

SAN CARLOS ESTATES WATER CONTROL DISTRICT

SCEWCD

August 2026

To the Landowners and Residents of the San Carlos State Water Control District:

This letter is our annual update on the District's operations, recent accomplishments, and priorities for the year ahead.

1. Infrastructure and Maintenance

We are proud to share that the District continues to maximize external financial support, securing **FEMA grants for over \$230,000** to significantly upgrade and repair our infrastructure following Hurricane Ian. Our previous District Manager, John Cellucci, who stepped down as Manager in January 2026, expended a significant effort to acquire the FEMA grants and other grants for the benefit of the District. Peter DeBaz worked with John Cellucci on acquiring the FEMA grants and other grants for the District. The District greatly appreciates the efforts of Mr. Cellucci and Mr. DeBaz.

We are now in the final phases of major canal dredging and cleaning operations, specifically targeting key waterways such as the **Bonita Bill canal**, which will greatly improve drainage and water flow throughout the District.

A new year-round contract has also been secured with D&S Land Management for the regular/continuous maintenance of the District's right of ways, which will include the application of herbicides to control invasive vegetative species along our rights of way and canals, as well as routine mowing of canal banks and the routine trimming of trees and brush.

This year, we have also striped the roadways to improve safety for pedestrians, cyclists, and drivers.

2. District Management and Administration

We are pleased to announce the appointment of Adrian Cruz as the District's new Manager. Adrian brings strong energy and capability to the role, and we expect him to be a valuable asset to the community.

With the help of our District Secretary-Treasurer, Shanelle Cruz, the District received a clean audit for fiscal year 2025/2026, with no management letter comments being issued—an outcome that reflects the financial discipline we continue to strive for.

3. Legal Matters

Two recent lawsuits have substantially affected our community, and we want to ensure that the landowners are accurately informed on both.

Montiero vs. SCEWCD

The District did not initiate the lawsuit against Mr. and Mrs. Montiero. Instead, the Monteiros sued the District and the District has been required to defend itself against the allegations made by the Monteiros. The Monteiros, for matters of this lawsuit, own property outside of the District and the Monteiros were claiming that they could use the District's roads for access to their property outside the District without acquiring a District permit and without paying the District for the use of the District's roads. The Monteiros' based their claim on the incorrect allegation that the District's roads were public roads that could be used by the Monteiros for free and without the District's permission. For an extended time period, the District has stated that the District's roads are private and are subject to the District's control and authority so that a person who wants to use the District's roads must acquire a permit from the District. For an extended time period, the District has also stated that landowners outside the District have to pay a fee to use the District's roads and canals. As a result of the District's efforts in defending itself against the Monteiros incorrect allegations, the Court has now ruled that the District's roads are private District roads owned by the District, and that the District has the right to control the use of the District's roads and to charge a fee for the use of the District's roads by the Monteiros. This Court ruling validates the District's authority to require landowners outside the District who want to use the District's right of ways (roads and canals) to first acquire a use permit from the District and to also pay the District a use fee.

Nadig v. SCEWCD

The second lawsuit against the District is a lawsuit filed by Mr. Nadig against all of the Landowners of the District in Federal Court. Mr. Nadig incorrectly alleged that the District interfered with his voting rights as a landowner. As with the Monteiro lawsuit, the District has been forced to defend against the allegations made by Mr. Nadig.

Regarding these legal matters, **we have successfully been reimbursed by our insurance carriers for a portion of the legal costs, and we are actively seeking further reimbursement to ensure the costs are covered** as much as possible by others so that the District landowners do not have to pay for all of the cost of defense of the District against the incorrect claims in the Monteiro and Nadig lawsuits.

The amounts of legal costs not reimbursed, as of June 2026, are as follows:

- Montiero lawsuit- \$101,000

- Nadig lawsuit - \$43,000

4. Community Involvement

We are dedicated to fostering stronger communication and active participation within our District. Through our website, meetings, and active community outreach, we encourage all landowners to stay connected, share feedback, and participate in shaping the future of our neighborhood.

5. Community and Safety

To offset increased road wear from heavy construction vehicles, the District has adjusted its driveway permit fees. This update ensures we can maintain safe, high-quality local infrastructure, without passing on additional costs to the landowners.

At the front entrance, the broken fence has been removed. The cost of continued repairs had become unsustainable, and the community expressed a clear preference for the fence to come down. The entrance now presents a more open, welcoming face to the neighborhood.

At the rear gates, damage from vehicles attempting to tailgate through on a single cycle has been a recurring problem. Updated cameras have been installed to monitor the gates, which are designed to allow only one vehicle to pass at a time.

The District is also working to install and replace street signage throughout the community, including speed limit signs, stop signs, and other regulatory markers.

Thank you for your trust and support over the past 6 years. It has been a privilege serving as your Chairman, and as I run for re-election this year, I look forward to the opportunity to continue serving our community for another 3 years. SCEWCD exists to serve you, and we remain committed to delivering the results, maintenance, and accountability you expect.

Sincerely,

A handwritten signature in cursive script that reads "James M. Bradford".

James M. Bradford
Chairman, Board of Supervisors
San Carlos Estates Water Control District