

Budget Narrative

Water Year 4 Preliminary Operating Budget



Projected Revenue	Projected Expense	Projected Net Position
\$2,431,388.00	\$2,946,914.86	(\$515,526.86)

1. Purpose and Budget Basis

This narrative explains the preliminary Water Year 3 (up from WY4 5/8/26) operating budget for UWPA and is intended to support Board and management review. It translates the budget workbook into a concise explanation of the current revenue assumptions, major operating cost drivers, reserve commitments, and key financial pressures affecting the Authority.

The narrative is also designed to align with the ODSP framework already adopted in UWPA planning documents, which expects annual budgeting to support safe operations, inspections and monitoring, training, reporting, staffing and succession readiness, recordkeeping, corrective action closure, and continuous improvement.

2. Current Water Year 4 Financial Overview

Category	Amount	Comment
Total operating and other budgeted income	\$2,431,388.00	Based on the Preliminary Budget workbook.
Total expense	\$2,946,914.86	Includes payroll, O&M, professional services, reserve funding, fees, insurance, and grant expenditures budgeted, CIP and Reserve contributions in the workbook.
Projected net deficit	(\$515,526.86)	Current deficit before any board adjustments

On the current Water Year 3 projection, UWPA shows approximately \$2.43 million in income against roughly \$2.95 million in expense, for a projected deficit of about \$515.5 thousand. The deficit is meaningful, but the numbers also reflect that UWPA is carrying substantial fixed operating, compliance, insurance, and reserve obligations that continue whether water year conditions are favorable or not.

Because this is a preliminary operating budget, the deficit should be interpreted as a planning signal rather than a final fiscal outcome. Later decisions on reserves, grants, revenues, carryovers, and capital phasing may materially change the final budget picture.

3. Six-Water-Year Powerhouse Revenue Trend

The provided water year revenue projections show a pronounced decline in powerhouse generation revenue over the planning horizon. This is one of the clearest structural drivers behind the funding gap in the current operating narrative.

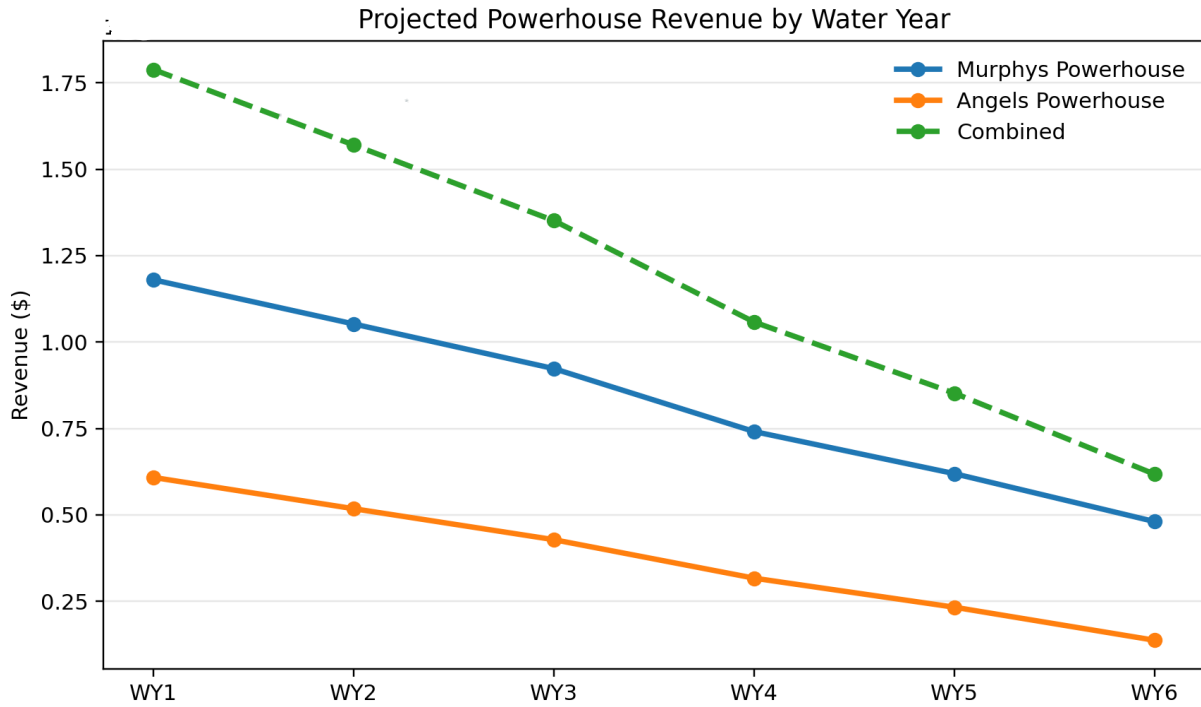


Figure 1. Projected Murphys, Angels, and combined powerhouse revenue by water year.

Water Year	Murphys PH	Angels PH	Combined
WY1	\$1,179,927	\$608,182	\$1,788,109
WY2	\$1,052,170	\$517,719	\$1,569,889
WY3	\$922,892	\$428,091	\$1,350,983
WY4	\$740,906	\$316,735	\$1,057,641
WY5	\$619,135	\$232,739	\$851,874
WY6	\$480,458	\$137,083	\$617,541

Murphys Powerhouse revenue declines from \$1,179,927 in WY1 to \$480,458 in WY6, a decrease of 59.3%. Angels Powerhouse revenue declines from \$608,182 to \$137,083, a decrease of 77.5%. Combined powerhouse revenue declines from \$1,788,109 in WY1 to \$617,541 in WY6, a reduction of 65.5%.

This trend matters because powerhouse income has historically absorbed of UWPA's fixed operating, dam safety, regulatory, and administrative costs. When generation revenue declines this sharply, the same base obligations consume a much larger share of total available income.

4. Water Year 4 Revenue Composition

Revenue Source	Amount	Share of Income
Murphys Powerhouse power sales	\$922,892	37.96%
COA Water Agreement	\$447,500	18.4%
UPUD Water Agreement	\$447,500	18.4%
Angels Powerhouse power sales	\$428,091	17.6%
Irrigation Water Contractors	\$54,000	2.2%
Interest income	\$40,000	1.6%
Crown Castle tower lease	\$40,000	1.6%
Grant funding currently budgeted	\$28,000	1.1%
Hunter Reservoir rental house	\$14,169	0.5%
COA Sierra Hydrographics pass-through	\$4,800	0.2%
Cal.Net tower lease	\$3,436	0.2%

The current revenue base is concentrated in a few sources: Murphys Powerhouse, the COA & UPUD Member Contributions, and Angels Powerhouse.

MPH and APH figures are forecasted revenue for a WY3 which is the current reading for April 30th reading.

COA and UPUD Member Contributions based on the agreed terms in the 5-year funding plan.

Interest income projected on FY2025/26 interest income.

Irrigation water contracts TBD, but committee recommends no change.

5. Major Expense Categories

Expense Category	Amount	Share of Expense
Wages, benefits, and burden	\$1,447,932.76	49.13%
Reserve Contributions	\$344,500.00	11.35%
Professional/Special Services	\$166,978.00	5.67%
Property and liability insurance	\$113,567.50	3.85%
Governmental and other fees	\$104,171.60	3.53%
Maintenance and repair	\$105,000.00	3.56%
Travel and training	\$24,000.00	.81%
Utilities and communications	\$31,807.00	1.08%
Capital outlay currently budgeted under \$50,000	\$0.00	0.0%
Grant expenditures budgeted	\$56,000.00	1.90%
Capital Outlay	\$450,000	15.27%

Personnel costs are the dominant expense category it reflects the reality that UWPA depends on trained staff to operate project facilities, manage water conveyance, maintain dam safety readiness, perform inspections and monitoring, coordinate reporting, and sustain emergency response capability.

The Reserve Policy Contributions are also a major driver. Even though it is not a day-to-day operating expense in the same sense as payroll or fuel, it represents a real planned commitment to future regulatory obligations that UWPA cannot ignore.

Professional services, dam fees, insurance, maintenance, and training are all consistent with the obligation to preserve a safe and compliant hydro and dam safety program.

The budget narrative supports the regulatory compliance structure already in place for UWPA. The ODSP assigns dam safety responsibilities across the General Manager, Chief Dam Safety Engineer, O&M Superintendent, Water Conveyance Supervisor, operators, Administrative Specialist, and Regulatory Compliance Specialist. Those assignments require annual budget capacity for staffing, consultant support, inspections, surveillance and monitoring, gate and valve testing, emergency preparedness, training, communications, recordkeeping, and corrective action follow-up.

7. Interpretation of the Current Deficit

The current projected deficit should be understood as the combined effect of reduced generation revenue due to low snowpack and persistent regulatory compliance operating obligations. The shortfall is not explained by a single outlier line item; rather, it reflects a system in which fixed staffing, dam safety, regulatory compliance, insurance, and reserve costs are increasingly difficult to support from a shrinking powerhouse revenue base in lower than water year 1 years.

This narrative therefore supports a planning discussion rather than a simple cost-cutting discussion. The Board and management may need to evaluate whether the gap should be addressed through revenue adjustments, reserve policy decisions, staged capital planning, operational changes, increased member agency contributions, debt service, or a combination of these measures.

Because no capital improvement plan is yet included, the budget still understates the long-term financial picture. Future dam safety, powerhouse, conveyance, SCADA, public safety, and infrastructure work will need to be layered on top of the current operating baseline. UWPA has applied for a small conduit exemption and restated its commitment to self-compliance as a core value. Deferring CIP investment would undermine those commitments.

8. Committee Recommendations

Resources Committee:

No changes to AG rate contracts for this fiscal year approve by Board vote

CIP Committee:

Recommended CIP Spending for this fiscal year:

Murphys Power House Relay Upgrades: \$250,000.00

Hunters Dam Comprehensive Assessment for Concrete: \$50,000.00

Murphys Power House Generator Rewind Project Scoping: \$50,000.00

Angels Pennstock: \$75,000.00

Budget Committee:

Hunters Rental House: No change to rent price this fiscal year

3% COLA for all employees (except GM) approved by Board vote

Attachment A. Selected Budget Inputs Used in this Narrative

Preliminary Budget workbook, Consolidated sheet: total income \$2,431,388; total expense \$2,946,914.86; net income \$(515,526.86).

This would amount to \$257,763.43 additional from each member agency which would total \$705,263.43 in total contributions from each agency. The total member contributions for this fiscal year would be \$1,420,526.86 combined contributions should the board approve.

Income	
1200 Operating Income	
1200-01 NCPA Water Sales	\$ -
1200-02 COA Water Agreement	\$ 447,500.00
1200-03 UPUD Water Agreement	\$ 447,500.00
1200-04 Irrigation Water Contractors	\$ 54,000.00
1200-05 1200-05 Slurry Line / CCWD Wheeling Fees	\$ 1,000.00
1210 Power Sales	
1210-01 Angels Powerhouse - Power Sales	\$ 428,091.00
1210-02 Murphys Powerhouse - Power Sales	\$ 922,892.00
1220 Other Income	
1220-01 Other Income	\$ -
1300 Interest Income	
1300-01 Interest Income	\$ 40,000.00
1310 Rent Income	
1310-01 Sierra HOPE Lease Agreement	\$ -
1310-02 Crown Castle MFB Tower Lease Agreement	\$ 40,000.00
1310-03 Hunter Reservoir Rental House	\$ 14,169.00
1310-04 Cal.Net MFB Tower Lease Agreement	\$ 3,436.00
1320 Member Contributions	
1320-01 Member Contributions	
1340 Other Non-Operating Income	
1340-01 COA Sierra Hydrographics Pass Through	\$ 4,800.00
1340-02 Other Income	\$ -
1350 Reserve Income	
1350-01 FERC Relicensing / Exemption Reserve (transfer in)	
1350-02 Operating Reserve (transfer in)	
1350-03 FERC Five Year Plan Reserve	
1350-04 FERC 10 Year Plan Reserve	
1350-05 Budget Balancing Reserve	
1400 Grant Funding	
1400-01 Hunter Reservoir Fuels Reduction Project	
1400-02 Lower Utica Canal Wastegates and Gaging Stations Project	
1400-03 ACWA JPIA Risk Control Grant	
1400-06 Utica and Angels Canal Lining (USBR WaterSMART)	\$ 28,000.00
1400-10 Utica Grants Administration (% of grant award)	
1500 Disaster Relief Reimbursements	
1500-01 FEMA 75% (New Year's Storm)	
1500-02 Cal OES 75% of 25% Remainder (New Year's Storm)	
Billable Expenditure Revenue	
Billable Expense Income	
Carryover	
Markup	
Sales	
Sales of Product Income	
Sales of Product Revenue	
Shipping Income	
Unapplied Cash Payment Revenue	
Uncategorized Income	
Total Income	\$ 2,431,388.00

3000 Wages, Benefits & Burden	
3100 Power	
3101 Power Wages	
3101-01 Operations & Maintenance Superintendent	\$ 132,412.80
3101-02 Hydroelectric Operator	\$ 84,905.60
3101-03 Hydroelectric Operations Technician	\$ 91,436.80
3101-04 On-Call	\$ 18,450.00
3101-05 Hydro Management Leave	\$ 5,092.80
3101-06 Obsolete - One-Time 457 Contrib	
3101-10 Overtime	\$ 12,000.00
3101-11 One-Time Bonus	\$ 5,000.00
3102 Power Burden	
3102-01 Social Security, Medicare, State Unemployment Ins.	\$ 31,331.12
3102-03 Workers Comp	\$ 19,224.28
3103 Power Benefits	
3103-01 Health Insurance - SDRMA	\$ 74,382.48
3103-02 Health Reimbursement Account - EDIS	\$ 13,548.00
3103-03 Dental/Vision/Chiro/Life Insurance - Choice Builder	\$ 4,291.56
3103-04 CalPERS Pension	\$ 24,484.29
3103-06 CalPERS Pension Unfunded Liability	\$ 8,956.40

3200 Water	
3201 Water Wages	
3201-01 Water Conveyance Supervisor	\$ 111,404.80
3201-02 Senior Water Conveyance Operator	\$ 90,979.20
3201-03 General Manager	\$ 155,000.00
3201-04 Administrative Compliance Specialist	\$ 71,427.20
3201-05 Administrative Specialist, Clerk of the Board	\$ 73,216.00
3201-06 Hydroelectric Relief Operator and Conveyance Operator	\$ 67,974.40
3201-07 Temp. Hire for Admin Support	\$ -
3201-08 Temp. Hire for Operations	\$ 25,000.00
3201-09 IT Administrator	\$ 29,540.16
3201-10 Overtime	\$ 10,000.00
3201-11 Conveyance Management Leave	\$ 4,284.80
3201-12 Administration Management Leave	\$ -
3201-13 One-Time Bonus	\$ 5,000.00
3202 Water Burden	
3202-01 Social Security, Medicare, State Unemployment Ins.	\$ 49,561.73
3202-03 Workers Comp - Ops, GM, and Office Staff	\$ 24,059.74
3203 Water Benefits	
3203-01 Health Insurance - SDRMA	\$ 117,574.50
3203-02 Health Reimbursement Account - EDIS	\$ 21,264.00
3203-03 Dental/Vision/Chiro/Life Insurance - ChoiceBuilder	\$ 5,151.84
3203-04 CalPERS Pension	\$ 47,543.66
3203-06 CalPERS Pension Unfunded Liability	\$ 13,434.60
3203-07 One-Time 457 Contribution	\$ -

4000 Conveyance Maintenance and Supplies	\$ 15,000.00
4000-01 Angels Flume 1	
4000-02 Angels Flume 2	
4000-03 Angels Flume 3	
4000-04 Angels Flume 4	
4000-05 Angels Flume 5	
4000-06 Utica Hunters Bypass Flume	
4000-07 Utica Flume 1	
4000-08 Utica Flume 2	
4000-09 Utica Flume 3	
4000-10 Utica Flume 4	
4000-11 Utica Flume 5	
4000-12 Utica Flume 6	
4000-13 Utica Flume 7	
4000-14 Utica Flume 8	
4000-15 Utica Flume 9	
4000-16 Utica Flume 10	
4000-17 Utica Flume 11	
4000-18 Utica Flume 12	
4000-19 Utica Flume 13	
4000-20 Utica Flume 14	
4000-21 Utica Flume 15	
4000-22 Utica Flume 16	
4000-23 Utica Flume 17	
4000-24 Utica Flume 18	
4000-25 Utica Flume 19	
4000-26 Angels Canal Maintenance and Supplies	
4000-27 Utica Canal Maintenance and Supplies	

4100 Maintenance & Repair	
4100-01 Road Maintenance	\$ 5,500.00
4100-02 Flume Maintenance and Supplies	\$ -
4100-05 Property Maintenance	\$ 5,500.00
4100-06 Fuel for Vehicles and Equipment	\$ 18,000.00
4100-07 Maintenance for Vehicles and Equipment	\$ 7,500.00
4100-08 Temporary Labor	\$ -
4100-09 Powerhouses Maintenance and Supplies	\$ 15,000.00
4100-10 Gaging Station Maintenance	\$ 6,000.00
4100-11 Misc Supplies and Repairs	\$ 12,000.00
4100-12 FERC/DSOD Mandated System Maintenance	
4100-13 Revenue Meter Maintenance	
4100-14 Dam and Spillway Maintenance	\$ 15,000.00
4100-15 Owners Dam Safety Plan Audit - Mandated Actions	\$ -
4100-16 Irrigation Maintenance (Not Meter Replacement)	\$ 2,500.00
4100-17 Cal Fire	\$ 18,000.00

4110 Misc. Supplies & Services	
4110-01 Office Services, Supplies, Equipment, Misc.	\$ 12,000.00
4110-02 Employee Uniforms, Boots, PPE	\$ 5,000.00
4110-04 Headquarters Cleaning	\$ 2,000.00
4120 Leases & Subscriptions	
4120-02 Sierra Pacific Industries Lease	\$ 250.00
4120-03 Office Toshiba Copier Lease	\$ 3,000.00
4120-04 Software Subscriptions	\$ 9,000.00
4120-06 Wylderidge Tower Lease NCPA	\$ -

4200 Property & Liability Insurance	
4200-01 ACWA/JPIA Auto & General Liability	\$ 38,367.50
4200-02 ACWA/JPIA Property Insurance	\$ 74,000.00
4200-03 ACWA / JPIA Cyber Liability	\$ 1,200.00

4300 Memberships	
4300-01 Association California Water Agencies	\$ 14,663.00
4300-02 Tuolumne-Stanislaus Integrated Regional Water Management WAC	\$ 220.00
4300-03 Mountain Counties Water Resources Association	\$ 1,500.00
4300-04 Calaveras Historical Society	\$ 50.00
4300-05 California Special District Association	\$ 2,000.00
4300-06 Amazon Prime	\$ 200.00
4300-07 Farm Bureau - Calaveras Chapter	\$ 200.00
4300-08 Murphys Community Park Association	\$ 75.00

4400 Professional/Special. Services	
4400-03 Chief Dam Safety Engineer	\$ 20,000.00
4400-05 Murphys/Angels Powerhouse Inspection Reports	\$ 10,400.00
4400-07 SCADA and PLC Programming	\$ 7,000.00
4400-08 Certified Public Accountant	\$ 2,808.00
4400-09 Annual Audit	\$ 15,000.00
4400-10 General Legal Counsel	\$ 5,000.00
4400-11 FERC Exemption Legal Counsel	\$ -
4400-12 FERC Exemption General Services	\$ -
4400-14 FERC Regulatory Compliance	\$ -
4400-16 FERC Exemption Consultants	\$ 25,000.00
4400-20 Hydrology Analysis Services	\$ 25,380.00
4400-21 Community Education/Outreach	\$ 2,000.00
4400-24 Grant Writing/Eng./Finance/Mgmt	\$ 5,000.00
4400-28 Website Maintenance and Support	\$ 7,000.00
4400-29 GIS Mapping	\$ 2,000.00
4400-31 Recruitment	\$ -
4400-32 Water Rights Protection & Reporting	\$ 15,000.00
4400-33 Human Resources Consulting Support	\$ 2,400.00
4400-34 Revenue Meter Maintenance - CAISO	\$ 5,990.00
4400-36 Water Rights Legal Counsel	\$ 17,000.00

4500 Governmental & Other Fees	
4500-02 FERC Annual Admin & Land Charge	\$ 11,000.00
4500-03 Dept Water Resources Dam Fees	\$ 75,920.00
4500-04 WREGIS Annual Fee	\$ 75.00
4500-05 Powersoft Billing Software (MPH & APH)	\$ 500.00
4500-06 County Taxes (Booster, Hunters)	\$ 1,631.60
4500-07 USA North 811 Annual Fee	\$ 300.00
4500-08 County Environmental Health Hazardous Waste	\$ 675.00
4500-09 CA Dept of Tax & Fee Admin - State Water Rights	\$ 2,500.00
4500-11 United States Geological Service Fees	\$ 10,000.00
4500-12 Bank Charges	\$ 100.00
4500-13 Miscellaneous Fees and Expenses	\$ 1,000.00
4500-16 Wylderidge Road Fee	\$ 470.00

4600 Communications	
4600-01 Comcast	\$ 11,000.00
4600-04 Verizon	\$ 11,000.00
4600-05 Columbia Communications	\$ 975.00
4600-06 Cal.Net	\$ 2,912.00
4600-12 Starlink	\$ 4,320.00
4600-13 ADT Security	\$ 1,600.00

4700 Utilities	
4700-01 Calaveras Public Power Agency	\$ 8,000.00
4700-02 PG&E	\$ 15,000.00
4700-04 UPUD Water Service	\$ 1,000.00
4700-05 City of Angels Water Service	\$ 5,100.00
4700-06 CCWD Water Service	\$ -
4700-07 Cal Waste Garbage & Recycling	\$ 2,700.00
4700-08 Mountain Oasis Bottled Water	\$ 1,000.00
4700-09 Ebbetts Pass Gas Propane	\$ 2,500.00

4800 Travel & Training	
4800-01 Travel and Training	\$ 20,000.00
4800-03 Mileage Reimbursement	\$ 1,500.00

4900 Information Technology	
4900-02 Computers, Software, Hardware, and Equipment	\$ 5,000.00

5000 Powerhouses	
5000-01 MPH Relay Protection Upgrade	\$ 250,000.00
5000-02 Jet Control Replacement	
5000-04 Feasibility & Facility Assessments	\$ 200,000.00

7000 Reserve Contributions	\$ 344,500.00
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