

UTICA WATER AND POWER AUTHORITY

Date: February 24, 2026
To: Erik Holt, General Manager
From: Brandi Sparks, Accounting Technician
Re: Mid-Year Budget Review FY 2025-2026

Summary:

The Utica Board directed staff to recommend budget adjustments throughout the year, as needed, to reduce the number of discrepancies between the adopted budget and actuals at the end of the fiscal year. Typically, these proposed adjustments are presented to the Utica Budget Committee where they are discussed and refined. However, the FY 2025-2026 budget is generally on target in most categories and no adjustments are recommended at this time.

	Budgeted	Mid Year Projection	Difference
Revenues TOTALS:	\$3,334,505	\$3,385,171	\$50,666
Expenses TOTALS:	\$4,016,313	\$4,063,203	\$46,890
			\$3,776

Revenues:

- NCPA Water Sales: Staff projected no water sales to NCPA during the 202-26 Fiscal Year. Due to contract limits with PG&E, staff decided to sell water in July, August, October, November, and December.
- Angels Powerhouse: Reduced projected revenues due to water sales that limited the water available to generate hydropower.
- Murphys Powerhouse: Reduced due to water sales that limited the water available to generate hydropower.
- Irrigation Water Contractors: Two irrigation customers did not use on-season water this fiscal year.
- Other income: Pacific Gas and Electric is refunding for costs associated with the cancellation of the Wylderidge Tower project.

- Interest Income: Staff project budgeted interest income to be lower-than-anticipated, due to interest rates.
- Sierra Hope cancelled lease and we have not found new renters for the office space.

GL	Description	Budgeted	Mid Year Projection	Difference
1200-01	NCPA Water Sales	\$0	\$280,750	\$280,750
1210-01	APH Power Sales	\$576,681	\$480,778	\$95,903
1210-02	MPH Power Sales	\$1,124,321	\$1,038,261	\$86,060
1200-04	Irrigation Water Contractors	\$54,000	\$46,658	\$7,342
1220-01	Other Income	\$0	\$7,863	\$7,863
1300-01	Interest Income	\$81,270	\$40,000	\$41,270
1310-01	Sierra HOPE Lease	\$21,312	\$5,328	\$15,984

Expenses:

- Wages: General Manager wages will be lower than budgeted this year.
- SDRMA: Costs are decreased due to staffing changes.
- EDIS: Actual expenditures have exceeded the adopted budget.
- Flume Maintenance: Staff anticipate that expenditures will exceed the budgeted amount.
- Temporary Labor: With CalFire increasing their costs and Spring maintenance coming up Staff expects an exceedance of the budgeted amount.
- General Legal Counsel: Costs have exceeded the approved budget.
- FERC Exemption General Services: FERC General Services has exceeded the approved budgeted amount.
- FERC Exemption consultants: Consultant expenses have exceeded the adopted budget.
- Human Resources Consulting Support: Recruitment activities resulted in higher than anticipated costs.
- IT Outside Services: Staff does not expect to exceed the mid-year projection amount before the end of the fiscal year.
- County Taxes: County has been assessing taxes incorrectly and this will be the new rate moving forward.
- Recruitment: With General Manager recruitment costs exceeded budgeted amount.
- Travel and Training: Staff is projecting lower than budgeted costs.
- Computers, Software, Hardware and Equipment: Staff are projecting lower than budgeted costs.
- MPH Relay Protection: This project was not budgeted for in this fiscal year and there is a signed contract in place with KGS.
- Backup MPH Transformer: Board approved \$50,000, to move forward with determination of transformer requirements.
- General Facilities: Remodel of open office space. Paint, carpet, and electrical.

GL	Description	Budgeted	Mid Year Projection	Difference
3201-03	General Manager	\$153,192	\$145,176	\$8,016
3203-01	Health Insurance-SDRMA	\$150,384	\$126,684	\$23,700
3103-02	Health Reimburse Acct (Power)	\$10,000	\$13,000	\$3,000
3203-02	Health Reimbursement Acct	\$10,796	\$24,113	\$13,317
4100-02	Flume Maintenance	\$103,000	\$123,000	\$20,000
4100-08	Temporary Labor	\$35,000	\$45,000	\$10,000
4400-10	General Legal Counsel	\$22,204	\$45,000	\$22,796
4400-12	FERC Exemption General	\$50,000	\$58,811	\$8,811
4400-16	FERC Exemption Consultants	\$330,500	\$353,032	\$22,532
4400-31	Recruitment	\$1,000	\$5,265	\$4,265
4400-33	Human Resources Consulting	\$1,500	\$2,484	\$984
4400-35	IT Outside Services	\$30,000	\$10,000	\$20,000
4500-06	County Taxes (Booster,Hunter)	\$400	\$1,632	\$1,232
4800-01	Travel and Training	\$20,000	\$15,000	\$5,000
4900-02	Computers, Software & Equip	\$10,609	\$5,000	\$5,609
5000-01	MPH Relay Protection Upgrade	\$0	\$49,592	\$49,592
5000-11	Backup MPH Transformer	\$123,111	\$50,000	\$73,111
5200-03	General Facilities	\$10,000	\$40,000	\$30,000

Financial Implications:

To offset these variances, we are projecting higher-than-anticipated generation revenue for the remainder of the year. Increased generation output and favorable operating conditions are expected allowing us to remain aligned with overall budget expectations. Staff does not anticipate that additional funding will be needed, as the approved FY25-26 budget remains on track.