357

497 Lake Avenue Loan Payable
During the year ended March 31, 2022, the District purchased property at 497 Lake Ave. The purchase price was $1,200,000, of which $950,000 was financed with the seller. The terms of the finance agreement call for monthly payments of $4,535.45 beginning January 1, 2022, including interest at the rate of 4.00% per annum. A final balloon payment of $452,500 plus any accrued interest is due December 1, 2041.

Annual debt service requirements for loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 19,824	$ 34,601	$ 54,425
2028	20,632	33,793	54,425
2029	21,473	32,953	54,426
2030	22,348	32,078	54,426
2031	23,258	31,167	54,425
2032-2036	131,300	140,827	272,127
2037-2041	160,316	111,811	272,127
2042	474,894	13,890	488,784
Total	874,045	$ 431,120	$ 1,305,165
Less: current	(19,824)		
Non-current	$ 854,221		

NOTE 8 – LONG-TERM DEBT (continued)

PNC Bank Loans – Taxable and Non-Taxable
During the fiscal year ended March 31, 2014, the District refinanced its outstanding debt with loans privately placed with PNC Bank (formerly BBVA Compass Bank). The financing package included $4,000,000 in new debt to be used to purchase a new dredge to replace the *Seabright*, which had reached the end of its useful life. The new dredge was placed in service in July 2016.

The loans also reduced the District's payback period, with payoff occurring in 2029 rather than 2042 under the prior loans. Through this combined financing and new debt, the District will realize cash flow savings of approximately $3.8 million over the 16-year life of the loans.

The PNC Bank taxable loan, in the amount of $2,384,445 was part of the refinance package noted above. The proceeds of the loan were used to pay off the existing Series 2004C revenue bonds, as well as to provide funding to pay off the OE3 pension liability. The terms of the note call for semi-annual principal and interest payments in May and November, ranging from $114,000 to $229,000, with an average payment of $140,000, including interest at 4.74% per annum. Final payment on the loan is due November 1, 2026.

Annual debt service requirements for loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 14,763	$ 525	$ 15,288
Total	14,763	$ 525	$ 15,288
Less: current	(14,763)		
Non-current	$ -		

The PNC Bank tax-exempt loan, in the amount of $14,418,961 was part of the refinance package noted above. Proceeds of the loan were used to pay off the existing Series 2004A revenue bonds, all of the Department of Boating and Waterways loans, as well as providing funding for the new dredge. The terms of the note call for semi-annual principal and interest payments in February and August, ranging from $547,000 to $590,000, including interest at 3.09% per annum. Final payment on the loan is due August 1, 2029. Annual debt service requirements for loan payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 983,275	$ 119,994	$ 1,103,269
2028	1,013,895	89,374	1,103,269
2029	1,045,468	57,801	1,103,269
2030	1,086,483	16,787	1,103,270
Total	4,129,121	$ 283,956	$ 4,413,077
Less: current	(983,275)		
Non-current	$ 3,145,846		

NOTE 8 – LONG-TERM DEBT (continued)

Revenue Obligations Payable – 2018A and 2018B
On September 1, 2018, the District entered into an installment sale agreement with PNC Bank for 2018A Revenue Obligations in the amount of $1,750,000, for the Santa Cruz Harbor Pile Replacement Project. Terms of the agreement call for semi-annual payments of $75,123 beginning February 1, 2019, including interest at the rate of 3.5% per annum. The final payment is due August 1, 2033. Annual debt service requirements for the 2018A Revenue Obligation payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 116,835	$ 33,412	$ 150,247
2028	120,961	29,287	150,248
2029	125,231	25,016	150,247
2030	129,653	20,595	150,248
2031	134,230	16,017	150,247
2032-2034	356,677	18,942	375,619
Total	983,587	$ 143,269	$ 1,126,856
Less: current	(116,835)		
Non-current	$ 866,752		

On September 1, 2018, the District entered into an installment sale agreement with PNC Bank for 2018B Revenue Obligations in the amount of $1,600,000, for the Santa Cruz Harbor Seawall Replacement Project. Terms of the agreement call for semi-annual payments of $68,684 beginning February 1, 2019, including interest at the rate of 3.5% per annum. The final payment is due August 1, 2033. Annual debt service requirements for the 2018B Revenue Obligation payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 106,821	$ 30,548	$ 137,369
2028	110,592	26,777	137,369
2029	114,497	22,872	137,369
2030	118,540	18,830	137,370
2031	122,725	14,644	137,369
2032-2034	326,104	17,318	343,422
Total	899,279	$ 130,989	$ 1,030,268
Less: current	(106,821)		
Non-current	$ 792,458		

The borrowing agreements with PNC Bank for the taxable and tax-exempt loans and the 2018A and 2018B revenue obligations include a restrictive covenant requiring net revenues for the fiscal year to be equal to at least 1.25 times the debt service. At March 31, 2026, the District was in compliance with the covenant.

NOTE 8 – LONG-TERM DEBT (continued)

Revenue Obligations Payable – 2026
On March 1, 2016, the District entered into an installment sale agreement with Flagstar Public Funding Corp. to finance the Santa Cruz Harbor Repair Project through the issuance of $13,100,000 of 2026 Revenue Obligations. The agreement requires semiannual debt service payments of $68,684 beginning August 1, 2026, including interest at a rate of 4.12% per annum. In addition, a final balloon payment of $8,362,796, plus any accrued interest, is due on February 1, 2037. In connection with the issuance of the Revenue Obligations, the District incurred approximately $96,043 in debt issuance costs. In accordance with applicable accounting standards, these costs were expensed in the period incurred.

Annual debt service requirements for the 2026 Revenue Obligation payable are as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 347,920	$ 479,751	$ 827,671
2028	290,640	525,386	816,026
2029	336,816	513,411	850,227
2030	386,658	499,535	886,193
2031	532,686	483,604	1,016,290
2032-2036	3,011,280	2,070,169	5,081,449
2037	8,194,000	337,593	8,531,593
Total	13,100,000	$ 4,909,449	$ 18,009,449
Less: current	(347,920)		
Non-current	$ 12,752,080		

The borrowing agreements with Flagstar Public Funding Corp. for the taxable and tax-exempt loans, as well as the 2026 Revenue Obligations, contain a rate covenant requiring the District to maintain net revenues of at least 1.25 times annual debt service. As of March 31, 2026, the District was in compliance with this covenant.

NOTE 9 – PENSION PLAN

Summary
The following balances on the balance sheet will be addressed in this footnote as follows:

Description	2026
Pension related deferred outflows	$ 1,371,500
Net pension liability	5,108,667
Pension related deferred inflows	826,684

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	Miscellaneous Plans		
	Classic Tier 1	**Classic Tier 2**	**PEPRA Tier 3**
Hire date	Prior to January 1, 2013	With prior service On or after January 1, 2013	Without prior service On or after January 1, 2013
Benefit formula	2.5% @ 55	2.0 @ 60	2.0 @ 62
Benefit vesting schedule	5-years or service	5-years or service	5-years or service
Benefits payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.0%	1.0% to 2.0%
Required member contribution rates	8.00%	7.000%	7.750%
Required employer contribution rates – FY 2024	13.340%	10.100%	7.680%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2025 Annual Actuarial Valuation Reports. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

At June 30, 2025, (Measurement Date) the following members were covered by the benefit terms:

	Miscellaneous Plans		
Plan Members	**Classic Tier 1 & 2**	**PEPRA Tier 3**	**Total**
Active members	11	21	32
Transferred and terminated members	14	27	41
Retired members and beneficiaries	27	2	29
Total plan members	52	50	102

All qualified permanent and probationary employees are eligible to participate in the District's 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.

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

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

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of March 31 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 liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the fiscal year ended March 31, 2026, were as follows:

	Miscellaneous Plans			
Contribution Type	Classic Tier 1	Classic Tier 2	PEPRA Tier 3	Total
Contributions – employer	$ 607,915	$ 31,166	$ 159,756	$ 798,837

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

Proportionate Share of Net Pension Liability and Pension Expense
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, 2025, and the total pension liability for each Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2024, rolled forward to June 30, 2025, using standard update procedures. The District's proportionate share 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.

NOTE 9 – PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (continued)
The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2025 (MD):

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2024 (Measurement Date)	$ 21,130,751	$ 15,406,491	$ 5,724,260
Balance as of June 30, 2025 (Measurement Date)	$ 21,965,130	$ 16,856,463	$ 5,108,667
Change in Plan Net Pension Liability	$ 834,379	$ 1,449,972	$ (615,593)

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

	Percentage Share of Risk Pool		
	Fiscal Year Ending March 31, 2026	Fiscal Year Ending March 31, 2025	Change Increase/ (Decrease)
Measurement Date	June 30, 2025	June 30, 2024	
Percentage of Risk Pool Net Pension Liability	0.128060%	0.080070%	0.047990%
Percentage of Plan (PERF C) Net Pension Liability	0.049940%	0.047200%	0.002740%

For the year ended March 31, 2026, the District recognized pension expense of $1,116,109. At March 31, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made after the measurement date	$ 646,839	$ -
Difference between actual and proportionate share of employer contributions	109,643	-
Adjustment due to differences in proportions	2,876	(135,425)
Differences between expected and actual experience	612,141	-
Differences between projected and actual earnings on pension plan investments	-	(691,259)
Changes in assumptions	-	-
Total Deferred Outflows/(Inflows) of Resources	$ 1,371,499	$ (826,684)

NOTE 9 – PENSION PLAN (continued)

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

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of $646,839 was 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 ending March 31, 2027.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at March 31, 2026 will be recognized as a reduction to pension expense in future periods as follows:

Amortization Period Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2027	$ 628,745
2028	(159,514)
2029	(307,373)
2030	(263,882)
Total	$ (102,024)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2025 (the measurement dates), the total pension liability was determined by rolling forward the June 30, 2024 total pension liability. The June 30, 2025 total pension liability were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

NOTE 9 – PENSION PLAN (continued)

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

Long-term Expected Rate of Return
The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return [1,2]
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Estate	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

[1] An expected inflation of 2.30% is used for this period.
[2] Figures are based on the 2021 Asset Liability Management study.

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

NOTE 9 – PENSION PLAN (continued)

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

Subsequent Events
There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

For the year ended March 31, 2026, (Measurement Date June 30, 2025) were as follows:

	Plan's Net Pension Liability		
Plan Type	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
CalPERS – Miscellaneous Plan	$ 8,072,811	$ 5,108,667	$ 2,669,207

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Summary
The following balances on the balance sheet will be addressed in this footnote as follows:

Description		2026
OPEB related deferred outflows	$	233,616
Total other post-employment benefits obligation		891,895
OPEB related deferred inflows		285,847

A. General Information about the OPEB Plan

Plan description
The District provides other post-retirement health care, vision care, dental care and life insurance benefits, in accordance with the Board of Port Commissioners employee benefit resolutions, to all employees who retire from the District and meet the age and years of service requirements as specified in such resolutions. Retired Port Commissioners are subject to additional eligibility requirements as specified in Government Code Section 53201.

The District administers a multiple-employer defined benefit healthcare plan (the Plan). The Plan provides medical healthcare insurance for eligible retirees and their spouses through the CalPERS Health Benefits Program under the Public Employees' Medical and Hospital Care Act (PEMHCA). No dental, vision, or life insurance benefits are provided by the Plan.

To be eligible for benefits the employee must retire directly from the District under CalPERS (age 50 with 5 years of service, or disability retirement). The plan provides for a $2,000 annual benefit, with the District providing the excess of $2,000 per year over the PEMHCA minimum unequal benefit for retirement at age 60 with 20 years of service, with the benefit stopping at age 65.

Employees covered by benefit terms
As of March 31, 2025 measurement the following employees were covered by the benefit terms:

	2025
Inactive plan members or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	16
Active plan members	32
Total	52

Funding Policy
There is no statutory requirement for the District to pre-fund its OPEB obligation. The District has currently chosen to pay Plan benefits on a pay-as-you-go basis and does not maintain a trust fund for its OPEB obligation. The District's fixed dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. The District accrued these benefits at the monthly statutory rate ($157 for 202) for each participant in the PEMCHA plan. The total amount paid directly by the District to CalPERS for the District's health premium contributions under PEMHCA for retiree medical health care plan postemployment benefits for the year ending March 31, 2026 was $5,369.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (continued)

Contributions
Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended March 31, 2026, the measurement period, the District's contributions totaling $11,753, included $4,208 in premium payments and an implied subsidy of $7,545, and $153 in administrative expenses.

B. Total OPEB Liability
The District's Total OPEB liability was measured as of March 31, 2025, and 2024, and the total OPEB liability used to calculate the Total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions
The total OPEB liability in the March 31, 2025, and 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	April 1, 2023
Measurement Date	March 31, 2024
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	4.45%
Long-Term Expected Rate of Return on Investments	3.50%
Inflation	2.50%
Payroll increases	2.75%
Healthcare Trend Rates	Non-Medicare - 7.50% for 2027, decreasing to an ultimate rate of 3.53% in 2075. Medicare - 5.80% for 2027, decreasing to an ultimate rate of 3.53% in 2075.
Morbidity	CalPERS 2000-2019 Experience Study
Mortality	Projected fully generational with Scale MP-2021
Disability	CalPERS 2000-2023 Experience Study
Retirement	CalPERS 2000-2023 Experience Study
Percent Married	80% of future retirees would enroll a spouse

Discount Rate
For OPEB Plans That Are Not Administered through Trusts that meet the Criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the District's Total OPEB liability is based on the Fidelity GO AA 20 Year Municipal Index. The discount rate increased from 3.58% to 4.45% for the year ended March 31, 2026.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

B. Total OPEB Liability (continued)

Discount Rate (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
Global Equities	59.0%	5.500%
Global Debt Securities	25.0%	2.350%
Inflation Protected Securities	5.0%	1.500%
REITs	8.0%	3.650%
Commodities	3.0%	1.750%

Rolling periods of time for all asset classes were used in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Geometric means were used.

C. Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balance at March 31, 2025	$ 707,562	$ -	$ 707,562
Changes for the year:			
Service cost	59,574	-	59,574
Interest	27,254	-	27,254
Changes in assumptions	51,451	-	51,451
Changes in experience	57,807	-	57,807
Benefit payments	(11,753)	-	(11,753)
Net changes	184,333	-	184,333
Balance at March 31, 2026	$ 891,895	$ -	$ 891,895

Sensitivity of the Total OPEB liability to changes in the discount rate

The following presents the Total OPEB liability of the District, as well as what the District's Total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

Sensitivity of the Total OPEB liability to changes in the discount rate for the fiscal year ended March 31, 2026:

1% Decrease 3.5%	Discount Rate 4.5%	1% Increase 5.5%
$ 1,016,432	$ 891,895	$ 787,877

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Total OPEB Liability (continued)

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates
The following presents the Total OPEB liability of the District, as well as what the District's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Total OPEB liability to changes in the healthcare trend rate for March 31, 2026:

1% Decrease 3.5%	Healthcare Cost Trend Rates 4.5%	1% Increase 5.5%
$ 763,132	$ 891,895	$ 1,053,104

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended March 31, 2026, the District recognized OPEB expense of $76,879. At March 31, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Account Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions made after the measurement date	$ 28,262	$ -
Changes in assumptions	77,969	(102,640)
Differences between expected and actual experience	127,385	(183,207)
Total Deferred Outflows/(Inflows) of Resources	$ 233,616	$ (285,847)

The District reported $28,262 in 2026 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2026.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense in fiscal year 2026 as follows:

Amortization Period Fiscal Year Ended March 31	Deferred Outflows/(Inflows) of Resources
2027	$ (10,102)
2028	(10,097)
2029	(9,831)
2030	(5,644)
2031	(6,123)
Thereafter	(38,696)
Total	$ (80,493)

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets consisted of the following as of March 31:

Description	March 31, 2026	March 31, 2025
Net investment in capital assets:		
Capital assets – not being depreciated	$ 4,077,970	$ 3,624,394
Capital assets, net – being depreciated	36,031,645	32,476,580
Loans payable – current	(1,017,862)	(1,057,521)
Loans payable – non-current	(4,000,067)	(5,017,929)
Revenue obligation payable – current	(571,576)	(216,028)
Revenue obligation payable – non-current	(14,411,290)	(1,882,866)
Unspent proceeds from bond issuance (Note 3)	13,100,000	
Total net investment in capital assets	$ 33,208,820	$ 27,926,630

NOTE 12 – DREDGING REIMBURSEMENT

In November 2015, the District entered into an agreement with the Department of the Army Corps of Engineers (Corps) to reimburse the District for a portion of expected dredging costs, only if funds are specifically appropriated for that purpose. The agreement ended on April 1, 2025. Due to the uncertainty of the availability of funds, revenue will be recorded when the funds are ultimately received. During the year ended March 31, 2026, the District received $630,000 in payments from the Department of the Army Corps of Engineers for dredging operations.

NOTE 13 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the accompanying financial statements.

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; and terrorism. The District has purchased various commercial and marine insurance policies to manage the potential liabilities that may occur from the previously named sources.

All coverage and limits are subject to the terms, conditions and exclusions provided in each insurance policy.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. While there were no reductions in the District's insurance coverage during the years ending March 31, 2025, and 2024, a reduction in marine general liability coverage limits was required in fiscal year 2026 due to increasingly high renewal rates. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of March 31, 2026, 2025 and 2024.

NOTE 15 – RISK DISCLOSURE: CONCENTRATION OF REVENUE SOURCE (GASB STATEMENT No. 102)

The District's operations are significantly dependent on revenue generated from berthing fees, rental agreements, and concession contracts. For the fiscal year ended March 31, 2026, approximately 100% of the District's operating revenue was derived from these three sources combined.

This revenue concentration subjects the District to a risk of loss due to external economic or environmental factors that could adversely affect maritime commerce, tourism, and related port activity. Events such as shipping industry downturns, natural disasters, global trade disruptions, or regulatory changes may have a material impact on berthing activity. Similarly, rental and concession revenues are sensitive to fluctuations in tenant occupancy, retail/tourism activity, and overall economic conditions.

NOTE 15 – RISK DISCLOSURE: CONCENTRATION OF REVENUE SOURCE (GASB STATEMENT No. 102) (continued)

The District continuously monitors these risk exposures and maintains reserve policies and diversified lease agreements to mitigate the potential impacts. However, management recognizes that the reliance on a limited number of revenue streams may pose a financial risk should there be a significant decline in any one category.

This disclosure is provided in accordance with GASB Statement No. 102, Risk Disclosures, to inform users of the financial statements of the potential financial impact associated with the District's reliance on certain revenue sources.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Construction Contracts
The District has a variety of agreements with private parties relating to the installation, improvement, or modification of harbor and port facilities as well as buildings and land improvements. The financing of such construction contracts is being provided by a combination of debt, the District's replacement reserves and advances for construction.

Excluded Leases – Short-Term Leases and De Minimis Leases
The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Also, d*e minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards
Grant funds received by the District are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements from the grantor agencies for expenditures disallowed under the terms of the grant. The Management of the District believes that such disallowances, if any, would not be significant.

Litigation
In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 17 – SUBSEQUENT EVENTS

In accordance with the provisions surrounding subsequent events, the District's management has evaluated events and transactions for potential recognition or disclosure through August 25, 2026, the date the financial statements were available to be issued.

Required Supplementary Information

SANTA CRUZ PORT DISTRICT

Schedule of the District's Proportionate Share of the Plan's (PERF C) Net Pension Liability
For the Year Ended March 31, 2026

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2016	0.040600%	$ 3,509,957	$ 1,730,361	202.85%	74.06%
June 30, 2017	0.040900%	4,052,992	1,995,472	203.11%	73.31%
June 30, 2018	0.041400%	3,990,879	2,174,449	183.54%	75.26%
June 30, 2019	0.042300%	4,338,392	2,239,940	193.68%	75.26%
June 30, 2020	0.043000%	4,674,819	2,222,678	210.32%	75.10%
June 30, 2021	0.053800%	2,908,996	2,211,919	131.51%	88.29%
June 30, 2022	0.046900%	5,417,181	2,167,772	249.90%	76.68%
June 30, 2023	0.046370%	5,784,413	2,437,310	237.33%	71.06%
June 30, 2024	0.047200%	5,724,260	2,581,495	221.74%	72.91%
June 30, 2025	0.049940%	5,108,667	2,858,043	178.75%	76.74%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2022:
There were no significant changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:
The discount rate was reduced from 7.15% to 6.90% and inflation from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:
There were no significant changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:
There were no significant changes in assumptions.

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
March 31, 2017	$ 309,357	$ (309,357)	$ -	$ 1,912,027	16.18%
March 31, 2018	332,430	(332,430)	-	2,160,998	15.38%
March 31, 2019	397,547	(397,547)	-	2,227,398	17.85%
March 31, 2020	465,337	(465,337)	-	2,267,137	20.53%
March 31, 2021	528,402	(528,402)	-	2,182,330	24.21%
March 31, 2022	578,577	(578,577)	-	2,141,686	27.02%
March 31, 2023	608,408	(622,001)	(13,593)	2,367,608	26.27%
March 31, 2024	625,908	(647,550)	(21,642)	2,564,315	25.25%
March 31, 2025	613,814	(633,814)	(20,000)	2,581,495	24.55%
March 31, 2026	793,275	(830,885)	(37,610)	2,858,043	29.07%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
March 31, 2017	June 30, 2015	Entry Age	Fair Value	2.75%	7.65%
March 31, 2018	June 30, 2016	Entry Age	Fair Value	2.75%	7.15%
March 31, 2019	June 30, 2017	Entry Age	Fair Value	2.50%	7.15%
March 31, 2020	June 30, 2018	Entry Age	Fair Value	2.50%	7.15%
March 31, 2021	June 30, 2019	Entry Age	Fair Value	2.50%	7.15%
March 31, 2022	June 30, 2020	Entry Age	Fair Value	2.50%	7.15%
March 31, 2023	June 30, 2021	Entry Age	Fair Value	2.30%	6.90%
March 31, 2024	June 30, 2022	Entry Age	Fair Value	2.30%	6.90%
March 31, 2025	June 30, 2023	Entry Age	Fair Value	2.30%	6.90%
March 31, 2026	June 30, 2024	Entry Age	Fair Value	2.30%	6.90%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (2.0%@55), 52 years (2.0%@60), 52 years (2.0%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

SANTA CRUZ PORT DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
For the Year Ended March 31, 2026

Last Ten Fiscal Years*

Fiscal Year Ended	**March 31, 2026**	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**
Measurement Date	**March 31, 2025**	**March 31, 2024**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Total OPEB liability:					
Service cost	$ 59,574	$ 58,944	$ 72,711	$ 76,692	$ 79,892
Interest	27,254	24,483	23,735	20,274	18,250
Changes in assumptions	51,451	(8,757)	(129,336)	(48,735)	(87,155)
Differences between expected and actual experience	57,807	-	(104,487)	-	45,917
Benefit payments	(11,753)	(15,341)	(22,181)	(16,946)	(8,916)
Net change in total OPEB liability	184,333	59,329	(159,558)	31,285	47,988
Total OPEB liability - beginning	707,562	648,233	807,791	776,506	728,518
Total OPEB liability - ending	891,895	707,562	648,233	807,791	776,506
District's total OPEB liability	$ 891,895	$ 707,562	$ 648,233	$ 807,791	$ 776,506
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 2,917,053	$ 2,815,656	$ 2,609,237	$ 2,384,186	$ 2,430,838
District's total OPEB liability as a percentage of covered payroll	30.58%	25.13%	24.84%	33.88%	31.94%

Notes to Schedule:

Benefit Changes:

Measurement Date March 31, 2021 – There were no changes of benefits terms.
Measurement Date March 31, 2022 – There were no changes of benefits terms.
Measurement Date March 31, 2023 – There were no changes of benefits terms.
Measurement Date March 31, 2024 – There were no changes of benefits terms.
Measurement Date March 31, 2025 – There were no changes of benefits terms.

Changes in Assumptions:

Measurement Date March 31, 2021– The discount rate rate increased from 2.27% to 2.40%.
Measurement Date March 31, 2022– The discount rate rate increased from 2.40% to 2.73%.
Measurement Date March 31, 2023– The discount rate rate increased from 2.73% to 3.50%.
Measurement Date March 31, 2024– The discount rate rate increased from 3.50% to 3.58%.
Measurement Date March 31, 2025– The discount rate rate increased from 3.58% to 4.45%.

* Fiscal year 2019 was the first year of implementation; therefore, only eight years are shown.

SANTA CRUZ PORT DISTRICT

Schedule of Changes in the District's Total OPEB Liability and Related Ratios (continued)
For the Year Ended March 31, 2026

Last Ten Fiscal Years*

Fiscal Year Ended	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Measurement Date	**March 31, 2020**	**March 31, 2019**	**March 31, 2018**
Total OPEB liability:			
Service cost	$ 53,462	$ 54,348	$ 53,126
Interest	20,235	20,887	18,141
Changes in assumptions	177,131	5,778	(2,705)
Differences between expected and actual experience	-	(78,459)	-
Benefit payments	(5,538)	(3,883)	(1,705)
Net change in total OPEB liability	245,290	(1,329)	66,857
Total OPEB liability - beginning	483,228	484,557	417,700
Total OPEB liability - ending	728,518	483,228	484,557
District's total OPEB liability	$ 728,518	$ 483,228	$ 484,557
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	$ 2,458,539	$ 2,411,907	$ 2,127,435
District's total OPEB liability as a percentage of covered payroll	29.63%	20.04%	22.78%

Notes to Schedule:

Benefit Changes:
Measurement Date March 31, 2018 – There were no changes of benefits terms.
Measurement Date March 31, 2019 – There were no changes of benefits terms.
Measurement Date March 31, 2020 – There were no changes of benefits terms.

Changes in Assumptions:
Measurement Date March 31, 2018 – There were no changes in assumptions.
Measurement Date March 31, 2019– There were no changes in assumptions.
Measurement Date March 31, 2020– The discount rate rate decreased from 3.79% to 2.27%.

* Fiscal year 2019 was the first year of implementation; therefore, only eight years are shown.

Measurement Date March 31, 2025– The discount rate rate increased from 3.58% to 4.45%.

Supplementary Information

SANTA CRUZ PORT DISTRICT
Schedule of Operating Expenses
For the Years Ended March 31, 2026

	March 31, 2026	March 31, 2025
Operating Expenses		
Dredging operations	$ 1,739,315	$ 1,685,197
Administrative services	940,347	1,014,110
Grounds	1,171,770	1,171,496
Harbor patrol	914,168	845,520
Fuel services	581,039	454,957
Property management	1,003,718	1,121,498
Marina management	689,192	684,284
Parking services	436,159	425,709
Buildings	492,992	491,360
Boatyard operations	412,571	396,430
Docks, piers, marine structures	771,136	873,297
Finance and purchasing	248,960	236,270
Environmental services	153,190	83,371
Rescue services	120,675	124,960
Utilities	129,674	117,745
Port commission support	62,481	60,756
Aeration	48,097	111,743
Events	29,285	21,468
Minor projects	610	196
Fishery support	4,179	6,856
Tsunami expense	197,630	1,446,900
CalPERS pension expense/(credit)	199,002	419,307
Other post-employment benefits expense	71,411	59,122
Total operating expenses before depreciation	10,417,601	11,852,552
Depreciation	2,248,092	2,100,035
Total operating expenses	$ 12,665,693	$ 13,952,587

Other Independent Auditors' Reports

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Port Commissioners
Santa Cruz Port District
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Santa Cruz Port District as of and for the year ended March 31, 2026, and the related notes to the financial statements, which collectively comprise Santa Cruz Port District's basic financial statements, and have issued our report thereon dated August 25, 2026.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Santa Cruz Port District's internal control over financial reporting (internal control) as a basis for designing audit procedures to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Santa Cruz Port District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Santa Cruz Port District's internal control.

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

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

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

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

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

Walnut Creek, California
August 25, 2026

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161
scpd@santacruzharbor.org
www.santacruzharbor.org

TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: August 14, 2026

SUBJECT: Approval of Additional Services Contract for 616 Atlantic Avenue – Rad Lab Designs, Inc.

Recommendation: ***Authorize a contract amendment with Rad Lab Designs, Inc. for additional architectural design services for 616 Atlantic Avenue, in an amount not-to-exceed $8,500; and approve an appropriation in the FY27 budget for the amount of the amendment.***

BACKGROUND

In September 2023, the Commission approved a contract with Rad Lab Designs, Inc. (Rad Lab) for architectural design services associated with redevelopment of a restaurant site at 616 Atlantic Avenue in an amount not to exceed $55,000.

Following authorization, Rad Lab advanced the project through design development and preparation of a complete architectural construction document set. However, due to competing Port District priorities, the project was subsequently placed on hold. Staff is now preparing to reinitiate work on the project and advance the design through permitting in preparation for future construction.

ANALYSIS

Rad Lab has submitted an additional services proposal to reactivate the project and prepare the previously completed construction documents for permit submittal. Most significantly, because the project has been on hold, the plans must now be reviewed and updated for compliance with the 2025 California Building Code.

The cost to reactivate the project and update the construction documents is $18,500. Of the original $55,000 contract authorization, $44,125 has been expended, leaving an available balance of $10,875. An additional $8,500 is therefore required to complete the proposed scope of work.

IMPACT ON PORT DISTRICT RESOURCES

Approval of the proposed contract amendment will increase the total authorized contract amount with Rad Lab from $55,000 to $63,500. Adequate funding is available in the Capital Improvement Plan to fund the $8,500 contract amendment. As of August 1, 2026, the fund balance for the Aldo's Seawall Replacement Project (F027) totaled $130,588.

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SANTA CRUZ HARBOR

TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: August 13, 2026

SUBJECT: Adopt Revised Ordinance Sections 108, 401, and 412

Recommendation: **Adopt revised Ordinance Sections 108, 401, and 412.**

BACKGROUND

At its regular public session on July 28, 2026, the Port Commission authorized legal advertisement of proposed revisions to Ordinance Sections 108 (Contracting), 401 (Parking), and 412 (Paid Parking). The proposed revisions are intended to improve operational efficiency, modernize outdated provisions, and better align the District's ordinances with current business practices.

ANALYSIS

In accordance with California Harbors and Navigation Code Section 6309.2, the proposed ordinances have been published in their entirety on three separate occasions in a newspaper of general circulation published within the district. The ordinances shall become effective 30 days from and after the date of final passage.

ORDINANCE LANGUAGE

Section 108 – Contracting

(a) Informal Bid Procedures

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

(b) Contractors List

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

(c) Notice Inviting Informal Bids

Where a public project is to be performed which is subject to the provisions of this ordinance, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 108 (b), and to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission ("Commission") in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the Port Director when soliciting bids, provided however:

1) If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by law.

2) If the project or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

d) Award of Contracts. The Port Director is authorized to award informal contracts up to fifty thousand dollars ($50,000.00) pursuant to this Section.

Section 401 – Parking Permits

It shall be unlawful to park motor vehicles upon Port District property, excepting in paid parking spaces or subject to a permit issued by the Harbormaster. Permits shall be non-transferable and limited to those vehicles capable of and actually used for transportation to and from the harbor on a daily basis. Trailers, inoperable automobiles or trucks, or vehicles not currently registered are not eligible for District parking permits.

Port District permits do not authorize long-term storage of vehicles, operable or not. Boaters who wish to store and not move a vehicle for more than 72 consecutive hours must apply to the Harbormaster for a special permit. Vehicles which are stored for more than 72 hours without a special permit will be in violation of this section.

Section 412 – Paid Parking

(a) Payment Required:

No person shall park a vehicle in any parking space or area designated by the Port District as a paid parking area without paying the applicable parking fee and complying with the instructions established for that parking area, including payment through a pay station, mobile application, permit system, or other parking management method authorized by the Port District.

(b) Time Limits and Parking Restrictions:

No operator of any vehicle shall permit said vehicle to remain parked in any parking space or area beyond the time purchased, beyond any posted time limitation, or otherwise in violation of posted parking regulations.

(c) Unlawful to Leave Vehicle Parked after Receipt of Parking Violation:

No operator of any vehicle shall permit said vehicle to remain parked in any parking space or area after receipt of a violation/citation for exceeding the parking time limit.

(d) Improper Use of Parking Equipment:

No person shall tamper with, damage, vandalize, impair, misuse, or interfere with any parking pay station, parking permit, mobile payment system, or other parking management device owned or utilized by the Port District.

(e) Parking Space Indicated:

Where parking spaces are marked, every vehicle shall be parked entirely within the designated space markings. No person shall park a vehicle in a manner that occupies more than one marked space or otherwise fails to conform to the designated parking layout.

IMPACT ON PORT DISTRICT RESOURCES

There are no impacts on Port District resources associated with adopting the revised ordinances.

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SANTA CRUZ HARBOR

TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: August 10, 2026

SUBJECT: Approval of Revised Port District Slip License Agreement

Recommendation: Approve the revised Slip License Agreement.

BACKGROUND

The Port District's Slip License Agreement serves as the standard agreement governing the use and occupancy of wet berths within the harbor, including inside-tie spaces. Separate agreements are used for rack storage, dry storage, and dory-tie spaces. While the agreement has been periodically amended to reflect current operational practices (e.g., updates to late fees and vessel insurance requirements), the underlying legal language has not undergone a comprehensive review in many years.

To ensure the agreement remains current, reflects applicable legal standards, and continues to adequately protect the interests of the Port District, staff requested that legal counsel perform a comprehensive review and recommend appropriate revisions.

The Policy / Operations Committee met on August 4, 2026, to review counsel's proposed amendments. Following discussion and additional revisions based on Committee input, the updated Slip License Agreement is now being presented to the full Port Commission for consideration.

ANALYSIS

The proposed revisions are intended to clarify existing requirements, incorporate current Port District practices, strengthen provisions related to liability and enforcement, and eliminate outdated or redundant language.

If approved, the revised agreement will be used for all new slip licenses issued following adoption. Existing slip licensees will not be required to execute a replacement agreement. Given the number of existing licensees and the month-to-month nature of the agreements, requiring execution of new agreements by all current licensees would create a significant administrative burden and is not considered necessary at this time.

The more substantive proposed revisions include:

- Late Payment – Section 2(b): Clarifies the assessment of interest on unpaid balances and ties the applicable late fee and interest rate to the Port District's published fee schedule.
- Conditions of Use – Section 4: Strengthens and clarifies conditions applicable to use of a slip, including restrictions on commercial activities, vessel condition and maintenance

requirements, assignment and sublicensing, vessel insurance and seaworthiness, and hazardous materials.

- Liability of Parties – Section 5: Revises and consolidates provisions addressing waiver of claims, indemnification, assumption of risk, dredging operations, inside-tie conditions, and other limitations on Port District liability. The revisions also eliminate duplicative language contained in the existing agreement.
- Abandonment – Section 8: Adds specific language establishing an owner's responsibility for damages, loss of revenue, attorney's fees, expert fees, and other costs incurred by the Port District as a result of an abandoned vessel, marine debris, or other property.
- Attorneys' Fees – Section 12: Strengthens the Port District's ability to recover reasonable attorneys' fees and legal costs incurred in connection with an owner's breach or default or enforcement of the agreement.

IMPACT ON PORT DISTRICT RESOURCES

There are no impacts on Port District resources associated with approval of the revised agreement.

ATTACHMENTS: A. Slip License Agreement – Redline Version

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161 (open daily 9-5)
scpd@santacruzharbor.org
www.santacruzharbor.org

Harbor Patrol Monitors VHF
Radio Channels 9 & 16
Dredge Crew Monitors Channel 8
Santa Cruz Police Dispatch Call
(831) 471-1131 (non-emergency)
Emergencies: CALL 911

SLIP LICENSE AGREEMENT

NAME (as appears on Waiting List): ______________________________ DATE: ____________

RESIDENCE ADDRESS: ______________________ CITY, STATE, ZIP: ___________________

CELL PHONE: ______________________ EMAIL: ________________________________

BUSINESS ADDRESS:______________________ CITY, STATE, ZIP: ___________________

PHONE: ______________________ EMAIL: ________________________________

NAME OF LEGAL OWNER: ____
(such as corporation, lienholder, or other name appearing on evidence of title)

Permission is requested to berth the vessel described below in the Santa Cruz Small Craft Harbor, subject to the terms of the Agreement set forth below.

VESSEL NAME: __________________________ CF OR USCG REG. #: __________________

YEAR: __________ MAKE/MODEL: ______________________

LENGTH OVERALL: __________ (*including bowsprit, pulpit, boarding step, outboard motor, etc.*)

BEAM: __________ DRAFT: __________ HEIGHT: __________ TYPE OF RIG: __________

By signing the following agreement, Owner represents and warrants to the Santa Cruz Port District that the foregoing information is complete and accurate, that no other party has any legal right, title or interest in or to the Vessel, and that Owner shall give the Santa Cruz Port District written notice of any changes in the above information immediately upon the occurrence of any such change.

AGREEMENT

This Slip License Agreement (this “Agreement”) is made by and between the Santa Cruz Port District, a governmental agency (hereinafter referred to as “Port District”) and ____ (hereinafter individually or collectively, as the case may be, referred to as “Owner”). As used throughout this ~~Slip License~~ Agreement, the term “Owner” means the individual or individuals, as the case may be, signing said Agreement as the Owner. The Owner shall be the Licensee.

RECITALS:

A. Port District operates and maintains a berthing facility for use by members of the public commonly known as the Santa Cruz Small Craft Harbor (the “Harbor”), located in Santa Cruz, California.

B. Owner desires to berth Owner’s vessel described above (hereinafter referred to as the “Vessel”) at Slip No. ______, Rack No. _______ (hereinafter referred to as the “Slip”) at said berthing facility.

C. Owner acknowledges that Port District cannot control the weather or other natural conditions existing at the Harbor and that the Harbor is subject to heavy breaking surf.

D. Owner acknowledges that Port District cannot and does not guarantee an open and safe Harbor and that Port District’s ~~decision~~decisions regarding when and where to dredge are~~is a discretionary decision~~made in the Port District’s sole and absolute discretion.

E. ~~It is not the intention of the parties, in entering into this Slip License Agreement, for Port District to contractually exempt itself or its officers, commissioners, agents or employees, from any responsibility for Port District's willful injury to person or property of another, or violation of law.~~

~~F~~E. Port District and its officers, commissioners, agents and employees are entitled to all the benefits conferred under the ~~Tort~~Government Claims Act, California Government Code ~~section~~§§ 810 et seq. A copy of this Act may be obtained at the Port District harbor office.

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of License. Port District hereby grants to Owner, and to Owner only, an exclusive license to berth the Vessel at the Slip on a month-to-month basis beginning on the _____ day of __________________, 20__, and continuing thereafter until terminated pursuant to the provisions of this Agreement. Said slip license shall constitute a "permit" within the meaning of the provisions of the Santa Cruz Port District Ordinances (the "Port District Ordinances"). During the term of this Agreement, Owner shall also have the non-exclusive right to use, in conjunction with other authorized members of the public, adjacent floats, docks, gangways, lighting, fresh water, power outlets, vehicle parking spaces, and restrooms owned by Port District, subject to such reasonable charges for using any one or more of the same as Port District may ~~choose to~~ assess from time to time. Port District shall maintain in good order and repair such adjacent floats, docks, gangways, lighting, fresh water, power outlets, vehicle parking spaces, and restrooms.

2. Slip Fees.

   a) Terms of Payment. Owner shall pay to Port District each month, in lawful money of the United States, slip license fees for the berthing rights granted hereunder at the monthly rate posted in the Port District Harbor Office (the "Harbor Office"), as said rate may be modified by Port District from time to time. Said slip fees shall be due and payable in advance on the first day of each month during the term of this Agreement, without ~~offset~~deduction or set off, at Port District's office at 135 Fifth Avenue, Santa Cruz, California 95062, or at such other place as may from time to time be designated by Port District in writing.

   b) Late Payment. Owner acknowledges that late payment by Owner to Port District of slip fees will cause Port District to incur costs not contemplated by this Agreement, the exact amount of which is extremely difficult and impracticable to fix. Such costs include, without limitation, processing, accounting, and collection costs. Therefore, if any balance due is not received by Port District within twenty (20) days after the date due, Owner shall pay to Port District a late fee. ~~If any balance is not received by Port District within thirty (30) days after the date due, Owner shall also pay to Port District interest~~Interest shall be assessed on the last day of each month on all unpaid amounts at the published interest rate. The late fee and interest ~~amounts~~rate charged shall be as established and changed from time to time by the Port District and as published on the Port District's fee schedule (available at https://www.santacruzharbor.org/moorage-rates-fees). Such amount may be increased by Port District from time to time, but no more than once each year~~, to reflect increases in such costs~~. Any such increase in late charges shall be effective upon the posting of written notice of such increase in the Harbor Office. Acceptance by Port District of such late charge shall not prevent Port District from exercising any of the other rights and remedies available to Port District in connection with any repeated failure to pay on time, including termination of vessel berthing rights.

3. Security Deposit. Owner, upon execution of this Agreement and before using the Slip, shall deposit with Port District the sum of ____________________ Dollars ($_______________) (the "Security Deposit") as a deposit for the faithful performance of Owner's obligations hereunder. Port District, at its sole option, and without limiting or waiving in any way any other rights or remedies it may have under this Agreement or at law, may claim and apply from time to time such amounts of said ~~deposit~~Security Deposit as are reasonably necessary in Port district's judgment to remedy Owner's defaults in the payment of fees and other charges hereunder, to repair damages to the Harbor (over and above normal wear and tear) caused by Owner or Owner's family ~~and guests~~, affiliates, employees, contractors, agents or invitees, and to pay any reasonable costs, expenses and attorneys' fees incurred by Port District in connection with any breach of this Agreement by Owner. In the event said ~~security deposit~~Security Deposit or any portion thereof shall be applied as provided herein, Owner shall within ten (10) days after written request from Port District restore the ~~deposit~~Security Deposit to its original amount. Upon termination of this Agreement, any remaining portion of said ~~deposit~~Security Deposit shall be returned to Owner as soon as Port District has regained possession of the Slip and is able to determine the amount of the ~~deposit~~Security Deposit it may claim hereunder. Port District shall have the right to commingle the ~~security deposit~~Security Deposit with other funds of Port District and shall not be obligated to pay Owner

interest on the ~~security deposit~~Security Deposit. Owner ~~may~~shall not, without P~~p~~ort D~~d~~istrict's written consent, ~~use~~apply any portion of the security deposit as payment of owner's last month's or other slip fees or any other charges.

4. Conditions of Use. Owner shall perform and comply with each and every term and condition of this Agreement to be performed or complied with by Owner, including, without limitation, the conditions of use contained in this Paragraph 4.

a) Use. Owner shall not cause or permit the Slip to be used for any purpose other than the berthing of the Vessel and other uses reasonably incidental thereto and not prohibited ~~herein~~by this Agreement. Owner shall not live aboard the Vessel without the prior written consent of Port District~~.~~, which may be withheld in Port District's sole and absolute discretion. Owner shall not conduct any commercial boardings, charter operations, or other commercial activities from or upon the Slip, except with prior approval from the Port District Commission, which may be withheld in Port District's sole and absolute discretion.

b) Securing Vessel. At all times while the Vessel is berthed at the Slip, Owner shall cause it to be safely and properly secured in a manner acceptable to Port District. If Port District deems it necessary from time to time to resecure the Vessel for any reason, then ~~on the third and all subsequent occasions necessitating resecuring of the Vessel,~~ Owner shall pay Port District a reasonable service charge for doing so plus the cost of all materials used therefor. ~~However,~~ Port District ~~does not assume and~~ shall have no ~~have~~ responsibility or liability whatsoever for the safety of the Vessel, and shall not be liable for fire, theft, or any damage to the Vessel, its equipment, or any property in or on the Vessel, by reason of Port District's decision either to resecure the Vessel or not to resecure the Vessel, except ~~only any~~to the extent such damage ~~as~~ is caused by Port District's willful ~~injury~~misconduct or sole gross ~~and active~~ negligence~~ in resecuring the Vessel~~.

c) Condition of Slip. Owner hereby acknowledges that Owner has inspected the Slip and those portions of the Harbor associated with the Slip, including, without limitation, the floats, walks, gangways, and ramps adjacent to the Slip, knows the condition of same, hereby accepts the Slip in such condition, and acknowledges that Port District has made no statement or representation as to the condition of any of the same~~ has been made by Port District~~.

d) Condition of Vessel. Owner shall maintain the Vessel in a clean, sanitary, safe, and well-maintained condition at all times. The Vessel's exterior shall be kept free of excessive dirt, mold, mildew, algae, peeling paint, and other visible deterioration or evidence of neglect.

e~~d~~) Guests. All guests, agents, invitees and hired personnel of Owner shall conform their activities to the requirements of this Agreement. Port District shall have the right, but not the obligation, to ascertain that third parties aboard the Vessel are authorized by Owner to be aboard.

f~~e~~) Change of Slip. Port District reserves the right to reassign Owner to a different slip within the Harbor at any time to facilitate management of the Harbor, and Port District shall not be liable to Owner by reason of requiring such reassignment. From and after the date of any such reassignment, the new slip shall be deemed to be the Slip, as such term is herein defined, for all purposes under this Agreement.

g~~f~~) Assignment and Sublicense. ~~Provided Port District first consents thereto, Owner has the right to sublicense the Slip for a period not to exceed six (6) months, subject to such reasonable charge therefor as Port District may from time to time choose to assess.~~ Owner shall not sublicense, assign or transfer this Agreement and/or any of Owner's rights to use the Slip without the prior written consent of Port District, which consent may be withheld in Port District's sole and absolute discretion. Following a sublicense, assignment or transfer approved in writing by Port District, the original Owner shall remain financially liable for all of Owner's obligations hereunder~~ during said period. Except as set forth above, Owner shall not assign this Agreement or any other rights hereunder, voluntarily or involuntarily, or sublicense the Slip or any part thereof, to any other party or for use by any other Vessel~~. Any assignment or sublicense in violation of this paragraph shall be void and shall automatically terminate this Agreement.

h~~g~~) Regulations and Laws. Owner at all times shall comply with all applicable laws, ordinances, statutes, rules, regulations and rulings of federal, state and local governments and the boards, agencies and departments thereof relating to Owner's use of the Slip and Owner's activities within the Harbor, including but not limited to the Port District Ordinances and rules and regulations, as the same may from time to time be modified. Owner hereby acknowledges receipt of a copy of the current Port District Ordinances. Port District reserves the right to add to or otherwise modify said Ordinances and rules and regulations from time to time.

i~~h~~) Regular Use. Owner shall make continuous use of the Vessel on a regular basis. For purposes of this paragraph, "continuous use on a regular basis" is defined to mean taking the Vessel out of the Slip and Harbor at least one time for any length of time on at least ten separate days during any ~~twelve month~~twelve-month period. Owner shall maintain such usage at all times during the term of this Agreement for each and every ~~twelve month~~twelve-month period which may be selected by Port District upon examination of Owner's pattern of usage. Notwithstanding the foregoing, extended cruises or other lengthy absences from the Harbor will be considered on a ~~case by case~~case-by-case basis by Port District as evidence of Owner's continued use of the Vessel on a regular basis.

j~~i~~) Vessel Insurance. All vessels must be insured in accordance with current Port District policies ~~to retain slip license.~~(available at https://www.santacruzharbor.org/vessel-insurance-policy). Upon execution of this Agreement, and prior to Owner's use of the Slip, Owner shall provide Port District with a certificate of insurance evidencing the required coverage. Owner shall also provide Port District with evidence of the renewal of the required insurance policies no later than thirty (30) days prior to their expiration.

k~~j~~) Seaworthiness of Vessel. At all times during the term of this Agreement, the Vessel's hull, keel, decking, cabin, machinery, equipment, mast, rigging, and other appurtenances, shall all be structurally sound and in good condition, the Vessel shall be capable of remaining afloat without the assistance of dewatering devices, and the Vessel shall be capable of maneuvering over the surface of navigable waters safely and under its own power or sail ("Seaworthy"). Prior to the arrival of the Vessel at the Slip, Port District requires proof that the Vessel is Seaworthy, including but not limited to a copy of the Vessel's most recent survey. If at any time, Port District, in its sole and absolute discretion, determines that the Vessel is not Seaworthy, Port District may immediately terminate this Agreement and require Owner's removal of the Vessel from the Harbor.

l~~k~~) Hazardous Materials Prohibited. Owner shall not cause or permit any Hazardous Material (as defined below) to be brought, kept, stored, used, generated, released, or disposed in, on, under, or about the Harbor by Owner, its agents, employees, contractors, guests or invitees. Owner shall be liable for any release or disposal of any such materials and supplies at or on the Harbor and all costs and expenses required to remediate such release. For purposes of this Agreement, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the State of California, or the United States government, including without limitation any substance, material, or waste that is (i) defined as a "hazardous waste" or similar term under the applicable federal, state or local laws, ordinances, rules or regulations of the jurisdiction where the Premises is located; (ii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (iii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource, Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. (42 U.S.C. § 6903); (iv) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601); (v) hydrocarbons, petroleum, gasoline, oil or any products, byproducts or fractions thereof; (vi) untreated sewage; or (vii) asbestos in any form or condition.

m~~l~~) No Waste or Nuisance. Owner shall not commit or suffer to be committed any waste upon the Harbor or any nuisance or other act or thing which may disturb the quiet enjoyment of the other users of the Harbor.

5. Liability of Parties.

a) Waiver of Claims. Incident to the operation of the Harbor, Port District has provided certain fencing and gates, flood lighting and a harbor patrolman for protection of persons using the Harbor and their personal property. Nonetheless, because of the many feet of unfenced and exposed shoreline of the Harbor, and because of the many users of the Harbor with varied boating experience, it is financially infeasible for Port District completely to protect boats berthed or operating in the Harbor from damage inflicted by other persons, or to protect those persons using the Harbor from physical harm caused by the ~~negligence or willful misconduct~~actions or omissions of other persons within the Harbor. ~~In acknowledgment of~~Owner acknowledges the foregoing~~, Owner~~ and hereby waives any and all claims of liability against Port District, including but not limited to its Board of Commissioners, agents, officers, managers and employees (the Port District and its subordinates are all hereinafter collectively referred to as the "Indemnitees"), for any personal injury to or death of any Owner~~ and/or~~, any member of Owner's family, and~~/or~~ any of Owner's ~~guests~~invitees, agents, or employees, ~~or~~and for any damage to or destruction of any property, including, without limitation, the Vessel, occurring on or about the Harbor, arising from any cause whatsoever other than the sole gross ~~and active~~ negligence or willful misconduct of Port District. Such waiver shall extend to, but not be limited to, damage or loss from fire, theft, vandalism, malicious mischief, or collision, sustained by any boat, automobile or other personal property belonging to Owner permanently or temporarily maintained, stored, berthed, parked or operated in or about the Harbor, including but not limited to its floats, piers, parking lots, small boat launching ramp, and fuel float. Additionally, Port District conducts dredging operations, for the benefit of all Harbor users, with certain dredging equipment, including, but not limited to, a dredge, barges, pipelines and related dredging machinery and equipment (together the "dredging equipment"). Nevertheless, because of natural conditions existing at the Harbor, including, but not limited to, hard-breaking surf, the weather and the continual ~~build up~~build-up of silt (both in the Harbor entrance and inner-harbor), and because of the nature of the dredging operations, Port District cannot and does not agree to protect boats and persons using the Harbor from damage or injury to persons and/or property resulting from the dredging operations, the dredging equipment, or the resulting condition of the Harbor. ~~In acknowledgment of~~Owner acknowledges the foregoing~~, Owner~~ and hereby agrees that, to the ~~full~~fullest extent permitted by law, Port District shall not be liable or responsible for, and Owner~~s~~ waives, any claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions or causes of action of any kind whatsoever, resulting from, or in any way related to: (1) ~~from~~ any collision with any of the dredging equipment or any other boat, (2) ~~from~~ any collision or contact with the bottom of the Harbor or any obstructions on the bottom of the Harbor, (3) ~~from~~ any collision or contact with the jetties or surrounding beaches, or (4) ~~from, or in any way relating to,~~ the dredging operations or the lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances whatsoever~~.~~ and the failure by Port District to dredge any portion of the Harbor, regardless of the length of time during which Port District may have failed to dredge. In the event the Slip is an "inside tie," then without limiting the generality of the foregoing provisions, Owner specifically acknowledges that the Slip is by its very nature shallow and that rocks are commonly found under the Slip, and agrees that Port District shall in no event be responsible for any damage sustained by the Vessel from its resting on the bottom. Owner further agrees that Port District shall not be liable for indirect, consequential, special, exemplary, or punitive damages, whether in contract or tort, in any action arising from or related to this Agreement or Owner's use of the Slip or the Harbor.

b) Indemnification. ~~In addition to the foregoing,~~ Owner shall indemnify, defend (with counsel reasonably acceptable to the Indemnitees) and hold harmless the Indemnitees from and against any and all ~~damage~~claims, liability, injury, death, loss, damages, loss, costs and ~~expense~~expenses, including but not limited to attorneys' fees and costs and expenses of litigation, ~~and shall at his sole cost, upon the request of Port District, defend all suits brought against all or any of the Indemnitees, resulting from or arising out of any act or omission~~arising out of or related to this Agreement or the acts or omissions of Owner or its agents, employees, contractors, invitees, or anyone else for whom Owner may be legally responsible, occurring on or about the Harbor, including but not limited to the breach of this Agreement or the Port District Ordinances by any of such parties. Owner's obligations under this section shall survive the termination of this Agreement.

c) ~~Specific Disclaimers~~Disclaimer of Liability. Owner acknowledges that boating, water activities and use of the Harbor carry inherent risks and dangers. Owner assumes all risks related to Owner's use of the Slip and the Harbor and understands and agrees that Port District assumes no responsibility for and shall not be liable for the care, protection, or security of Owner, Owner's Vessel or any of Owner's personal property. Owner assumes all responsibility for any personal injury or illness, property damage, and all related costs, medical expenses and damages of any kind, to Owner or Owner's employees, contractors, agents, guests, or invitees, arising from or related to this Agreement or Owner's use of the Slip or the Harbor. Without in any way limiting the generality of the foregoing provisions, Port District shall to the ~~full~~fullest extent permitted by law, ~~specifically~~ have no liability or responsibility to Owner for the conditions of the beach, the availability of ingress to or egress from the waters of the Monterey Bay~~,~~ or the Harbor, the conditions of the jetties and entrance channel leading to the Harbor, the dredging equipment within the Harbor, or damages caused to the Vessel by ~~such conditions. Port District shall, to the full extent permitted by law, specifically have no liability or responsibility for any claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions or causes of action of any kind whatsoever, resulting (1) from any collision with any of the dredging equipment, (2) from any collision with the bottom of the Harbor or with any obstructions on the bottom of the Harbor, or (3) from, or in any way relating to, the dredging operations or lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances whatsoever. Such non-liability and non-responsibility shall include, without limitation, any failure by Port District to dredge any portion of the Harbor, regardless of the length of time during which Port District may have failed to dredge~~the foregoing. In addition, Port District shall not be liable for any damages arising from termination of this Agreement pursuant to Paragraph 6(d). ~~In the event the Slip is an "inside tie," then without limiting the generality of the foregoing provisions, Owner specifically acknowledges that the Slip is by its very nature shallow and that rocks are commonly found under the Slip, and agrees that Port District shall in no event be responsible for any damage sustained by the Vessel from its resting on the bottom.~~

6. Termination. This Agreement may be terminated only as provided in this Paragraph 6.

a) Thirty Days' Notice. This Agreement may be terminated at any time by either party for any reason whatsoever upon giving the other party not less than thirty (30) days' prior written notice of termination.

b) Transfer of Vessel. Owner shall ~~be entitled~~not be permitted to transfer all or any part of Owner's right, title or interest in the Vessel to any other party or parties~~. However~~ without the prior written consent of Port District. In the event Owner desires to continue using the Slip for berthing a different vessel, Owner must promptly apply to Port District for a renewed slip berthing license ~~in the event Owner desires to continue using the Slip for berthing a different boat~~. Port District shall approve or disapprove such renewal within six (6) months of the date of such ~~transfer~~application. In the event Owner obtains a boat of similar size as the Vessel and desires to berth the same in the Slip, Port District shall not unreasonably withhold its consent to the renewal of Owner's license.

c) Breach of Agreement. If Owner fails to abide by or perform any of the terms, conditions and promises as set forth in this Agreement to be abided by or performed by the Owner, or if Owner fails to inform Port District of any changes in the information set forth in the Application for Slip License, Port District, without waiving any other rights or remedies it may have under this Agreement or at law, may immediately terminate this Agreement upon giving Owner written notice of termination.

d) Destruction of Slip. This Agreement shall automatically terminate upon destruction of the Slip by siltation, or upon destruction of the walkways or gangways adjacent thereto by reason of fire, storm or any other cause; provided that, in the event a suitable slip for the Vessel is available elsewhere in the Harbor at the time of such termination, Port District shall offer Owner an opportunity to enter into a license agreement respecting such slip.

The termination of this Agreement shall not relieve Owner of any obligation or liability ~~which arose or accrued~~arising out of this Agreement, whether arising prior to or after such termination.

7. Surrender. Upon termination of this Agreement, Owner shall promptly remove the Vessel from the Slip, ~~shall~~ remove from the Harbor all other personal property belonging to Owner or in Owner's care, custody or control, and ~~shall~~ surrender the Slip to Port District together with all keys to the Harbor in as good condition as existed as of the date of this Agreement, subject to reasonable wear and tear. If the Vessel remains in the Slip after termination of this Agreement, the Vessel shall be considered abandoned, and shall be subject to the Ordinances of the Port District and to the statutes of the California Harbors & Navigation Code pertaining to disposition of abandoned vessels. In addition, If Owner fails to surrender the Slip upon the termination of this Agreement, Owner shall indemnify and hold Port District harmless from any and all loss or liability resulting from such failure to surrender.

8. Abandonment. In the event that Owner abandons the Vessel, marine debris, or any other property at the Premises, Owner shall be liable for any and all damages and losses caused to Port District as a result of such abandonment, including but not limited to special, indirect, and consequential damages, loss of use and loss of revenue. In addition, Owner shall be liable to Port District for any and all fees and costs, including attorney's fees and expert fees, incurred by Port District to respond to the abandonment of Owner's vessel or other property.

~~8~~9. Remedies for Default. If Owner fails to pay slip fees or any other charges to be paid by Owner, or in the event of any other default or breach under this Agreement by Owner, Port District may, at its option, pursue any and all rights and remedies it may have under this Agreement ~~and~~or at law, including without limitation, the right to take possession and control of and remove and store the Vessel for the purpose of perfecting and executing upon Port District's statutory lien rights in the Vessel. Port District's rights and remedies hereunder are cumulative. No waiver of forbearance by Port District of the default or breach of any term, covenant, or condition of this Agreement by Owner shall be deemed a waiver of any other term, covenant, or condition hereof, or of any subsequent default or breach by Owner of the same or of any other term, covenant, or condition hereof. Port District's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Port District's consent to, or approval of, any subsequent or similar act by Owner.

~~9~~10. Relationship of Parties. Nothing in this Agreement shall be deemed to create a relationship between Port District and Owner other than that of licensor and licensee. In particular, this Agreement shall not be deemed to be a lease or rental agreement, or to create a landlord-tenant relationship between Port District and Owner.

~~10~~11. No Waiver. No delay or omission on the part of the Port District in exercising any right or remedy shall operate as a waiver or relinquishment thereof or of any other right or remedy hereunder or at law or equity, nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or of any other right or remedy. The acceptance by Port District of partial slip fees or other sums owed by Owner to Port District hereunder shall not constitute a waiver of Port District's right to payment in full of such fees or other sums.

~~11~~12. Attorneys' Fees. ~~In~~Owner shall reimburse Port District for all amounts incurred by Port District in connection with any breach or default under this Agreement by Owner or in order to enforce the terms or provisions of this Agreement, including reasonable attorney's fees and legal costs, regardless of whether any legal action is filed. Such amount shall be payable upon demand. In addition, in the event any legal action is instituted by either party hereto against the other party to enforce or interpret any provision of this Agreement or of any amendment or modification of this Agreement made subsequent hereto, the prevailing party in such action (including any appeal and judgment enforcement) shall be entitled to recover all costs of litigation, including without limitation, reasonable attorneys' fees, incurred in connection with such action, whether or not such action is prosecuted to final judgment.

~~12~~13. Notice. Except as otherwise provided herein, any notice or communication given pursuant to this Agreement shall be in writing and ~~may~~shall be delivered personally or be sent by first class mail, postage prepaid, addressed to the party to whom given at its address as shown hereinabove~~ and deposited in the United States mail in California~~. Either party hereto may change its address to which notices and communications are to be given by giving written notice thereof to the other party in conformity with the provisions of this paragraph.

~~13~~14. General.

a) Joint and Several Liability. If Owner consists of more than one person, then the obligations of each said person as Owner, including but not limited to the indemnification provisions of Paragraph 5 above, shall be joint and several. All rights and liabilities arising from this Agreement shall extend to and bind the heirs, executors, administrators, successors, and assigns of the parties to this Agreement; provided, however, that no rights shall inure to the benefit of any assignee of Owner unless the assignment to such assignee has been approved by Port District in writing as provided herein.

b) Time of Essence. Time is of the essence of this Agreement and each and every provision hereof.

c) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and terminates and supersedes as of the date hereof any prior agreement(s) between the parties, written or oral. Any subsequent modification of this Agreement shall be in writing and signed by both parties.

d) California Law. This Agreement shall be governed by and construed ~~and interpreted~~ in accordance with the laws of the State of California.

~~14~~15. Best Management Practices.

~~The undersigned slip licensee, "~~Owner~~,"~~ hereby agrees to comply with the best management practices relating to clean boating and to minimize the generation of hazardous wastes, discharges of pollutants, and air pollution discharge in conducting any boat maintenance and repair work on their vessel. Owner agrees to maintain a clean vessel bilge and use oil absorbing pads. Used pads must be disposed of at the oil waste stations located throughout the harbor. All pads and oil filters will be recycled.

Additionally, Owner agrees to comply with all Santa Cruz Port District Ordinances, including, but not limited to:

Ordinance Section 213 – Refuse, states, in part:

(a): No person shall throw, discharge, deposit or leave refuse, sewage or waste matter of any description upon or into the navigable waters of the Santa Cruz Marina area, ~~… or~~nor shall any person discharge or deposit material of any kind on the banks, walls, sidewalk, or beach, ~~or~~within the boundaries of the Santa Cruz Marina Area or in any other location where ~~they~~the same may be washed into the Santa Cruz Marina ~~area~~Area, either by tides, storm, floods or otherwise.

(c): No person shall pump or discharge into the waters of the Santa Cruz Marina oil, paint, varnish, spirits, or any inflammable liquid or deposit any rubbish, refuse matter or articles of any offensive character~~…~~ therein or upon any pier, wharf, road, street leading to a wharf, or in any place other than the refuse cans provided for such purpose

(d): No person shall discharge or deposit or pass in or into the waters of the Santa Cruz Marina area any coal, tar or refuse or residuary product of coal, petroleum, asphalt, bitumen, or other carbonaceous material or substance.

(e): No person shall place or leave dead animals, fish, shellfish, bait or other putrefying matter on or along the seawalls, harbor structures, floats, piers, sidewalks, or beaches of the Santa Cruz Marina area, or throw or deposit such material in the waters.

(f): It shall be unlawful to clean fish on the seawalls, harbor structures, floats, piers, sidewalks, beaches or in the waters of the Santa Cruz Marina area, except at the fish cleaning stations provided therefore.

(g): No person shall fish in the channel between jetties or in any other areas within the Santa Cruz Marina area~~…~~ where fishing activities would interfere with boating or safety on floats or where signs may be posted prohibiting fishing.

Section 214 – Wharves, Floats and Piers, states, in part:

(a): No person shall, without a permit, build, construct, erect, extend or locate within or upon, or over the waters of the Santa Cruz Marina area any float, pier, land wharf, open pile structure or device, or structure of whatsoever kind or nature.

(d): It shall be unlawful to: ride or ~~part~~park motorbikes or motorcycles on any floats~~,~~; ride skateboards on any floats, wharves or piers~~,~~; ride bicycles on any float~~,~~; or leave them on any floats, wharves, or piers in such a manner that the bicycle creates an obstruction to pedestrian traffic or berthing.

Section 215 – Dangerous Vessels, Sunken Vessels, or Obstruction of Channels, states, in part:

(a): Whenever a vessel is sunk, accidentally or otherwise, it shall be the duty of the owner of such vessel to mark it immediately by a buoy or beacon by day and by a lantern or light by night and to maintain such marking until the sunken vessel or obstruction is removed and the neglect or failure of such owner to do so shall be unlawful. The owner of such sunken vessel shall immediately commence removal of said vessel and prosecute the removal diligently to completion.

(b) Whenever the navigation of any waters within the harbor area shall be obstructed or endangered by any sunken vessel or other obstruction, and the removal thereof is not diligently prosecuted~~…, the~~ as in Section 215(a) required, the vessel or obstruction shall be subject to removal, sale, or other disposition by the Port Director and may be treated as abandoned or unclaimed property and subject to the provisions of the California Code of Civil Procedure. The owner or owners of such vessel or property causing such obstruction or damage shall be liable to the Port District for all costs incident to said removal and disposition and shall further be liable to any person who may be damaged as a proximate cause of said sunken vessel or other obstruction. Neither the Port District, nor its employees, agents or officers, shall be liable for damages of any nature whatsoever arising out of or in any way connected with the removal, sale or disposition of such sunken vessel or other property.

Section 311 – Construction and Extensive Maintenance of Boat in Berth

No person shall engage in other than minor maintenance of boats except in the boatyard area. Activities specifically prohibited are: ~~spray~~a) Spray painting~~, construction~~; b) Construction on a boat resulting in debris creating a nuisance to other persons~~, construction~~; c) Construction activities on floats that create a nuisance or block passageways.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Slip License Agreement as of the _______________ day of _____________, 20___.

"PORT DISTRICT"

The Santa Cruz Port District Board of Commissioners

By__________________________________ Title ______________________

"OWNER"

By___________________________________

SPECIAL 1-YEAR / BEQUEST 2-YEAR SLIP LICENSE (*if applicable*):

EFFECTIVE DATE:_______________ TERMINATION DATE: __________________

WAITING LIST PREFERENCE:

- ☐ I wish to remain on the waiting list
- ☐ Please remove me from the waiting list.

I understand that the waiting list is the only means of obtaining a slip in the harbor, and that by discontinuing my waiting list status I forfeit any and all future options for a different slip size or type.

OWNER SIGNATURE __________________________________ DATE:_____________________

(BELOW LINE FOR OFFICE USE ONLY)

- -

SLIP AND ACCOUNT INFORMATION

Slip Effective Date: ____________________
Initial Monthly Slip Fee: ____________________
Customer #: ____________________
Dock / Slip: ____________________

First Month's Rent: $____________________
Security Deposit: $____________________
Other (Keys/Permits): $____________________
Total Amount Paid: $____________________

WAITING LIST CATEGORY

- ☐ North Harbor: ____________________
- ☐ South Harbor: ____________________
- ☐ Standby:
- ☐ Dropped

VESSEL AND ACCOUNT VERIFICATION

- ☐ Vessel Operability Confirmed: Yes / No
- ☐ Liveaboard Status Confirmed: Yes / No
- ☐ Overall Vessel Length Measured: __________ ft.
- ☐ Marina Management Account Updated

DOCUMENTS ON FILE

- ☐ Vessel Registration / Documentation
- ☐ Certificate of Vessel Insurance
- ☐ Waitlist Card, if applicable
- ☐ Driver's License

ISSUED / COMPLETED

Key Fob #: ____________________
Parking Permit #: ____________________
Slip Acceptance Packet: Yes / No

*Processed by:*__________

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161 (open daily 9-5)
scpd@santacruzharbor.org
www.santacruzharbor.org

Harbor Patrol Monitors VHF
Radio Channels 9 & 16
Dredge Crew Monitors Channel 8
Santa Cruz Police Dispatch Call
(831) 471-1131 (non-emergency)
Emergencies: CALL 911

Summary report: Litera Compare for Word 11.14.1.3 Document comparison done on 8/6/2026 2:27:07 PM	
Style name: LON	
Intelligent Table Comparison: Active	
Original DMS: iw://lubinolson.cloudimanage.com/active/3038975/1 - Slip License Agreement - SCPD.doc	
Modified DMS: iw://lubinolson.cloudimanage.com/active/3038975/2 - Slip License Agreement - SCPD.doc	
Changes:	
Add	118
~~Delete~~	102
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	220

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/22/2026	10204	John Alston	*Twin Lakes* Fuel Transfer (DSC Dredge Reimbursable)	$ 1,931.30
7/24/2026	10205	Blake Anderson	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10206	Josie Daly	Paking Overpayment Refund	$ 7.00
7/24/2026	10207	Gottlieb, Landon	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10208	James Hudson	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10209	John Haynes	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10210	Kingdom, Kyle	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10211	McDermott, Dick	497 Lake Ave Installment Payment	$ 4,535.45
7/24/2026	10212	Melrose, Rick	Quarterly Uniform Allowance	$ 100.00
7/24/2026	10213	Niki Rothwell	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10214	Ramos, Brenda	Confined Space Training Refreshments	$ 51.03
7/24/2026	10215	Sean Rothwell	Quarterly Uniform Allowance	$ 190.00
7/24/2026	10216	Hugh Turner	Security Deposit & Credit Balance Refund	$ 3,246.90
7/24/2026	10217	County of Santa Cruz Auditor	Citation Tax (May & June)	$ 4,187.50
7/24/2026	10218	David Hill	Quarterly Uniform Allowance	$ 190.00
7/28/2026	10219	Employee #29	Vacation Payout	$ 1,811.01
7/2/2026	11533	Cushman Contracting Corporation	Demolition and Reconstruction of G & X Docks Project Progress Payment	$ 1,835,606.22
7/13/2026	11534	West Series of Lockton Companies, LLC	Excess Liability Premium	$ 71,958.80
7/13/2026	11535	West Series of Lockton Companies, LLC	Excess Liability Premium	$ 71,958.80
7/17/2026	11536	Ace Portable Services	Portable Toilet Rental	$ 254.27
7/17/2026	11537	Allied Administrators	Dental Insurance	$ 3,117.15
7/17/2026	11538	Amazon Capital Services	VHF Radio Batteries	$ 26.05
7/17/2026	11539	Amazon Capital Services	Generator Fuel Shutoff Valve	$ 71.18
7/17/2026	11540	Amazon Capital Services	Drive Belt	$ 59.76
7/17/2026	11541	Amazon Capital Services	Electrical Connectors	$ 35.02
7/17/2026	11542	Amazon Capital Services	Generator Pull Starter	$ 29.43
7/17/2026	11543	Amazon Capital Services	Office Supplies	$ 15.20
7/17/2026	11544	Amerigas	Ancillary Equipment Fuel	$ 277.89
7/17/2026	11545	Amerigas	Ancillary Equipment Fuel	$ 98.83
7/17/2026	11546	A Sign ASAP!	*Twin Lakes* Dredge Haulout Project Signage	$ 345.71
7/17/2026	11547	A Sign ASAP!	Water Taxi Signage	$ 796.79
7/17/2026	11548	AT&T	Telephone	$ 376.63

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/17/2026	11549	A Tool Shed Rentals	Power Snake Rental	$ 31.93
7/17/2026	11550	AvidXchange, Inc.	Accounts Payable Automation Service	$ 536.30
7/17/2026	11551	Batteries + Bulbs	Parking Meter Batteries	$ 25.19
7/17/2026	11552	Bay Area High Reach, Inc	*Twin Lakes* Dredge Haulout Project Scaffolding Delivery Re-Scheduling Fee	$ 2,015.00
7/17/2026	11553	Bay Plumbing Supply, Inc.	Galvanized Pipe	$ 87.38
7/17/2026	11554	Bay Plumbing Supply, Inc.	Galvanized Pipe Fittings	$ 44.42
7/17/2026	11555	Bay Plumbing Supply, Inc.	Sewer Cleanout Wrench	$ 23.25
7/17/2026	11556	Bayside Oil II, Inc.	Waste Oil Disposal	$ 140.00
7/17/2026	11557	Big Creek	Dock Lumber	$ 54.57
7/17/2026	11558	Big Creek	Brow Pier Lumber	$ 27.30
7/17/2026	11559	Bowman & Williams Civil Engineers	Land Survey (Westerly Boundary APN 026-261-16)	$ 3,516.00
7/17/2026	11560	Bow Wow Pet Waste Products	Pet Waste Station Bags	$ 220.63
7/17/2026	11561	Brink's Incorporated	Deposit Courier Service	$ 377.97
7/17/2026	11562	Cale America, Inc.	Monthly Service	$ 1,399.32
7/17/2026	11563	California Fire Protection, Inc.	365 Lake Avenue Sprinkler System Repairs	$ 1,325.00
7/17/2026	11564	California Fire Protection, Inc.	425 Brommer Street Sprinkler System Repairs	$ 4,325.00
7/17/2026	11565	Cintas Corp	Uniform and Linen Service	$ 108.96
7/17/2026	11566	Cintas Corp	Uniform and Linen Service	$ 43.44
7/17/2026	11567	Cintas Corp	Uniform and Linen Service	$ 108.96
7/17/2026	11568	Cintas Corp	Uniform and Linen Service	$ 90.88
7/17/2026	11569	Cintas Corp	Uniform and Linen Service	$ 43.44
7/17/2026	11570	Cintas Corp	Uniform and Linen Service	$ 108.96
7/17/2026	11571	Cintas Corp	Uniform and Linen Service	$ 43.44
7/17/2026	11572	Cintas Corp	Uniform and Linen Service	$ 98.73
7/17/2026	11573	Cintas Corp	Uniform and Linen Service	$ 108.96
7/17/2026	11574	Cintas Corp	Uniform and Linen Service	$ 98.73
7/17/2026	11575	Cintas Corp	Uniform and Linen Service	$ 43.44
7/17/2026	11576	Cintas Corp	Uniform and Linen Service	$ 108.96
7/17/2026	11577	ClearPath Technologies LLC	Monthly Managed Detection & Response Service (SLCGP Grant Reimbursable)	$ 290.00
7/17/2026	11578	ClearPath Technologies LLC	Monthly IT & Cyber Security Service (SLCGP Grant Reimbursable)	$ 3,835.00
7/17/2026	11579	Comcast	Business Television	$ 38.60

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/17/2026	11580	Complete Mailing Service	Statement Mailing & Postage	$ 599.50
7/17/2026	11581	County of Santa Cruz DPW	Waste Disposal	$ 125.00
7/17/2026	11582	Department of Industrial Relations	2222 East Cliff Drive Elevator Conveyance Permit	$ 675.00
7/17/2026	11583	Dunn-Edwards Corporation	Rust Converting Primer	$ 655.03
7/17/2026	11584	Espino Construction, Inc.	493 Lake Avenue Rear Staircase Reconstruction Project Final Payment	$ 669.32
7/17/2026	11585	Ewing Irrigation Products, Inc.	Irrigation Supplies	$ 158.55
7/17/2026	11586	Ewing Irrigation Products, Inc.	Irrigation Fittings, Primer	$ 59.62
7/17/2026	11587	Flyers Energy, LLC	Ancillary Equipment Fuel	$ 1,063.87
7/17/2026	11588	GFT Infrastructure, Inc.	Engineering Services: Demolition and Reconstruction of G & X Docks Project	$ 17,100.00
7/17/2026	11589	Grainger	Disposable Gloves	$ 105.12
7/17/2026	11590	Grainger	Hand Tap	$ 96.07
7/17/2026	11591	Grainger	Conduit	$ 427.62
7/17/2026	11592	Grainger	Duct Tape	$ 13.58
7/17/2026	11593	Grainger	Electrical Box	$ 31.98
7/17/2026	11594	Grainger	Conduit	$ 498.60
7/17/2026	11595	Grainger	Pressure Washer Hose	$ 25.39
7/17/2026	11596	Grainger	Jet Pump Grease Fittings	$ 120.23
7/17/2026	11597	Grainger	Wrench Roll	$ 43.84
7/17/2026	11598	Grainger	Electrical Terminal	$ 85.98
7/17/2026	11599	Grainger	Pruner & Sheers	$ 84.64
7/17/2026	11600	Grainger	Electrical Outlets	$ 50.85
7/17/2026	11601	Grainger	Pressure Washer Wheels	$ 68.88
7/17/2026	11602	Grainger	Oxygen Sensor Replacement	$ 302.61
7/17/2026	11603	Grainger	Outlet Covers	$ 40.74
7/17/2026	11604	Grainger	Conduit	$ 868.56
7/17/2026	11605	Grainger	Dock Gate Closer	$ 1,164.33
7/17/2026	11606	Grainger	Annular Cutter	$ 247.15
7/17/2026	11607	Grainger	Conduit Fittings	$ 708.81
7/17/2026	11608	Grainger	Winch Fittings	$ 41.34
7/17/2026	11609	Grainger	Center Punch Tip	$ 41.02
7/17/2026	11610	Grainger	*Twin Lakes* Electrical Hardware	$ 23.49

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/17/2026	11611	Grainger	Fuel Tank Valves	$ 669.75
7/17/2026	11612	Grainger	Paint Rollers	$ 86.27
7/17/2026	11613	Grainger	Adhesive	$ 26.41
7/17/2026	11614	Grainger	Conduit Fittings	$ 549.03
7/17/2026	11615	Grainger	Winch Bolt Fittings	$ 110.40
7/17/2026	11616	Grainger	Paint Rollers	$ 192.89
7/17/2026	11617	Grainger	Drill Chuck Key	$ 29.96
7/17/2026	11618	Grainger	*Twin Lakes* Fuses	$ 50.97
7/17/2026	11619	Grainger	Paint Trays	$ 89.38
7/17/2026	11620	HD Supply	Janitorial Supplies	$ 1,875.53
7/17/2026	11621	Christine Herberg	Security Deposit Refund	$ 88.85
7/17/2026	11622	Home Depot Credit Services	Duct Tape, Broom, Galvanized Spray Paint	$ 105.37
7/17/2026	11623	Hose Shop	*Twin Lakes* Hose Fittings, Shop Towels	$ 103.67
7/17/2026	11624	Hose Shop	*Twin Lakes* Flanges	$ 938.55
7/17/2026	11625	Kingdom, Kyle	Quarterly Uniform Allowance	$ 190.00
7/17/2026	11626	Lawson	Drill Bits	$ 382.98
7/17/2026	11627	Lee & Associates Rescue	Confined Space Equipment & Training	$ 10,600.00
7/17/2026	11628	Linde Gas & Equipment, Inc.	Welding Gas	$ 416.05
7/17/2026	11629	Llewellyn Marine Supply Inc	*Squirt* Anodes	$ 2,461.95
7/17/2026	11630	Lubin Olson & Niewiadomski LLP	Legal Consultation	$ 256.00
7/17/2026	11631	McMaster-Carr Supply Company	Hex Head Screws	$ 62.31
7/17/2026	11632	McMaster-Carr Supply Company	Hex Head Screws	$ 41.13
7/17/2026	11633	McMaster-Carr Supply Company	Hex Head Screws	$ 690.06
7/17/2026	11634	McMaster-Carr Supply Company	Hex Nuts & Washers	$ 150.73
7/17/2026	11635	McMaster-Carr Supply Company	Washers	$ 91.11
7/17/2026	11636	McMaster-Carr Supply Company	Washers	$ 112.89
7/17/2026	11637	McMaster-Carr Supply Company	Washers	$ 346.17
7/17/2026	11638	McMaster-Carr Supply Company	*Twin Lakes* Hardware	$ 345.34
7/17/2026	11639	McMaster-Carr Supply Company	Hex Head Screws	$ 140.01
7/17/2026	11640	McMaster-Carr Supply Company	*Twin Lakes* Hardware	$ 42.27
7/17/2026	11641	McMaster-Carr Supply Company	*Twin Lakes* Dredge Haulout Project Hardware	$ 188.82
7/17/2026	11642	McMaster-Carr Supply Company	*Twin Lakes* Dredge Haulout Project Fittings	$ 51.06

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/17/2026	11643	McMaster-Carr Supply Company	Winch Valves	$ 104.26
7/17/2026	11644	McMaster-Carr Supply Company	*Twin Lakes* Dredge Haulout Project Hardware	$ 196.52
7/17/2026	11645	McMaster-Carr Supply Company	Gaskets	$ 193.29
7/17/2026	11646	McMaster-Carr Supply Company	*Twin Lakes* Fittings	$ 84.29
7/17/2026	11647	McMaster-Carr Supply Company	*Twin Lakes* Hose Clamps	$ 46.35
7/17/2026	11648	McMaster-Carr Supply Company	Fuel Tank Valves	$ 162.68
7/17/2026	11649	McMaster-Carr Supply Company	*Twin Lakes* Hardware	$ 74.26
7/17/2026	11650	McMaster-Carr Supply Company	*Twin Lakes* Hardware	$ 126.06
7/17/2026	11651	Mid County Auto Supply	Equipment Filter	$ 27.64
7/17/2026	11652	MPress Digital Inc.	Temporary Launch Ramp Permits	$ 1,580.40
7/17/2026	11653	Mutual of Omaha	Life/LTD/AD&D Insurance	$ 1,097.21
7/17/2026	11654	Operating Engineers	Union Dues (Payroll Deductible)	$ 360.00
7/17/2026	11655	Pacific Gas & Electric Company	Utilities	$ 34.29
7/17/2026	11656	Pacific Gas & Electric Company	Utilities	$ 84.09
7/17/2026	11657	Pacific Gas & Electric Company	Utilities	$ 114.30
7/17/2026	11658	Pacific Gas & Electric Company	Utilities	$ 33.15
7/17/2026	11659	Pacific Gas & Electric Company	Utilities	$ 89.23
7/17/2026	11660	Peninsula Welding & Medical Supply	Welder Repair	$ 740.29
7/17/2026	11661	Peterson	*Twin Lakes* C18 Engine Load Bank Testing	$ 8,547.11
7/17/2026	11662	Peterson	*Twin Lakes* C18 Engine Sensor Replacement	$ 3,442.51
7/17/2026	11663	San Lorenzo Lumber	F-19 Float System Supplies (Tenant Reimbursable)	$ 377.91
7/17/2026	11664	San Lorenzo Lumber	Dock Hardware	$ 15.66
7/17/2026	11665	Michael Smith	Backflow Testing	$ 100.00
7/17/2026	11666	SC Fuels	Fuel Dock Gas & Diesel	$ 31,403.65
7/17/2026	11667	Santa Cruz Municipal Utilities	Utilities	$ 109.93
7/17/2026	11668	Santa Cruz Municipal Utilities	Utilities	$ 17.89
7/17/2026	11669	Santa Cruz Municipal Utilities	Utilities	$ 140.04
7/17/2026	11670	Santa Cruz Municipal Utilities	Utilities	$ 1,122.09
7/17/2026	11671	Santa Cruz Municipal Utilities	Utilities	$ 35.34
7/17/2026	11672	Santa Cruz Municipal Utilities	Utilities	$ 108.72
7/17/2026	11673	Santa Cruz Municipal Utilities	Utilities	$ 1,579.64
7/17/2026	11674	Santa Cruz Municipal Utilities	Utilities	$ 17.89

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/17/2026	11675	Santa Cruz Municipal Utilities	Utilities	$ 35.34
7/17/2026	11676	Santa Cruz Municipal Utilities	Utilities	$ 279.64
7/17/2026	11677	Santa Cruz Municipal Utilities	Utilities	$ 801.54
7/17/2026	11678	Securr	Harbor Beach Refuse Receptacles	$ 12,127.39
7/17/2026	11679	Sherwin Williams	Vessel Paint	$ 641.74
7/17/2026	11680	The Ferguson Group	Washington Representation & Grant Consulting	$ 2,350.00
7/17/2026	11681	Tryg Thorensen	Security Deposit Refund	$ 2,737.08
7/17/2026	11682	U.S. Bank Equipment Finance	Copier Leases	$ 329.49
7/17/2026	11683	US Relay	Webcam Service	$ 484.00
7/17/2026	11684	Valley Pacific Petroleum Services, Inc.	*Twin Lakes* Oil	$ 1,184.21
7/17/2026	11685	Verizon Wireless	Cell Phone & Tablet Service	$ 296.91
7/17/2026	11686	West Coast Wire Rope	Rigging Shackle	$ 307.46
7/17/2026	11687	West Coast Wire Rope	Rigging Wire	$ 42,130.58
7/17/2026	11688	West Coast Wire Rope	Rigging Slings	$ 127.53
7/17/2026	11689	West Coast Wire Rope	*Twin Lakes* Rigging Chain	$ 2,963.25
7/17/2026	11690	West Marine Pro	*Big Red* Fuel Tank	$ 156.69
7/17/2026	11691	West Marine Pro	Bottom Paint	$ 178.22
7/17/2026	11692	West Marine Pro	Power Adapter	$ 195.89
7/17/2026	11693	West Marine Pro	Power Adapters	$ 362.01
7/17/2026	11694	West Marine Pro	Power Adapter	$ 134.66
7/17/2026	11695	West Marine Pro	Power Adapters	$ 833.65
7/17/2026	11696	West Marine Pro	Float Switch	$ 140.64
7/17/2026	11697	West Marine Pro	Bottom Paint	$ 178.22
7/17/2026	11698	West Marine Pro	*Twin Lakes* Anodes	$ 8.80
7/17/2026	11699	West Marine Pro	*Twin Lakes* Anodes	$ 91.52
7/17/2026	11700	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/17/2026	11701	West Marine Pro	Boatyard Retail Items	$ 81.92
7/17/2026	11702	West Marine Pro	Boatyard Retail Items	$ 40.96
7/17/2026	11703	West Marine Pro	Boatyard Retail Items	$ 80.00
7/17/2026	11704	West Marine Pro	Boat Hook	$ 24.00
7/17/2026	11705	American Textile & Supply, Inc.	Oil Absorbent Boom & Pads	$ 4,586.61
7/24/2026	11706	Ace Portable Services	Portable Toilet Rental	$ 621.58

Santa Cruz Port District
Accounts Payable Monthly Check Regsiter
July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11707	Ace Portable Services	*Twin Lakes* Dredge Haulout Project Temporary Fencing Rental	$ 1,200.00
7/24/2026	11708	Ace Portable Services	Portable Toilet Rental	$ 254.27
7/24/2026	11709	Ace Portable Services	Portable Toilet Rental	$ 238.04
7/24/2026	11710	Ace Portable Services	Portable Toilet Rental	$ 207.31
7/24/2026	11711	Adobe Systems Incorporated	Annual Software Licenses	$ 9,496.08
7/24/2026	11712	Allied Universal	Security Patrol	$ 7,582.80
7/24/2026	11713	Amazon Capital Services	Office Supplies	$ 22.15
7/24/2026	11714	Amazon Capital Services	Data Storage Card	$ 22.93
7/24/2026	11715	Amazon Capital Services	Patrol Vehicle Battery Terminal	$ 15.35
7/24/2026	11716	Amazon Capital Services	Caution Tape	$ 73.52
7/24/2026	11717	Amazon Capital Services	Tape Measure	$ 22.49
7/24/2026	11718	Amazon Capital Services	Dock Hardware	$ 196.48
7/24/2026	11719	Amazon Capital Services	Breakroom Supplies	$ 28.04
7/24/2026	11720	Amazon Capital Services	Respirator Lens	$ 201.48
7/24/2026	11721	A Tool Shed Rentals	Drain Snake Rental	$ 31.93
7/24/2026	11722	Bay Building Janitorial, Inc.	Janitorial Services	$ 1,300.00
7/24/2026	11723	Bay Building Janitorial, Inc.	Janitorial Services	$ 2,426.66
7/24/2026	11724	Bay Building Janitorial, Inc.	Refuse Collection	$ 3,900.00
7/24/2026	11725	Bay Building Janitorial, Inc.	Janitorial Services	$ 5,292.00
7/24/2026	11726	Bay Plumbing Supply, Inc.	D-Dock Restroom Drain Fittings	$ 36.54
7/24/2026	11727	Bay Plumbing Supply, Inc.	Saw Blades	$ 46.21
7/24/2026	11728	Bay Plumbing Supply, Inc.	Urinal Kit	$ 87.60
7/24/2026	11729	Bay Plumbing Supply, Inc.	Flush Handle Assembly	$ 44.07
7/24/2026	11730	Bayside Oil II, Inc.	Fuel Disposal (SAVE Grant Reimbursable)	$ 1,105.00
7/24/2026	11731	Bayside Oil II, Inc.	Fuel Disposal (SAVE Grant Reimbursable)	$ 1,105.00
7/24/2026	11732	Bayside Oil II, Inc.	Used Oil/Antifreeze Disposal	$ 473.00
7/24/2026	11733	Big Creek	Dock Repair Lumber	$ 98.82
7/24/2026	11734	Big Creek	Dock Repair Lumber	$ 325.07
7/24/2026	11735	Big Creek	Dock Repair Lumber	$ 180.13
7/24/2026	11736	Big Creek	ParkMobile Sign Post Installation Supplies	$ 188.38
7/24/2026	11737	Big Creek	Drill Bits	$ 39.41
7/24/2026	11738	Big Creek	Dock Lumber	$ 428.29

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11739	Big Creek	Concrete Mix	$ 44.15
7/24/2026	11740	Big Creek	ParkMobile Sign Post Installation Supplies	$ 65.88
7/24/2026	11741	Bobby's Pit Stop, Inc.	Maintenance Vehicle Air Conditioning Repair	$ 919.80
7/24/2026	11742	Robert Bregante	Security Deposit Refund	$ 276.72
7/24/2026	11743	William Chase	Security Deposit Refund	$ 145.24
7/24/2026	11744	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11745	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11746	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11747	Cintas Corp	Uniform and Linen Service	$ 90.88
7/24/2026	11748	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11749	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11750	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11751	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11752	Cintas Corp	Traffic Mat Service	$ 35.00
7/24/2026	11753	Citi Cards	Finance Charges	$ 196.04
7/24/2026	11754	Comcast	Concession Lot Internet	$ 308.92
7/24/2026	11755	Comcast	Business Internet	$ 638.39
7/24/2026	11756	Comcast	Business Internet	$ 451.24
7/24/2026	11757	County of Santa Cruz DPW	Hazmat Disposal	$ 418.50
7/24/2026	11758	Crow's Nest Restaurant	Concession Lot Garbage (Tenant Reimbursable)	$ 2,457.18
7/24/2026	11759	Crystal Springs Water Co.	Boatyard Drinking Water	$ 119.40
7/24/2026	11760	Data Ticket, Inc.	Citation Processing (June)	$ 676.12
7/24/2026	11761	Dredging Supply Company, Inc.	*Twin Lakes* Dredge Haulout Project Replacement Parts & Equipment	$ 135,857.30
7/24/2026	11762	Dunn-Edwards Corporation	Rust Converting Primer	$ 655.03
7/24/2026	11763	Dunn-Edwards Corporation	Rust Converting Primer	$ 655.03
7/24/2026	11764	Dunn-Edwards Corporation	Rust Converting Primer	$ 655.03
7/24/2026	11765	Faber, Doug	Security Deposit Refund	$ 200.35
7/24/2026	11766	Flyers Energy, LLC	Ancillary Equipment Fuel	$ 1,069.27
7/24/2026	11767	Romeo Garza	Credit Balance Refund	$ 76.50
7/24/2026	11768	Grainger	Turnbuckle Assembly	$ 492.73
7/24/2026	11769	Grainger	Disposable Gloves	$ 87.60
7/24/2026	11770	Grainger	Respirator	$ 285.73

Santa Cruz Port District
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July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11771	Grainger	Containment Platform	$ 839.71
7/24/2026	11772	Grainger	Disposable Gloves	$ 105.12
7/24/2026	11773	Grainger	Grease Gun	$ 571.25
7/24/2026	11774	Grainger	Anti-Slip Tape	$ 210.59
7/24/2026	11775	Grainger	Water Hoses	$ 151.89
7/24/2026	11776	Grainger	Paint Supplies	$ 229.62
7/24/2026	11777	Grainger	Urinal Strainers	$ 53.86
7/24/2026	11778	Grainger	Rivets	$ 42.77
7/24/2026	11779	Grainger	Disposable Gloves	$ 23.70
7/24/2026	11780	Grainger	Disposable Gloves	$ 4.75
7/24/2026	11781	Mary Hicok	Parking Overpayment Refund	$ 6.00
7/24/2026	11782	Kraemer Elevator Load Testing	Monthly Service	$ 395.00
7/24/2026	11783	Lawson	Hydraulic Hose	$ 485.10
7/24/2026	11784	Lawson	*Twin Lakes* Hex Cap Screws	$ 230.37
7/24/2026	11785	Virginia MacNeil	Security Deposit Refund	$ 396.84
7/24/2026	11786	Marina Ware	Security Camera Upgrades	$ 2,845.82
7/24/2026	11787	Marina Ware	Fuel Dock Security Camera Replacement	$ 998.73
7/24/2026	11788	McNichols Co.	Boatyard Drain Grate Replacement	$ 1,181.64
7/24/2026	11789	Mid County Auto Supply	Patrol Truck Battery Replacement	$ 396.52
7/24/2026	11790	Mid County Auto Supply	Patrol Vehicle Engine Oil	$ 33.17
7/24/2026	11791	Mid County Auto Supply	Shop Towels	$ 59.72
7/24/2026	11792	Monterey Bay Analytical Services	Boatyard Stormwater Testing	$ 874.00
7/24/2026	11793	Monterey Bay Marine	Dredge Skiff Maintenance	$ 1,010.22
7/24/2026	11794	Arthur Mueller	Security Deposit Refund	$ 275.75
7/24/2026	11795	Outdoor Supply Hardware	ParkMobile Signage Hardware	$ 51.34
7/24/2026	11796	Pacific Crest Engineering, Inc.	Stormwater Polution Prevention Plan Annual Site Visit	$ 512.50
7/24/2026	11797	Pacific Gas & Electric Company	Utilities	$ 253.17
7/24/2026	11798	Pacific Gas & Electric Company	Utilities	$ 14,011.41
7/24/2026	11799	Pacific Gas & Electric Company	Utilities	$ 343.43
7/24/2026	11800	Pacific Gas & Electric Company	Utilities	$ 2,533.85
7/24/2026	11801	Pacific Gas & Electric Company	Utilities	$ 21.44
7/24/2026	11802	Pacific Gas & Electric Company	Utilities	$ 10,886.71

Santa Cruz Port District
Accounts Payable Monthly Check Regsiter
July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11803	Pacific Gas & Electric Company	Utilities	$ 3,246.06
7/24/2026	11804	Pacific Gas & Electric Company	Utilities	$ 7,991.95
7/24/2026	11805	PAC Marine Towing and Salvage LLC	Demolition and Reconstruction of G & X Docks Project Vessel Relocation	$ 3,045.00
7/24/2026	11806	PAC Marine Towing and Salvage LLC	Demolition and Reconstruction of G & X Docks Project Vessel Relocation	$ 1,155.00
7/24/2026	11807	PAC Marine Towing and Salvage LLC	Demolition and Reconstruction of G & X Docks Project Vessel Relocation	$ 2,415.00
7/24/2026	11808	Priors Tires	Parking Vehicle Tires	$ 748.63
7/24/2026	11809	San Lorenzo Lumber	Dock Repair Lumber	$ 480.35
7/24/2026	11810	San Lorenzo Lumber	Tire Chocks	$ 287.37
7/24/2026	11811	Michael Smith	Backflow Testing & Repairs	$ 343.00
7/24/2026	11812	County of Santa Cruz	Annual Underground Storage Tank Permit Fees	$ 5,195.00
7/24/2026	11813	Santa Cruz Tire & Auto Care	Patrol Vehicle Oil Change	$ 147.66
7/24/2026	11814	SC Fuels	Fuel Dock Gas & Diesel	$ 33,645.00
7/24/2026	11815	Santa Cruz Municipal Utilities	Utilities	$ 11,523.58
7/24/2026	11816	Santa Cruz Municipal Utilities	Utilities	$ 3,612.50
7/24/2026	11817	Santa Cruz Municipal Utilities	Utilities	$ 2,336.45
7/24/2026	11818	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11819	Santa Cruz Municipal Utilities	Utilities	$ 2,235.31
7/24/2026	11820	Santa Cruz Municipal Utilities	Utilities	$ 6.10
7/24/2026	11821	Santa Cruz Municipal Utilities	Utilities	$ 4,371.59
7/24/2026	11822	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11823	Santa Cruz Municipal Utilities	Utilities	$ 692.82
7/24/2026	11824	Santa Cruz Municipal Utilities	Utilities	$ 6.10
7/24/2026	11825	Santa Cruz Municipal Utilities	Utilities	$ 2,671.56
7/24/2026	11826	Santa Cruz Municipal Utilities	Utilities	$ 1,329.19
7/24/2026	11827	Santa Cruz Municipal Utilities	Utilities	$ 70.35
7/24/2026	11828	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11829	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11830	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11831	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11832	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11833	Santa Cruz Municipal Utilities	Utilities	$ 21.03

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11834	Santa Cruz Municipal Utilities	Utilities	$ 246.01
7/24/2026	11835	Santa Cruz Municipal Utilities	Utilities	$ 6.10
7/24/2026	11836	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11837	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11838	Santa Cruz Municipal Utilities	Utilities	$ 844.06
7/24/2026	11839	Santa Cruz Municipal Utilities	Utilities	$ 21.03
7/24/2026	11840	Santa Cruz Municipal Utilities	Utilities	$ 152.71
7/24/2026	11841	Santa Cruz Municipal Utilities	Utilities	$ 1,345.36
7/24/2026	11842	Santa Cruz Municipal Utilities	Utilities	$ 84.46
7/24/2026	11843	Santa Cruz Municipal Utilities	Utilities	$ 303.11
7/24/2026	11844	Santa Cruz Municipal Utilities	Utilities	$ 58.21
7/24/2026	11845	Santa Cruz Municipal Utilities	Utilities	$ 1,398.99
7/24/2026	11846	Santa Cruz Municipal Utilities	Utilities	$ 68.71
7/24/2026	11847	Santa Cruz Municipal Utilities	Utilities	$ 1,266.44
7/24/2026	11848	Santa Cruz Municipal Utilities	Utilities	$ 89.71
7/24/2026	11849	Gerald Shanahan	Credit Balance Refund	$ 336.00
7/24/2026	11850	Umojo, Inc.	Concession Lot Intercom System	$ 199.99
7/24/2026	11851	Ventura Hydraulic & Machine Works	*Twin Lakes* & *Squirt* Cylinders	$ 8,007.38
7/24/2026	11852	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11853	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11854	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11855	West Marine Pro	*Twin Lakes* Anodes	$ 146.46
7/24/2026	11856	West Marine Pro	Shore Power Adapter	$ 358.09
7/24/2026	11857	West Marine Pro	*Never Late* Fuel Tank	$ 259.15
7/24/2026	11858	West Marine Pro	*Scout* Batteries	$ 347.94
7/24/2026	11859	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11860	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11861	West Marine Pro	VHF Radio Antennas	$ 50.84
7/24/2026	11862	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11863	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11864	West Marine Pro	*Twin Lakes* Anodes	$ 3.09
7/24/2026	11865	West Marine Pro	*Twin Lakes* Anodes	$ 1.55

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/24/2026	11866	West Marine Pro	*Twin Lakes* Anodes	$ 1.55
7/24/2026	11867	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11868	West Marine Pro	*Twin Lakes* Anodes	$ 1.54
7/24/2026	11869	West Marine Pro	Dock Line	$ 183.84
7/24/2026	11870	West Marine Pro	Round Fender	$ 35.30
7/24/2026	11871	West Marine Pro	Boatyard Retail Items	$ 492.08
7/24/2026	11872	West Marine Pro	Dredge Paint	$ 302.52
7/24/2026	11873	West Marine Pro	Boatyard Retail Items	$ 246.67
7/24/2026	11874	West Marine Pro	Boatyard Retail Items	$ 402.57
7/24/2026	11875	West Marine Pro	Boatyard Retail Items	$ 6.80
7/24/2026	11876	West Marine Pro	Boatyard Retail Items	$ 100.98
7/24/2026	11877	West Marine Pro	Boatyard Retail Items	$ 1,284.95
7/24/2026	11878	Gilbert Young	Security Deposit Refund	$ 337.70
7/3/2026	Various	Various Employees	6/16/26-6/30/26 Payroll	$ 8,788.03
7/20/2026	Various	Various Employees	7/1/26-7/15/26 Payroll	$ 8,100.69
7/1/2026	EFT	American Express	Fuel Dock Credit Card Fees	$ 80.19
7/1/2026	EFT	ElectronicPayments	Fuel Dock Credit Card Fees	$ 17.50
7/1/2026	EFT	Fiserv	RV Park Credit Card Fees	$ 829.16
7/1/2026	EFT	Gravity Payments	Front Desk Credit Card Fees	$ 2,769.88
7/1/2026	EFT	Merchant Services	Boatyard Credit Card Fees	$ 478.71
7/1/2026	EFT	Merchant Services	CALE Credit Card Fees	$ 1,840.61
7/1/2026	EFT	Merchant Services	Fuel Dock Credit Card Fees	$ 1,502.48
7/1/2026	EFT	Merchant Services	Online Billpay Credit Card Fees	$ 258.54
7/1/2026	EFT	Transaction Express	Online Billpay ACH Fees	$ 1,081.31
7/1/2026	EFT	Windcave, Inc.	Concession Lot Credit Card Fees	$ 3,303.62
7/3/2026	EFT	PAYCHEX	6/16/26-6/30/26 Payroll Direct Deposit	$ 80,410.21
7/3/2026	EFT	PAYCHEX	6/16/26-6/30/26 Payroll Taxes	$ 39,754.60
7/3/2026	EFT	PAYCHEX	Payroll Service Fees	$ 753.34
7/3/2026	EFT	California State Disbursement Unit	Wage Garnishment	$ 125.00
7/3/2026	EFT	CalPERS	Health Insurance	$ 60,329.84
7/3/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 12,061.99
7/3/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 8,542.27

Santa Cruz Port District

Accounts Payable Monthly Check Regsiter

July 2026

Date	No.	Vendor	Description	Amount
7/3/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 1,906.79
7/3/2026	EFT	CalPERS	457 Contributions (Payroll Deduction)	$ 6,955.20
7/3/2026	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	$ 257.31
7/6/2026	EFT	Fiserv	RV Park ACH Fees	$ 10.00
7/7/2026	EFT	Comerica Commercial Card Services	Business Internet	$ 235.45
7/9/2026	EFT	Comerica Bank	Service Charges	$ 270.60
7/13/2026	EFT	Campspot	RV Park Reservation System	$ 802.45
7/16/2026	EFT	GoTo Communications, Inc.	IP Telephone System	$ 513.84
7/17/2026	EFT	California Department of Tax and Fee Administation	Sales Tax Return	$ 14,315.00
7/17/2026	EFT	California Department of Tax and Fee Administation	Underground Storage Tank Maintenance Return	$ 1,192.00
7/17/2026	EFT	Gravity Payments	Front Desk Credit Card Gateway Fee	$ 24.34
7/20/2026	EFT	PAYCHEX	7/1/26-7/15/26 Payroll Direct Deposit	$ 86,309.33
7/20/2026	EFT	PAYCHEX	7/1/26-7/15/26 Payroll Taxes	$ 43,246.60
7/20/2026	EFT	PAYCHEX	Payroll Service Fees	$ 814.39
7/20/2026	EFT	PAYCHEX	Time & Attendance Fees	$ 125.93
7/20/2026	EFT	California State Disbursement Unit	Wage Garnishment	$ 125.00
7/20/2026	EFT	CalPERS	Annual Unfunded Accrued Liability Contributions	$ 573,928.00
7/20/2026	EFT	CalPERS	Additional Unfunded Accrued Liability Contributions	$ 230,369.00
7/20/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 12,264.28
7/20/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 8,708.80
7/20/2026	EFT	CalPERS	Retirement Contributions (Employee & Employer)	$ 1,905.68
7/20/2026	EFT	CalPERS	457 Contributions (Payroll Deduction)	$ 6,843.61
7/20/2026	EFT	Empower Retirement	457 Loan Repayments (Payroll Deduction)	$ 257.31
7/25/2026	EFT	West Coast Community Bank Cardmember Services	Fleet Fuel, Vessel Power Cord, *Twin Lakes* Anodes, Hazardous Waste Training, Crane Training, Traffic Signage, Confined Space Training Refreshments, Shipping, Zoom Subscription, Zip Ties, Doodle Poll Subscription, *Twin Lakes* Dredge Haulout Project Cable, Smartsheet Subscription, Post Driver, Sanding Discs, Sander Filter Bags, Staff Tablet, Commisioner Tablet, Tablet Accessories, Water Taxi Signage, Equipment Decals, Signage Post Hardware, Cell Phone Accessories	$ 13,916.31
7/30/2026	EFT	Windcave, Inc.	Concession Lot Credit Card Device Charges	$ 743.24
Total July 2026 Disbursements				**$ 3,763,766.65**

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161
scpd@santacruzharbor.org
www.santacruzharbor.org

TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: July 13, 2026

SUBJECT: Port Director's Report – August 25, 2026

Appointment in Lieu of Election

Commissioners Geisreiter and Goddard were the sole candidates to file for their respective Port Commission seats and have therefore been appointed in lieu of election.

Rail Bridge Fender Replacement Project

The Santa Cruz County Regional Transportation Commission is planning a replacement of the rail bridge fender system during summer 2027. Staff has expressed support for the project and for coordinating the work, where feasible, with the ongoing Murray Street Bridge Project. Additional coordination will be required prior to construction regarding barge mobilization and staging, maintaining vessel traffic beneath the bridge, and other project logistics.

Bureau of Ocean Energy Management (BOEM) Study

Earlier this summer, staff participated in a Bureau of Ocean Energy Management (BOEM)-commissioned study conducted by Hamer Environmental to evaluate how offshore energy development may affect West Coast ports and harbors, with particular emphasis on commercial fishing operations and related waterfront infrastructure. Following discussion regarding Santa Cruz Harbor's facilities, commercial fishing activity, and operational capabilities, the consultant indicated that significant impacts to the harbor or its commercial fishing fleet are not anticipated. As a small craft harbor, Santa Cruz is limited to shallow-draft vessels and would not accommodate the larger vessels associated with offshore energy development, although smaller support or crew vessels could potentially utilize the harbor. The harbor is also located a considerable distance from the proposed offshore energy areas near Morro Bay and Humboldt and has limited opportunities for expansion or development of supporting industrial or shipyard facilities. As a result, Santa Cruz Harbor is not anticipated to serve as a significant staging or support facility for future offshore energy development.

CSDA Board Election

The Port District cast its vote in support of incumbent Vincent Ferrante of the Moss Landing Harbor District for the California Special Districts Association (CSDA) Board of Directors. Mr. Ferrante provides local representation and brings direct experience with harbor-related issues.

CSDA Capitol Staff Tour

On September 23, 2026, the Port District will serve as one of the host districts for an upcoming California Special Districts Association (CSDA) Capitol Staffer Tour. The tour provides an opportunity to highlight the District's operations and discuss the importance of state and federal partnerships.

U.S. Coast Guard Auxiliary Meeting

On August 4, 2026, I attended a meeting of the U.S. Coast Guard Auxiliary to provide an update on current harbor activities and projects. The meeting also provided an opportunity to answer questions regarding several ongoing projects and other activities within the harbor.

CMANC Fall Meeting
The California Marine Affairs and Navigation Conference (CMANC) Fall meeting is scheduled for September 9–11, 2026, in Sacramento.

State and Local Cybersecurity Grant Program Update
Staff has submitted its third reimbursement request to CalOES under the State and Local Cybersecurity Grant Program (SLCGP), totaling $24,750. To date, the District has received $75,510 in reimbursements, or approximately 58.5% of the $129,120 grant award. The additional $24,750 reimbursement request brings total reimbursements requested or received to approximately 77.7%.

The remaining grant funds will support monthly cybersecurity monitoring and management services. Staff is requesting an extension of the grant performance period to allow the District to continue using the remaining funds through March 2027.

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SANTA CRUZ HARBOR

TO: Port Commission

FROM: Blake Anderson, Harbormaster

DATE: August 14, 2026

SUBJECT: Harbormaster's Report - August 25, 2026

National Night Out – August 4, 2026

The Port District and the Santa Cruz Police Department hosted National Night Out on August 4, 2026. The event was well attended by the public and was a great opportunity for members of the community to become more familiar with local first responders. Congratulations to Deputy Harbormaster Kyle Kingdom for a fine showing in the hands-free donut eating contest!

Moore 24 National Championships

The Santa Cruz Yacht Club is hosting the 50th Annual Moore 24 National Championships from September 25 - 27, 2026. It is estimated that approximately 80 vessels will be participating, with more than 50 coming from out of town. In total, about 160 Moore 24 boats were built, meaning that the event will host nearly half of the boats produced. Staff is coordinating with organizers on planning and logistics to ensure the event goes as smoothly as possible.

ParkMobile and Concession Lot Update

ParkMobile is now live and being widely used by visitors. Signage installation is nearly complete, with Maintenance staff wrapping up installation in the southeast harbor and at the launch ramp lot. All remaining signage is expected to be installed by the end of August, with the exception of the dredge haulout staging area, where signs will be installed once the dredge is re-launched. As part of the transition to ParkMobile, maintenance staff are also removing the remaining analog parking meters.

Testing and configuration of the new concession lot equipment is still underway at Flowbird's facility on the east coast. Delivery of the new equipment is estimated for the first week of September.

Demolition and Reconstruction of G & X Docks Project
The reconstruction of X-Dock was completed on July 31, 2026, and demolition of the northern portion of G-Dock started on August 3, 2026. It is anticipated that slips G62 to G81 will be complete on Thursday August 20, 2026. The project will proceed in two additional phases, with work on slips G35 to G61 scheduled to begin Monday, August 24, 2026, and the remaining slips anticipated to be completed during the latter half of September.

Water Taxi Service Hours

- Fridays: 3:00 pm to Dusk
- Saturdays, Sundays, and Holidays: 11:00 am to Dusk
- Thursdays (during the Crow's Nest Beach BBQs): 5:00 pm to 9:00 pm

Fishery Update
The commercial salmon fishery is approaching the summer harvest limit of 83,000 fish. The Department of Fish and Wildlife's website indicates that as of August 8, 2026, an estimated 75,665 fish have been harvested. There are only a few open days left in the Monterey Management Area: August 25 - 27, 2026. Commercial anglers will have additional opportunities in September from Pt. Reyes to Pigeon Point, with a fall harvest limit of 20,000 fish.

The recreational salmon season is still underway. The Department of Fish and Wildlife's website indicates that as of July 19, 2026, the harvest count was 7,047 out of 21,800 fish available in the Monterey Management Zone. The season runs through September 30, 2026.

Bluefin tuna have moved into the area over the last few weeks and are getting closer to Santa Cruz, with reports of landings as close as 10 miles from the harbor. With the forecast of a stronger than normal El Nino through December, our area could experience an influx of pelagic and exotic species normally found in warmer waters.

Fisheries Report continued on next page.

<u>Fisheries Report</u>

The fisheries report consists of data from two sources: the Department of Fish and Wildlife (DFW) and H&H Fresh Fish (resident fish buyer). The data from DFW is partially redacted in accordance with federal fisheries laws. Data is considered confidential when less than three separate vessels land species at any one port. For species landed by three or more separate vessels, the full data is made public and includes weight and value. For other data, the species landed is shown with no weight data.

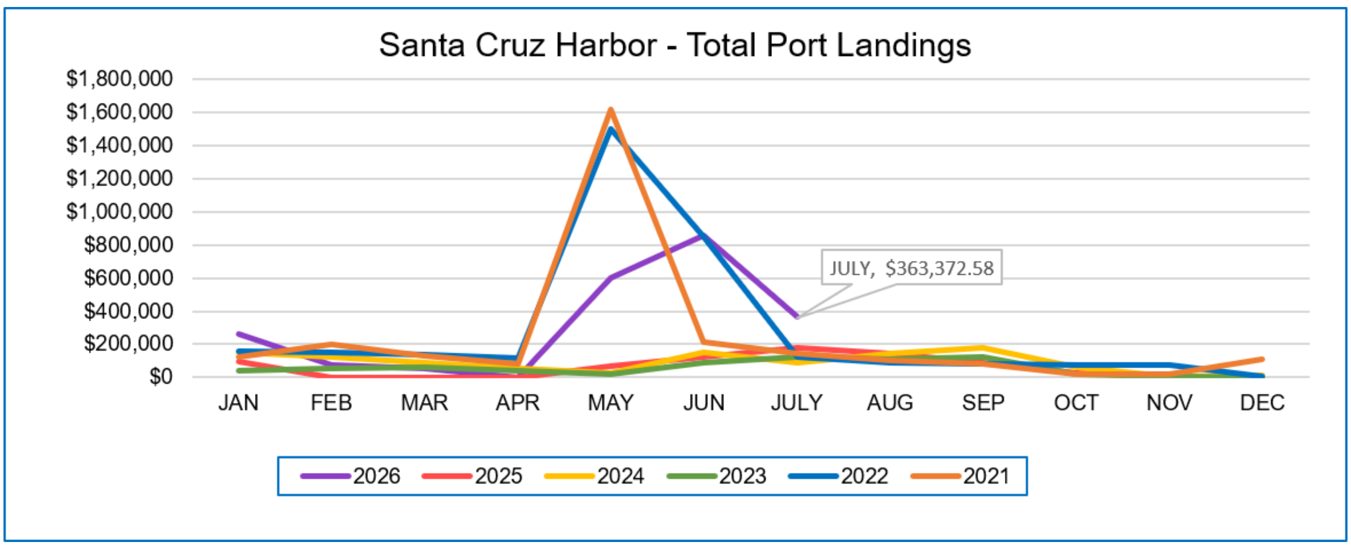
July 2026 – Total Port Landings:

Species	Weight (lbs.)	Ex-Vessel ($ per lbs.)	Approx. Value
Chinook Salmon	29,314.05	$10.79	$316,322.35
CA Halibut	7,023.38	$6.48	$45,560.60
Lingcod	376.40	$3.95	$1,489.63
Total	**36,713.83**		**$363,372.58**

Species also landed - Dungeness Crab, Rockfish (various), Sablefish, Bonito, Pacific Sardine, Pacific Pompano, Lingcod, Petrale Sole, Rock Crab , Jacksmelt, White Seabass,White Croaker, Sanddab, Pacific Mackerel, Jack Mackerel, Starry Flounder*
**Weight and value data redacted by Fish and Wildlife pursuant to Fish and Game Code, Section 8022.*

July 2026 – Resident Buyer Landings:

Species	Weight (lbs.)	Ex-Vessel ($ per lbs.)	Approx. Value
Chinook Salmon	8,038.25	$11.00	$88,420.75
Rockfish (various)	5,779.60	$3.00	$17,338.80
Halibut	3,021.61	$6.50	$19,640.46
Rock Crab	2,500.00	$3.00	$7,500.00
White Seabass	375.95	$8.00	$3,007.60
Mackerel	329.25	$2.00	$658.50
Lingcod	170.90	$3.00	$512.70
Bonito	98.60	$3.00	$295.80
Flounder	8.70	$2.00	$17.40
Soles	4.00	$2.00	$8.00
Sanddabs	1.80	$2.00	$3.60
Total	**20,328.66**		**$137,403.61**



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TO: Port Commission

FROM: Carl Wulf, Facilities Maintenance & Engineering Manager

DATE: August 18, 2026

SUBJECT: Facilities Maintenance & Engineering Manager's Report – August 25, 2025

Dredging Operations:

Twin Lakes
Twin Lakes has been disassembled into its major components, and cleaning and sandblasting have been completed. All worn bushings have been removed and will be replaced following completion of painting. The scaffolding enclosure is expected to be removed around September 1, 2026, after which the cribbing beneath the tanks and main body will be relocated to allow the remaining areas to be sandblasted and painted. *Twin Lakes* is anticipated to be re-launched during the first week of October.





Squirt
Off-season maintenance has been completed, and *Squirt* will remain stored at the boatyard until it's splashed around the end of September.

Dauntless
Dauntless remains hauled out at the boatyard awaiting the return of its propellers and shafts from Bay Propeller. Off-season maintenance, including welding and painting work, is ongoing.

D6K Caterpillar Dozer
Peterson CAT has completed all offseason maintenance and repairs of the dozer, which was returned to the beach on Monday, August 10, 2026.

Maintenance:

555 Brommer Street
SSB Construction has completed work on the roof of the single-tenant building at 555 Brommer Street, which included roof cleaning, repairs, skylight replacement, and application of a protective roof coating.

ParkMobile
Maintenance staff continues to install signage throughout the harbor for the implementation of the new ParkMobile parking payment system, which launched in early July.

Santa Cruz Harbor RV Park
Maintenance staff has completed the replacement of all damaged power pedestals in the RV Park.

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161
scpd@santacruzharbor.org
www.santacruzharbor.org

TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: August 13, 2026

SUBJECT: Murray Street Bridge Seismic Retrofit & Barrier Replacement Project Update

Construction on the Murray Street Bridge Project continues to progress, with the bridge remaining fully closed to vehicle traffic. Pedestrian access along the west harbor remains available, with traffic control in place from 6:00 a.m. to 6:00 p.m., while east harbor pedestrian access remains closed.

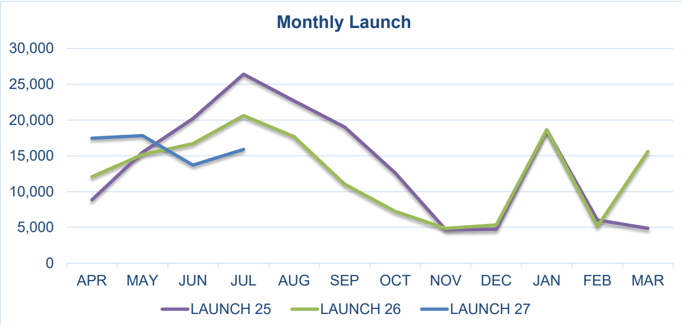
Current work is focused on completion and transition of the new sanitary sewer force main, including pressure testing, tie-in work, removal of portions of the existing force main, and associated electrical and control improvements. The schedule identifies August 21, 2026, as the earliest anticipated date to cut over to the new force main, followed by removal of the temporary bypass system.

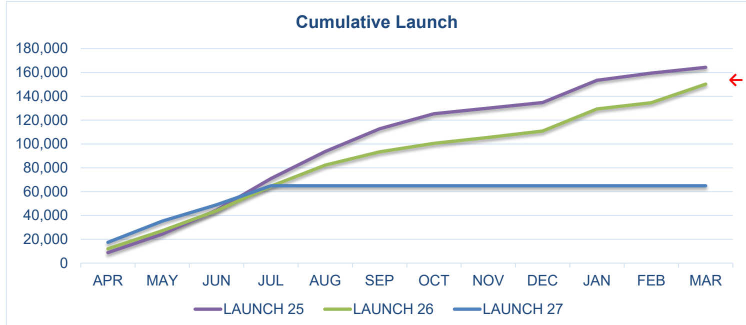
In-water bridge construction is also progressing on the south side of the bridge. Work during August includes pile and concrete work at Bents 5 and 6, construction of a temporary cofferdam and seawall demolition at Bent 4, and continued column and bent-cap construction at Bents 7 and 8. Pile-driving activities at Bent 4 are currently scheduled to begin later this month.

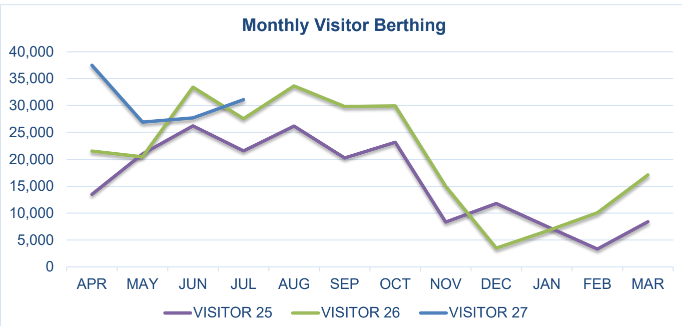
Staff continues to coordinate with the City regarding construction activities and impacts to harbor access.

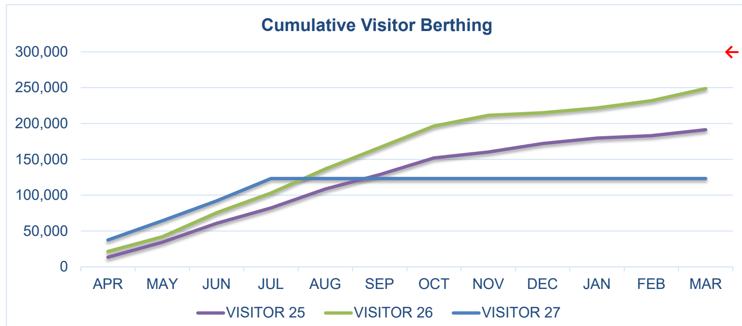
Santa Cruz Port District
SEASONAL INCOME
For the Four Months Ending July 31, 2026

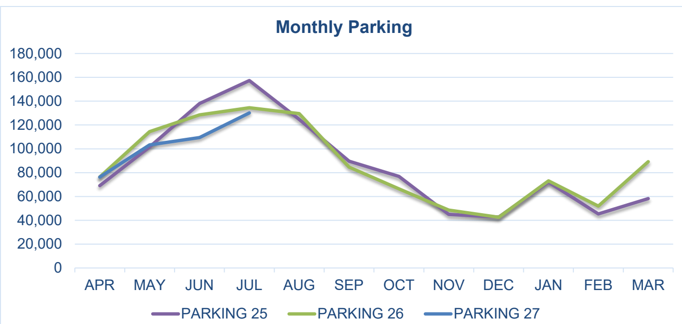
FY27 Budget ←

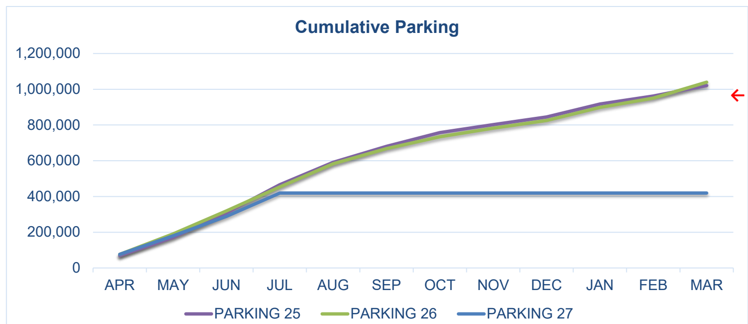


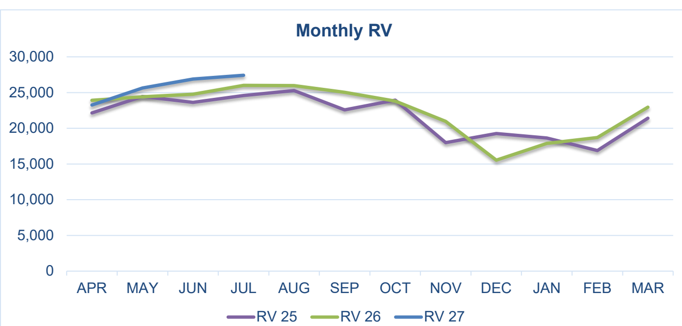


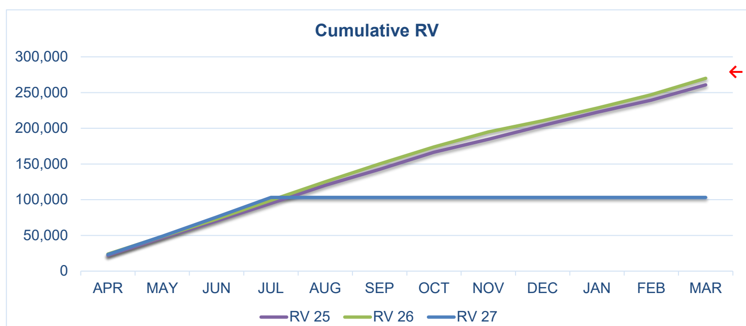












Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

August 04, 2026

LAIF Home
PMIA Average Monthly Yields

SANTA CRUZ PORT DISTRICT

PORT DIRECTOR
135 5TH AVENUE
SANTA CRUZ, CA 95062

Tran Type Definitions

Account Number: 80-44-001

July 2026 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/15/2026	7/14/2026	QRD	1803556	N/A	SYSTEM	3,144.31

Account Summary

Total Deposit:	3,144.31	Beginning Balance:	322,105.47
Total Withdrawal:	0.00	Ending Balance:	325,249.78

Investor ID:

0000073-0000355 PDFT 206401

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062

California CLASS

California CLASS

Average Monthly Yield: 3.7167%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
Port District Main	24,348,706.51	0.00	2,800,000.00	71,470.40	482,820.71	22,318,753.94	21,620,176.91
TOTAL	**24,348,706.51**	**0.00**	**2,800,000.00**	**71,470.40**	**482,820.71**	**22,318,753.94**	**21,620,176.91**

California CLASS

Account Number:

Port District Main

Account Summary

Average Monthly Yield: 3.7167%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	24,348,706.51	0.00	2,800,000.00	71,470.40	482,820.71	22,318,753.94	21,620,176.91

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
07/01/2026	Beginning Balance			24,348,706.51	
07/02/2026	Withdrawal		1,800,000.00		21254
07/22/2026	Withdrawal		800,000.00		21437
07/27/2026	Withdrawal		200,000.00		21472
07/31/2026	Income Dividend Reinvestment	71,470.40			
07/31/2026	Ending Balance			21,620,176.91	

California CLASS

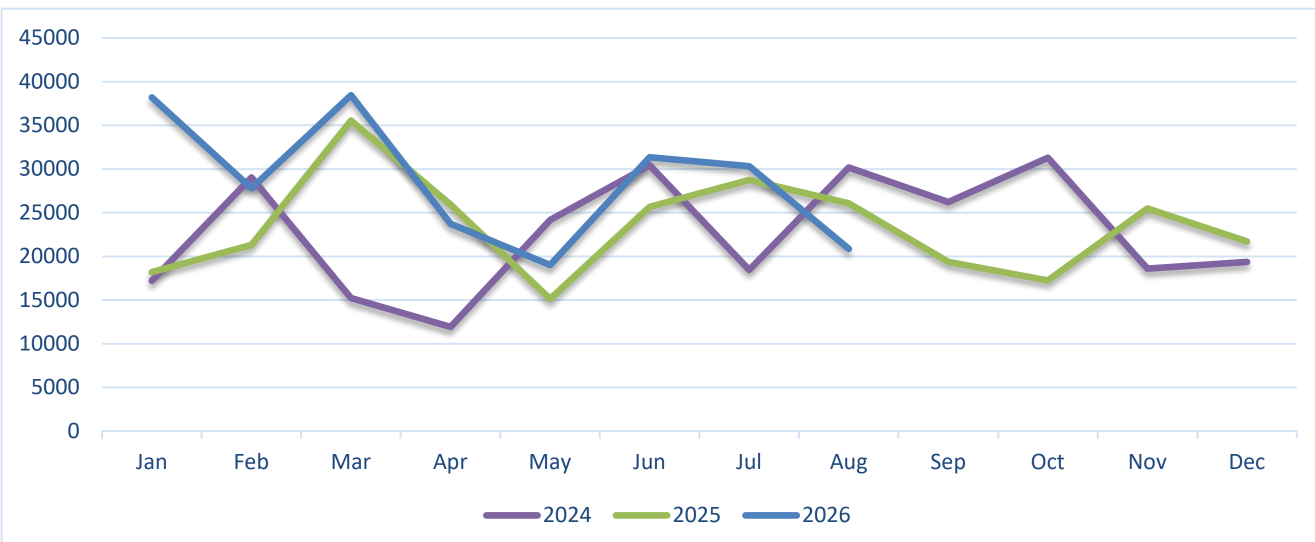
	California CLASS	
Date	Dividend Rate	Daily Yield
07/01/2026	0.000101896	3.7192%
07/02/2026	0.000407480	3.7182%
07/03/2026	0.000000000	3.7182%
07/04/2026	0.000000000	3.7182%
07/05/2026	0.000000000	3.7182%
07/06/2026	0.000101744	3.7137%
07/07/2026	0.000101846	3.7174%
07/08/2026	0.000101560	3.7069%
07/09/2026	0.000092359	3.6849%
07/10/2026	0.000302022	3.6746%
07/11/2026	0.000000000	3.6746%
07/12/2026	0.000000000	3.6746%
07/13/2026	0.000118480	3.6916%
07/14/2026	0.000101645	3.7100%
07/15/2026	0.000101835	3.7170%
07/16/2026	0.000102026	3.7240%
07/17/2026	0.000305172	3.7129%
07/18/2026	0.000000000	3.7129%
07/19/2026	0.000000000	3.7129%
07/20/2026	0.000101302	3.6975%
07/21/2026	0.000101284	3.6969%
07/22/2026	0.000101850	3.7175%
07/23/2026	0.000102103	3.7268%
07/24/2026	0.000306963	3.7347%
07/25/2026	0.000000000	3.7347%
07/26/2026	0.000000000	3.7347%
07/27/2026	0.000102404	3.7378%
07/28/2026	0.000102597	3.7448%
07/29/2026	0.000103013	3.7573%
07/30/2026	0.000102825	3.7584%
07/31/2026	0.000102922	3.7566%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**

Santa Cruz Port District
60 DAY DELINQUENT ACCOUNTS

The following accounts have balances 60 days delinquent as of August 19, 2026

Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
56212	876.41	882.82	789.21	0.00	2,548.44
56308	706.15	700.57	694.99	0.00	2,107.71
45545	684.61	679.20	648.80	0.00	2,012.61
56573	663.98	637.94	279.37	0.00	1,581.29
56970	621.39	578.80	354.24	0.00	1,554.43
57834	666.49	684.96	156.43	0.00	1,507.88
55068	475.89	480.04	476.35	0.00	1,432.28
57928	632.22	617.07	178.58	0.00	1,427.87
106	576.28	557.40	285.74	0.00	1,419.42
56083	534.25	535.22	29.94	0.00	1,099.41
57470	488.03	409.83	130.07	0.00	1,027.93
58496	321.05	318.63	291.20	0.00	930.88
60607	187.77	186.43	160.10	0.00	534.30
58813	177.11	191.27	152.67	0.00	521.05
60460	187.06	188.62	75.65	0.00	451.33
2036	96.50	95.92	70.33	0.00	262.75
47892	96.50	95.92	70.33	0.00	262.75
60926	0.00	26.87	168.97	0.00	195.84
Total	**$ 7,991.69**	**$ 7,867.51**	**$ 5,012.97**	**$ -**	**$ 20,878.17**

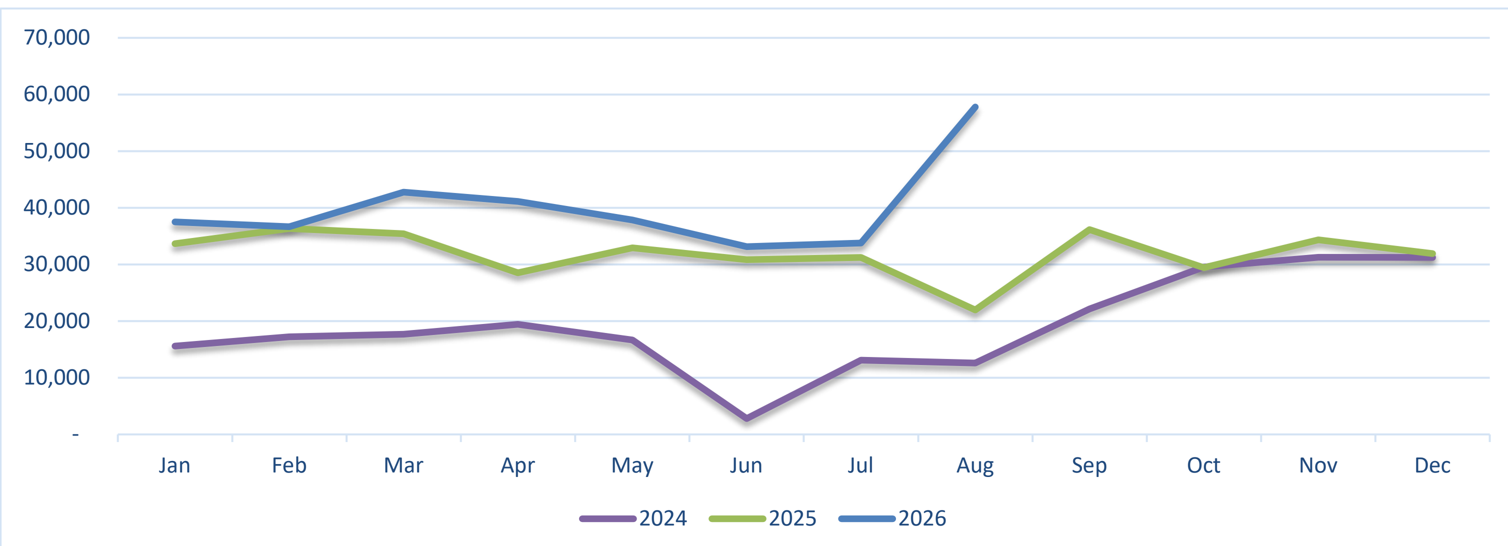


Santa Cruz Port District

90+ DAY DELINQUENT ACCOUNTS

The following accounts have balances 90 days delinquent or greater as of August 19, 2026

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
58883	22,561.02	70.93	496.13	5,405.39	28,533.47	X	Pending
58618	971.80	964.31	956.82	4,060.33	6,953.26		Revoke
3094	512.57	546.43	862.11	2,500.60	4,421.71	X	Revoke
45891	754.37	748.43	668.11	596.92	2,767.83		Revoke
55474	574.00	618.30	569.42	500.46	2,262.18		Revoke
58154	642.98	637.92	632.60	45.02	1,958.52		Revoke
46325	-	-	38.84	1,728.29	1,767.13		Bad Debt
57912	-	-	-	1,743.66	1,743.66		Bad Debt
47207	345.32	352.13	199.46	674.04	1,570.95		Revoke
48956	493.55	489.71	523.56	7.27	1,514.09		Revoke
59227	255.03	253.16	251.29	224.42	983.90		Revoke
60043	178.37	179.57	178.32	178.19	714.45	X	Revoke
57958	-	-	-	688.24	688.24		Bad Debt
58372	178.32	177.07	175.83	144.75	675.97		Revoke
61215	103.50	102.88	102.26	347.88	656.52		Revoke
58302	100.45	99.83	74.80	309.87	584.95		Revoke
Total	**$ 27,671.28**	**$ 5,240.67**	**$ 5,729.55**	**$ 19,155.33**	**$ 57,796.83**		



SANTA CRUZ PORT DISTRICT
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Santa Cruz, CA 95062
(831) 475-6161
scpd@santacruzharbor.org
www.santacruzharbor.org

TO: Port Commission

FROM: Sean Rothwell, Assistant Harbormaster

DATE: August 1, 2026

SUBJECT: Harbor Patrol Incident Response Report – July 2026

Search and Rescue, Patrol Boat Response

7/1/26 Harbor Patrol responded to a report of a flare sighting in the area of Twin Lakes State Beach. Prior to arrival, Harbor Patrol was notified by State Parks that the flares were deployed from the beach and that there were no signs of distress. Harbor Patrol returned to the harbor without incident.

7/6/26 Harbor Patrol responded to a report of a capsized catamaran in the area of Pleasure Point Beach. Upon arrival, a State Parks personal watercraft operator had assisted in righting the vessel. The vessel operators indicated that no further assistance was required. Harbor Patrol returned to the harbor without incident.

7/6/26 Harbor Patrol responded to a report of an unconscious subject floating in the water in the area of the Santa Cruz Municipal Wharf. Upon arrival, Santa Cruz Fire rescue swimmers assisted the victim onboard the patrol vessel and began administering CPR. Despite continued resuscitation efforts, the victim succumbed to their injuries.

7/7/26 Harbor Patrol responded to a report of a kitesurfer in distress in the area of Capitola Beach. Upon arrival, the kitesurfer indicated that they were not in distress. Harbor Patrol returned to the harbor without incident.

7/10/26 Harbor Patrol responded to a report of a capsized sailboat in the area of the harbor entrance. Upon arrival, Harbor Patrol assisted the victim onboard the patrol vessel and TowBoatUS towed the sailboat back to the fuel dock. Harbor Patrol assisted in righting and dewatering the vessel, after which, TowBoatUS towed the vessel back to the Santa Cruz Yacht Club. No injuries reported.

7/16/26 Harbor Patrol responded to a report of a swimmer in distress in the area of Manresa State Beach. Prior to arrival, the swimmer self-rescued. Harbor Patrol returned to the harbor without incident.

7/17/26 Harbor Patrol responded to a report of a disabled vessel in the area of the harbor entrance. Upon arrival, Harbor Patrol contacted the operator and determined that the vessel had lost power. Harbor Patrol towed the vessel back into the harbor.

7/21/26 Harbor Patrol responded to a report of a swimmer in distress in the area of Sunny Cove Beach. Upon arrival, Central Fire and State Parks rescue swimmers assisted the victim safely to shore. Harbor Patrol returned to the harbor without incident.

7/21/26 Harbor Patrol responded to a report of multiple surfers in distress in the area of 36th Avenue. Upon arrival, State Parks personal watercraft operators assisted two victims onboard the patrol vessel.

Prior to departing the area, Harbor Patrol responded to a second report of multiple surfers in distress in the area of 41st Avenue. Upon arrival, Central Fire personal watercraft operators assisted two additional victims onboard the patrol vessel. Harbor Patrol transported all four victims back to the harbor. No injuries reported.

7/26/26 Harbor Patrol responded to a report of a disabled vessel in the area of Natural Bridges State Beach. Upon arrival, Harbor Patrol contacted the operator and determined that the vessel was taking on water and could not be dewatered. Harbor Patrol assisted two victims onboard the patrol vessel and transported them back into the harbor. The vessel was subsequently recovered by TowBoatUS. No injuries reported.

7/30/26 Harbor Patrol responded to a report of a swimmer in distress in the area of Rio Del Mar State Beach. Prior to arrival, the swimmer self-rescued. Harbor Patrol returned to the harbor without incident.

7/30/26 Harbor Patrol responded to a report of a surfer in distress in the area of Steamer Lane. Prior to arrival, the surfer self-rescued. Harbor Patrol returned to the harbor without incident.

Crime Reports, Assist Outside Department, and Incident Reports

7/9/26 Harbor Patrol responded to a report of a medical emergency after a subject fell from the roof of a parked car in the area of U-Dock. Upon arrival, Central Fire paramedics were evaluating the victim, who had regained consciousness and was exhibiting erratic behavior. Assistance from the Santa Cruz Police Department and a Mental Health Liaison was requested. Harbor Patrol remained on scene and monitored the individual until the arrival of the Santa Cruz Police Department.

7/11/26 Harbor Patrol responded to a hydraulic fluid spill in the area of the launch ramp. Staff initiated clean-up efforts, deployed boom and absorbent pads around the suspected source, and contacted the National Response Center. The vessel owner was invoiced for cost recovery.

7/25/26 Harbor Patrol took an incident report after a verbal altercation occurred between two slip renters in the area of X-Dock. Harbor Patrol contacted the parties involved, and the investigation remains ongoing.

7/29/26 Harbor Patrol took a stolen property report after an electronic bicycle was reported missing from the area of the launch ramp. A review of surveillance footage provided a possible suspect. Harbor Patrol advised the victim to file a report with the Santa Cruz Police Department and that the footage would be provided upon request.

Parking Citations:

July 2026 Parking Citations: 263
July 2025 Parking Citations: 453

From:	Tom Helman
To:	scpd@ SCPD; Holland MacLaurie
Cc:	csf@hhfreshfish.com
Subject:	Supporting Harbor Businesses - a modest solution
Date:	Wednesday, August 12, 2026 12:13:17 PM

Dear Commissioners and Port Director,

I agree with the sentiment that we should support our small buisnesses at the Harbor in general and certainly during the Murray Street Bridge construction.

I have been a member of the H & H Fish CSF Club for several years. Every Tuesday I drive to their office at the Harbor and pick up my weekly pound of fish. I have also visited them on other days to buy fresh fish and crabs. Unfortunately for me during one such stop I picked up a $62 dollar parking ticket because there were a few people in line in front of me. Myself and other members need an alternate short-term parking solution rather than paying for the minimum of $2 for parking in the lot. Especially in the summer when the free spots on the street are taken. Subsequently, you have erected large signs that say once we drive past this sign we need to pay for parking - which is also cited at the three 24 minute parking meters. The last five Tuesdays that I have come to pick up my fish, I checked out the three 24 minute spots and once there was an open slot which I used and the other times the slots were taken by other cars and in most cases there were zero minutes left on their meters!

I think it is crucial for H & H Fish customers to have access to short-term parking which costs 25 cents (for the 8 minutes it takes to pick up our fish) versus paying for a full hour in the parking lot which is $2. For those of us in the club - supporting our local merchants - that drives up the cost of a pound of fish from $18 per pound to $20.

Here is my solution…

1.) Send an officer to the three 24 minute meters four times a day and write tickets for those with no time on their meters. This will help free up those spots if tickets are issued consistently.

2.) Yesterday I found two meters within the parking lot which I was glad to see and parked there and shoved in my quarter. However, there were two more meters just a few feet away, further towards the Crows Nest, where two very large white pick-up trucks were parked and again there was no time paid for on the meter. Find out who owns those trucks and have them moved away permanently.

Following these suggestions will result in 7 short-term options for those of us who support H & H.

It is also a question of fairness. Why was I given a ticket when these others over the last five weeks were given a pass. It goes without saying that it's unfair to post a huge sign that you will be punished for not paying for parking and follow that with a lack of enforcement - at least in the metered slots from my experience.

Please let me know what you think about these suggestions and what you will do to support our small businesses in terms of short-term parking.

And do know that I appreciate the volunteer work of the Commissioners and the my use of the well run harbor on the part of the staff.

Tom Helman
Live Oak
tomh@baymoon.com

Santa Cruz Port District

Port Commission Review Calendar / Follow-Up Items 2026-27

2026

January-March

- ✓ Committee Assignments for 2026
- ✓ Port District Priorities 2026
- ✓ Annual Review of Vessel Use List - 2025
- ✓ FY27 Budget
- ✓ Review 5-year CIP
- ✓ Annual Review of Business Use of Slips – 2025
- ✓ Annual Review of Slip Vacancy / Waiting List Statistics – 2025
- ✓ Annual Sea Scouts' Report
- ✓ Form 700 Filing (due by 3/31 each year)

April-June

- ✓ UC Santa Cruz Lease Exp. 6/30/26
- ✓ Biennial Update to Conflict-of-Interest Code
- ✓ Election Resolutions
- ☐ Dredge Report 2025-26 (postponed until September)

July-September

- ✓ Annual O'Neill Sea Odyssey Report

October-December

- ☐ Mid-Fiscal Year Review of CIP
- ☐ Review of CalPERS Actuarial Valuation Report
- ☐ Ethics Training Update (due by year-end)
- ☐ Biennial Anti-Harassment/Anti-Discrimination Training
- ☐ Port Commission Officers for 2027

Committee Review Items

TBD

2027

January-March

- ☐ Committee Assignments for 2027
- ☐ Port District Priorities 2027
- ☐ Annual Review of Vessel Use List - 2026
- ☐ Annual Review of Business Use of Slips – 2026
- ☐ Annual Review of Slip Vacancy / Waiting List Statistics - 2026
- ☐ Bayside Marine Lease Exp. 1/31/27
  2nd (3) year option to extend / rent review
- ☐ FY28 Budget
- ☐ Review 5-year CIP
- ☐ Annual Sea Scouts' Report
- ☐ Form 700 Filing (due by 3/31 each year)

April-June

- ☐ Chardonnay Lease Exp. 5/31/27
- ☐ Dredge Report 2026-27

July-September

- ☐ Annual O'Neill Sea Odyssey Report

October-December

- ☐ Mid-Fiscal Year Review of CIP
- ☐ Review of CalPERS Actuarial Valuation Report
- ☐ Crow's Nest Restaurant Lease Exp. 12/31/27
  1st (5) year option to extend / rent review
- ☐ Ethics Training Update (due by year-end)
- ☐ Port Commission Officers for 2028

Future Calendar

- → 7th and Brommer Property Assessment
- ☐ ABC End-Tie Review after Murray Street Bridge Retrofit
- ☐ Pedestrian Traffic Safety Improvements Review

Key	
☐	Pending
→	In process
✓	Done

Updated 8/20/26