REGULAR BOARD MEETING AGENDA

5:30 p.m., Tuesday, October 27, 2026
Utica Headquarters | 1168 Booster Way, Angels Camp, CA 95222

View the meeting agenda packet: www.uticawater.com/board-meetings

UTICA BOARD OF DIRECTORS

Caroline Schirato – Chair
Eric Bottomley – Vice Chair
Bruce Tallakson – Secretary
Alvin Broglio – Director
Gary Conrado – Director

ORDER OF BUSINESS

1. **Call to Order & Pledge of Allegiance**

2. **Roll Call**

3. **Approval of the Agenda**

4. **Public Comment**
   Members of the public may address the Board on items not listed on the agenda. Comments are limited to three minutes. No action will be taken on items not on the agenda. The public is encouraged to work with staff to put items on the agenda for Board consideration.

5. **Consent Calendar**

   These items are expected to be routine and non-controversial. Unless a Board member pulls an item, all items will be approved together at one time without discussion.

   A. Approve minutes from the September 2026 Regular Board Meeting (Karnes)
   B. Approve minutes from the September 2026 Special Meeting (Karnes)

C. Accept Generation reports for September 2026 (Sparks)
D. Accept Financial reports for September 2026 (Sparks)
E. Accept Operations Report (Fields)
F. Accept Water Conveyance Report (Rasmussen)
G. Accept FERC Exemption Billing Report (Sparks)
H. Accept Quarterly Training Report (Sparks)
I. Accept Quarterly Grant Report (Sparks)

6. Regular Agenda

A. Discussion Coffee with Staff/Board Public Engagement
(Erik Holt, General Manager)

B. Discussion/Action FY 25-26 Budget Reconciliation
(Erik Holt, General Manager)
Resolution 2026-14

C. Discussion/Action to Adopt JPA Member Contribution Rate
(Erik Holt, General Manager)
Resolution 2026-15

D. Discussion 100-Year Strategic Funding Plan and Discussion on Hydroelectric Generation
(Erik Holt, General Manager)

7. Correspondence, Board / General Manager Reports, Future Agenda Items

A. Correspondence

B. General Manager Report

C. Board Reports

D. Future agenda items

8. Upcoming Board Meetings and Calendar Events

- Regular Board Meeting, Tuesday, November 24, 2026, at 5:30 p.m. (consider rescheduling)

9. Adjournment

Utica Mission Statement

We are committed to preserving local control of our water resources through sound fiscal and operational management, rigorous dam safety practices, and regulatory compliance,

ensuring a safe and reliable water supply for municipal and agricultural stakeholders now and for future generations.

Americans With Disabilities Act

In compliance with Title II of the Americans with Disabilities Act, 28 CFR Part 36, if you need special assistance to participate in this meeting, please contact the Utica office at (209) 736-9419 or email your request to admin@uticawater.com. Notification in advance of the meeting will enable Utica to make reasonable accommodations to ensure accessibility to this meeting. Any materials distributed to the Board that relate to an item on the agenda are available at the Utica office 72 hours prior to the scheduled meeting.

Questions?

Contact Utica at admin@uticawater.com or (209) 736-9419.



Item 5A

Return to Agenda

REGULAR BOARD MEETING MINUTES

5:30 p.m., Tuesday, September 22, 2026
Utica Headquarters | 1168 Booster Way, Angels Camp, CA 95222

View the meeting agenda packet: www.uticawater.com/board-meetings

UTICA BOARD OF DIRECTORS

Caroline Schirato – Chair
Eric Bottomley – Vice Chair
Bruce Tallakson – Secretary
Alvin Broglio – Director
Gary Conrado – Director

ORDER OF BUSINESS

1. **Call to Order & Pledge of Allegiance**

   - The meeting was called to order at 5:30 p.m.

2. **Roll Call**

   - Directors Present
     - Director Schirato
     - Director Broglio
     - Director Bottomley
     - Director Tallakson
     - Director Conrado
   - Utica Staff Present
     - Erik Holt, General Manager
     - Karlee Karnes, Acting Clerk of the Board
     - Frank Fields, Director of Operations
   - Others Present
     - Dan Peirano
     - Julie Hollars

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- Mike Peirano
- Ken Wicklund
- Joe Darby
- Jessica Self
- Michael Ziehlke
- Michael Fish
- Kim Fish
- Tad Folendorf
- Oracle Guillemin
- Heavenly Guillemin
- Nate Young

3. Approval of the Agenda

Motion: Director Bottomley made a motion to approve the agenda
Second: Director Tallakson
Board Discussion: None
Public Comment: None
Vote: 5-0-0
Ayes: Director Schirato, Director Tallakson, Director Bottomley, Director Broglio, Director Conrado
Noes: None
Abstain: None
Absent: None

4. Public Comment

- Members of the public addressed the Board regarding UWPA governance, member agency representation, financial obligations, and the historical significance of local water resources.
- Concerns were raised regarding the roles and responsibilities of UWPA and its member agencies, including Board authority, representation, and decision-making. Public comments also addressed recent Board proceedings, including the September 18, 2026, special meeting, and raised questions regarding compliance with the Brown Act. A request was made for the Board to place the circumstances surrounding that meeting on a future agenda for discussion.
- Additional comments addressed financial obligations between UWPA and its member agencies, including existing funding agreements, agency contributions, and concerns regarding the financial impacts on participating agencies.
- Members of the public also discussed the historical development of local water infrastructure, the formation of Union Public Utility District, and the efforts of local families and community members to preserve water rights and maintain local control of water resources.
- A public records request was made for itemized financial records.
- Chair Schirato acknowledged the comments and concerns raised. She noted that the matters discussed were not agendized and therefore could not be

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substantively addressed during the meeting. Chair Schirato indicated that staff would address the questions and concerns presented.

- A written letter was submitted during public comment and is included as Attachment A to these minutes.

5. Consent Calendar

A. Approve minutes from the August 2026 Regular Board Meeting (Karnes) - **Accepted**
B. Accept Generation reports for August 2026 (Sparks) - **Accepted**
C. Accept Financial reports for August 2026 (Sparks) - **Accepted**
D. Accept Operations Report (Fields) - **Accepted**
E. Accept Water Conveyance Report (Rasmussen) - **Accepted**
F. Accept FERC Exemption Billing Report (Sparks) - **Accepted**

Board Discussion: None
Motion: Director Tallakson made a motion to approve the consent agenda
Second: Director Broglio
Public Comment: None
Vote: 5-0-0
Ayes: Director Schirato, Director Tallakson, Director Bottomley, Director Broglio, Director Conrado
Noes: None
Abstain: None
Absent: None

6. Regular Agenda

A. Discussion/Action to Adopt the Revised SDRMA Health Benefits MOU (Erik Holt, General Manager)

Resolution 2026-14

- General Manager Holt presented Resolution 2026-14, authorizing the execution of the revised Memorandum of Understanding (MOU) with the Special District Risk Management Authority (SDRMA) and continued participation in SDRMA's health benefits program.
- The revised MOU clarifies SDRMA's role in administering enrollment and outlines the applicable program terms and responsibilities. General Manager Holt noted that the revisions would have no financial impact on UWPA.

Board Discussion: None
Motion: Director Tallakson made a motion to adopt the Revised SDRMA Health Benefits MOU
Second: Director Broglio
Public Comment:
Poll the Board:
Director Schirato – Aye

Director Broglio – Aye
Director Bottomley – Aye
Director Tallakson – Aye
Director Conrado – Aye
Vote: 5-0-0

B. Discussion Board Members Duties and Responsibilities
(Dave Cameron, Legal Counsel)

- Legal Counsel Dave Cameron provided a presentation regarding the duties and responsibilities of UWPA Board members, with an emphasis on fiduciary obligations, independent judgment, and the relationship between UWPA and its member agencies.
- Mr. Cameron explained that UWPA is a separate public entity established through a Joint Powers Agreement (JPA) between the City of Angels and Union Public Utility District (UPUD). He discussed the legal distinction between UWPA and its member agencies, noting that directors serving on the UWPA Board owe a duty of loyalty to UWPA and are required to exercise independent judgment when deliberating and voting on Authority matters.
- The presentation addressed the ability of directors to advocate for the interests of their appointing agencies while maintaining their responsibilities to UWPA. Mr. Cameron explained that member agencies cannot legally compel appointed directors to vote in a particular manner, although they retain the authority to remove their appointed representatives in accordance with the JPA.
- Mr. Cameron also discussed California Government Code provisions concerning incompatible public offices and the exceptions applicable to joint powers authorities. He summarized the principles governing the relationship between UWPA, its directors, and its member agencies, including separate entity status, duty of loyalty, independent judgment, and accountability.

Board Discussion: Director Bottomley raised questions regarding the relationship between a director's duty to UWPA and their responsibilities to their appointing agency, particularly when decisions may affect agency finances, rates, or other legal obligations. Mr. Cameron clarified that directors must exercise independent judgment while fulfilling their duty of loyalty to UWPA and may consider the interests and concerns of their member agencies.

Chair Schirato requested clarification regarding the Board's fiduciary responsibilities, including considerations involving UWPA employees and the Authority's operational needs. Mr. Cameron confirmed that these considerations fall within the directors' responsibilities.

Director Broglio discussed a previous decision involving employee retirement benefits as an example of balancing additional costs to member agencies against UWPA's need to maintain operations and retain employees. Mr. Cameron further explained that directors should apply the same independent judgment and

consideration to UWPA matters that they exercise when serving on their respective member agency boards.

Public Comment: Members of the public raised questions and concerns regarding the relationship between UWPA and its member agencies including the potential impacts of Board decisions on agency finances, representation, and obligations under Proposition 218. Additional questions addressed the September 18, 2026, special meeting and the participation of Board members in closed session proceedings.

Mr. Cameron discussed the differences between UWPA's financial structure and those of its member agencies and acknowledged the importance of cooperation in addressing financial matters. He declined to discuss matters pertaining to the closed session.
Public comments also addressed the history and amendments of the Joint Powers Agreement, the appointment process for the at-large director, and the responsibilities of directors serving on both UWPA and member agency boards. Mr. Cameron clarified that the JPA had been amended and explained the appointment process for the at-large director.

Members of the public requested access to the original JPA and expressed interest in reviewing the agreement to ensure that the interests of both member agencies and their communities are represented. UWPA staff indicated that a copy of the original agreement would be provided to the requesting party via email.

7. Correspondence, Board / General Manager Reports, Future Agenda Items

A. Correspondence
- No correspondence was reported.

B. General Manager Report
- **Board Member Contact Information:** General Manager Holt requested that Board members confirm their preferred email addresses to ensure accurate distribution of Board correspondence and meeting materials. He advised that communications involving public business conducted through personal email accounts may be subjected to disclosure under the California Public Records Act. Staff explained that a recent distribution issue resulted from outdated or merged contact information and indicated that the confirmed information would be incorporated into the Board's official contact records.
- **FERC Inspections and System Maintenance:** General Manager Holt reported that the Federal Energy Regulatory Commission (FERC) conducted two inspections of UWPA facilities, including a physical infrastructure inspection and a security inspection. The inspections covered the upper Utica system, including dams, canals, flumes, powerhouses, and associated infrastructure.

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Mr. Holt reported that FERC Regional Director Frank Blackett commended UWPA employees for their maintenance and care of the system. The physical inspection identified one item requiring correction, with a formal report expected within approximately 45 days. The security inspection identified minor improvements involving exposed communication wiring, physical access controls, and vegetation management.

Mr. Holt also discussed FERC's review of a previous non-failure Emergency Action Plan (EAP) activation and reported that inspectors agreed with UWPA's response procedures.

- **Hunter's Dam Assessment:** In response to Board questions, Mr. Holt provided an update regarding the condition of Hunter's Dam and the regulatory requirements associated with its maintenance. He explained that FERC requested a plan addressing deterioration of the dam's downstream face, including areas of concrete spalling.

  Mr. Holt reported that UWPA had obtained approval to conduct a periodic inspection rather than a comprehensive inspection, resulting in approximately $800,000 in budget savings. A portion of those savings was allocated toward a restoration feasibility assessment.

  Mr. Holt indicated that UWPA anticipated obtaining a consultant's assessment within the following year and would use the findings to develop a plan for necessary repairs.
- **Staffing and Operational Costs:** General Manager Holt presented historical staffing and cost information in response to public concerns regarding UWPA's current workforce and operating expenses.

  He explained that, following UWPA's formation in 1995, the Authority employed three individuals and contracted with Henwood Energy Services for seven additional personnel. Mr. Holt compared historical contracted labor expenses, adjusted for inflation, with current staffing costs, noting that UWPA presently employs eight full-time and two part-time employees.

  Mr. Holt stated that the comparison demonstrated the financial advantages of maintaining an in-house workforce rather than relying on contracted personnel.
- **Water Rates and Financial Obligations:** Mr. Holt also presented information regarding historical water rate studies and UWPA-related charges. He referenced studies conducted in 2016, 2022, and 2024 and discussed the relative consistency of UWPA's monthly rate component over that period.

  He addressed the relationship between hydroelectric generation revenue, water conveyance expenses, and the financial obligations of UWPA's member agencies. Mr. Holt emphasized the Authority's role in preserving local water resources and explained that hydroelectric revenue contributes toward offsetting costs that would otherwise be borne by water customers and member agencies.

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- **Board Discussion:** Director Conrado asked whether the California Division of Safety of Dams (DSOD) participated in the FERC inspections and requested clarification regarding the condition of Hunter's Dam. Mr. Holt explained that DSOD's regulatory activities were separate and discussed the feasibility assessment and anticipated repair planning.

  Director Bottomley raised questions regarding the comparison between historical contracted labor costs and current employee expenses. He noted that contracted services typically carry higher costs and may not provide a direct comparison to permanent staffing. Mr. Holt acknowledged the distinction and explained that his presentation was intended to compare the overall cost of operating the system.

  Director Conrado also discussed provisions of the original Joint Powers Agreement concerning financial contributions from member agencies for capital improvements.

  Director Bottomley asked whether Mr. Holt was willing to meet with representatives of the member agencies to discuss the financial concerns raised. Mr. Holt confirmed that he had met with representatives and remained willing to continue those discussions.

  Public Comment: Members of the public raised questions regarding UWPA's financial condition, operating expenses, staffing costs, and historical funding arrangements.

  Comments addressed the original intent of the Joint Powers Agreement, including differing interpretations of whether UWPA was intended to operate without ongoing financial contributions from its member agencies. Participants also discussed distinctions between funding capital improvements and supporting routine operating expenses.

  Additional discussion concerned the historical rate studies, the financial impacts on water customers, and the relationship between hydroelectric revenue and the cost of maintaining the water conveyance system.

  General Manager Holt responded to questions regarding the Authority's financial structure and offered to make supporting records and studies available for public review. He also expressed a willingness to meet with interested individuals and member agency representatives to discuss these matters further.

C. Board Reports
- COA
  - Director Broglio reported that the City Council had implemented a temporary moratorium on data centers and discussed ongoing

matters involving a road easement, personnel policies, and the acquisition of a new police vehicle.
    - Chair Schirato reported that the City Council held public hearings on September 1, 2026, regarding electric vehicle charging stations and hydrogen fueling stations, including state requirements associated with streamlining applicable permitting processes.
- UPUD
    - Director Bottomley commented that the recent UPUD Board meeting was productive and that the ordinance review and adoption process had been constructive.
    - Director Tallakson reported that the UPUD Board adopted its updated Water System Ordinance following approximately two years of development and review. The finalized ordinance consists of 19 chapters and 45 pages and establishes rules and regulations governing the District and its customers.
- At-Large
    - Director Conrado reported that he was unable to attend the recent UPUD Board meeting but had reviewed the COA meeting online. He had no additional updates to report.

D. Future agenda items

- Director Broglio emphasized the importance of constructive communication and collaboration between the Board, staff, and members of the public. He encouraged individuals to bring forward questions, concerns, and potential solutions for consideration.
- Director Broglio proposed establishing a recurring public engagement opportunity, potentially consisting of a one-hour session each month during which Board members and members of the public could meet to discuss UWPA-related matters. He suggested that these sessions could be scheduled in conjunction with regular Board meetings to encourage participation and accessibility.
- Director Bottomley requested that a discussion and possible direction regarding the member agency payment schedule be placed on a future agenda. He also proposed increasing the public comment time limit from three minutes to five minutes.
- Additionally, Director Bottomley expressed interest in having substantive topics presented during the General Manager's Report included as separately agendized items when appropriate, allowing for more focused discussion and public participation.
- Director Bottomley requested that a closed-session General Manager performance evaluation be included on the agenda for the next regular Board meeting.
- The Board discussed the proximity of the November 24, 2026 regular meeting to the Thanksgiving holiday. It was agreed that consideration of rescheduling the November meeting would be placed on the October Board Meeting Agenda.

Public Comment: None

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8. **Upcoming Board Meetings and Calendar Events**

   - Regular Board Meeting, Tuesday, October 27, 2026, at 5:30 p.m.
   - Regular Board Meeting, Tuesday, November 24, 2026, at 5:30 p.m. (subject to possible rescheduling)

9. **Adjournment**

   Motion: Director Broglio made a motion to adjourn the meeting at 6:59 p.m.
   Second: Director Tallakson
   Board Discussion: None
   Vote: 5-0-0
   Ayes: Director Schirato, Director Broglio, Director Tallakson, Director Bottomley, Director Conrado
   Noes: None
   Abstain: None
   Absent: None

- The meeting was adjourned at 6:59 p.m.

Utica Mission Statement

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Questions?

Contact Utica at admin@uticawater.com or (209) 736-9419.

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Attachment A
UWPA September 22, 2026, Regular Board Meeting Minutes

WRITTEN PUBLIC COMMENT SUBMISSION

Date: September 22, 2026
To: Clerk of the Board, Utica Water and Power Authority (UWPA)
From: Julie Hollars, Resident and Ratepayer of the Union Public Utility District (UPUD)
Subject: Formal Public Comment for Entry into Official Meeting Minutes

STATEMENT FOR THE RECORD:

Good evening, Board Members, my name is Julie Hollars.

The Utica Water and Power Authority is a Joint Powers Authority, representing fairly and equally each district, the rate-payers of both the Union Public Utility District and the City of Angels Camp. This authority is governed by each party's elected board members appointed to UWPA whose duty is to protect the public's resources and ensure our historic water remains deliverable and affordable. If anyone in management or leadership questions that fundamental representation, or thinks they have the authority to choose which elected officials can and cannot do their job, they do not need to be on this board.

On Sept 1, 2026, UTICA GM sent correspondence demanding full payment of $167,628.39 due to a projected $490,526.86 budget deficit. This is $223,013.56 more than the previously agreed FY 2026-2027 UPUD contribution of $447,500. UPUD GM responds with an explanation of how this demand violates the parties' Five-Year Funding Agreement and that payment will deplete UPUD's emergency reserves. On Sept 11, a one-time payment was made under protest solely for reasons stated in the response letter, and UPUD reserved the rights, claims, defenses, or remedies it has under the parties' agreements or applicable law.

In municipal governance, a payment under protest is standard administrative preservation—it is meant to prevent a default on operational costs while a dispute is resolved. Characterizing it as a "threat of litigation" to trigger an exclusive closed session for "anticipated litigation" is a weak legal justification that should be challenged.

I am a resident and ratepayer of UPUD. I am standing here to voice my profound concern regarding a severe breach of the Ralph M. Brown Act that occurred on September 18, 2026, at 9:00 AM right here at the UTICA office.

During that closed-door meeting, UTICA's General Manager actively blocked and refused entry to the elected board members representing UPUD, while allowing the City of Angels elected representatives and the City of Angels AT LARGE member to remain.

What occurred Sept 18, was an illegal backroom discussion regarding the response letter from UPUD to UTICA's demand for payment. Utica relies on both districts to fund operations. We also know those funds are legally tied to volatile Prop 218 proceedings. Discussions on any matter regarding financial obligations on behalf of the partnership behind closed doors while freezing out one-half of the JPA not only violates California law but sets a breakdown in motion for the JPA.

Half of this body's leadership was intentionally excluded from the special closed meeting. Every financial discussion or consensus reached in that room is legally tainted and subject to being declared null and void. I request that this board immediately agendize a full disclosure of what occurred on September 18th.

At any point before this closed special meeting, the full JPA board should have met like professionals to hash out their concerns like a board representing its ratepayers. Instead, we are faced with more financial problems and a completely broken JPA that will threaten FERC licensing and any community trust moving forward. This board needs to take control of this mess and do better.

Submitted Respectfully,



Julie Hollars
UPUD Resident & Ratepayer



Item 5B

Return to Agenda

SPECIAL BOARD MEETING MINUTES

9:00 a.m., Friday, September 18, 2026
Utica Headquarters | 1168 Booster Way, Angels Camp, CA 95222

View the meeting agenda packet: www.uticawater.com/board-meetings

UTICA BOARD OF DIRECTORS

Caroline Schirato – Chair
Eric Bottomley – Vice Chair
Bruce Tallakson – Secretary
Alvin Broglio – Director
Gary Conrado – Director

ORDER OF BUSINESS

1. **Call to Order & Pledge of Allegiance**

   - The meeting was called to order at 9:01 a.m.

2. **Roll Call**

   - Directors Present
     - Director Schirato
     - Director Broglio
     - Director Bottomley
     - Director Conrado
   - Utica Staff Present
     - Erik Holt, General Manager
     - Karlee Karnes, Acting Clerk of the Board
   - Others Present

3. **Approval of the Agenda**

   Motion: Director Bottomley made a motion to approve the agenda.

Second: Director Broglio
Board Discussion: None
Public Comment: None
Vote: 4-0-0
Ayes: Director Schirato, Director Bottomley, Director Broglio, Director Conrado
Noes: None
Abstain: None
Absent: Director Tallakson

4. **Closed Session**

- The Board adjourned to closed session at 9:02 am

A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): anticipated litigation (one case)

5. **Report Out of Closed Session**

- The public meeting resumed at 10:10 a.m. Director Bottomley left the meeting at 9:12 a.m., and reentered the meeting at 9:20 a.m., accompanied by Director Tallakson. Directors Bottomley and Tallakson left the meeting at 9:32 a.m. The Board reported that no reportable action was taken in closed session.

6. **Upcoming Board Meetings and Calendar Events**

- Regular Board Meeting, Tuesday, September 22, 2026, at 5:30 p.m.
- Regular Board Meeting, Tuesday, October 27, 2026, at 5:30 p.m.

7. **Adjournment**

Motion: Director Conrado made a motion to adjourn the meeting at 10:11 a.m.
Second: Director Broglio
Board Discussion: None
Vote: 3-0-0
Ayes: Director Schirato, Director Broglio, Director Conrado
Noes: None
Abstain: None
Absent: Director Bottomley, Director Tallakson

- The meeting was adjourned at 10:11 a.m.

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ensuring a safe and reliable water supply for municipal and agricultural stakeholders now and for future generations.

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Questions?

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Item 5C

Return to Agenda

September 2026

RAINFALL

		APH	MPH
Rainfall	June	**0.00**	**0.00**
WYTD rainfall	10/1/25- 9/30/26	**35.45**	**34.50**
	WYTD this time last year	26.35	29.60

Water Year 3 as of May 1, 2026

GENERATION

ANGELS (sold to PG&E)		
FROGTN_1_UTICAA		
PG&E has concurred		**406**

MURPHYS (sold to PG&E)		
FROGTN_1_UTICAM		
PG&E has concurred		**1186**

TOTAL GENERATION:	**1592**	MWhr

REVENUES

September 2026 projected scheduled generation:

$30,145	APH (.468) @ $89.00 (Avg)
$77,931	MPH (1.4) @ $73.50
$108,076	Projected Total

September 2026 actual received generation:

$37,913	APH (0.8) @ $93
$87,171	MPH (0) @ $73.50 (2)
$125,084	Actual Total

(1) Note that even though the APH ReMAT PPA is at $89/MWh the TOD for APH varies during the year

(2) Represents MPH gross revenue. Penalties will be applied when generation does not meet CAISO's RAAIM policy

Power Revenue:	**$125,084**	
RAAIM Fee:	**-$1,535**	Note:
Negative LMP Charge	**$0**	
Water Revenue:	**$0**	
Water and Power:	**$123,549**	

OUTAGES

P=planned **IF** = internal forced outage **EF** = external forced outage

Date	Time Off	Duration	Cause	Plant
09/09/2026	0930	24 Minutes	Outage for training purposes	APH
09/10/2026	0815	35 Minutes	Outage for training purposes	APH
09/10/2026	0842	1 Hour 16 Minutes	Flagged Relay High Frequency	MPH
09/21/2026	0321	1 Hour 31 Minutes	86 Relay, Gen Overspeed Alarm, A,B Needle fault	APH
09/29/2026	1233	15 Minutes	Training Exercise	MPH

WATER

Sept '26 - Att A 2,404 + 165 carryover from Aug '26	2563	AF
S-66 + S-127	2,520	AF
LESS water sale to NCPA	0	AF
Carry over to October	43	



Item 5D

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Brandi Sparks, Regulatory Compliance Specialist

Re: Financial Report for September 2026

Power Generation and Revenue:

In September 2026, Angels Powerhouse (APH) generated $37,913 in revenue. Murphys Powerhouse (MPH) generated $87,171 in revenue. The preliminary net revenue is $125,084 for both powerhouses. However, MPH is subject to the Resource Adequacy Availability Incentive Mechanism (RAAIM) adjustments, which can result in additional revenue or reduced payment. The RAAIM charge for September is $1,535 making the actual revenue $123,549.

Water Sales and Irrigation:

In July, staff issued invoices to contractors for the 2026-2027 Irrigation Season, totaling $33,820. In November, a second invoice will be issued to contractors with allocations above 5 acre-feet (AF). Utica received $0 in payments on the 2026-2027 invoices in September; late fees will be issued to contractors with outstanding balances..

JPA Member Contributions:

Joint Powers Authority member contributions are determined by the Utica Board of Directors, in coordination with the full JPA membership, during the annual budget development cycle. Each JPA member agency will pay $670,513 in FY 2026-2027, per the May 20, 2026, Board Adopted Budget – invoiced each quarter to each entity for $167,628. Union Public Utility District (UPUD) and the City of Angels (COA) are invoiced at the beginning of each quarter. For the first quarter billing of FY 2026-2027 UPUDs payment was received in September and and COAs payment was received in July.

Interest Income:

The Authority’s funds are held in the Bank of Stockton's interest-bearing checking and money market accounts. These accounts earned $4,817 in interest in September 2026.

Utica Water and Power Authority

Expenses by Vendor Summary
September 2026

	Total
Adobe	36.98
ADT	418.86
Amazon Business	910.78
Burson Machine, Inc.	6,925.24
CAL FIRE	444.52
Cal-Waste	246.15
Cal.Net	221.71
Calaveras Lumber Co, Inc.	1,090.68
Calaveras Power Agency	657.60
CalPERS	350.00
Choice Builder	754.07
City of Angels	459.84
CivicPlus	524.00
Columbia Communications, Inc.	77.14
Comcast Business	1,485.98
Costco	197.39
Crawford Bookkeeping	245.57
CVS	56.72
E.D.I.S	193.00
EKI	2,568.80
El Arroyo	166.20
Facebook	210.08
Fleet E-Payments	2,166.29
General Plumbing Supply	598.67
GFT Infrastructure, Inc	5,074.50
Global Industrial	346.79
Gold Electric, Inc.	280.47
Google LLC	274.75
Grainger	872.17
Hammer Down	225.16
Hunt & Sons, Inc.	385.60
Hydraulic Controls Inc.	463.87
KGS Group	4,840.00
Logo Sportswear	102.81
Luz Ortigoza	150.00
Mbi Setl Med	862.91
Mountain Oasis Purified Water	114.60
OpenArt	3,890.00
Pacific Gas & Electric Co	1,563.89
QuickBooks Payments	32.75
Safeway	97.48
SDRMA	17,030.02
Sebastian M. Martz	18.22
Sierra Hydrographics	2,999.35

Utica Water and Power Authority

Expenses by Vendor Summary
September 2026

	Total
Stantec	1,998.86
Staples Credit Plan	319.61
Starlink	390.00
State Compensation Insurance Fund	7,840.21
The Red Store	198.51
Toshiba Financial Services	208.34
USPS	11.02
Verizon Wireless	952.74
WRF Engineering and Design	1,000.00
Tractor Supply	268.07
TOTAL	**$73,818.97**

Utica Water and Power Authority

Balance Sheet Detail

September 2026

	Transaction date	Transaction type	Num	Name	Item class	Description	Qty	Split account	Amount	Balance
Assets										
1001 Operating Account									**$83,483.53**	
1010 General Fund Reserve (2971)										
Beginning Balance										311,972.59
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	927.38	312,899.97
Total for 1010 General Fund Reserve (2971)									**$927.38**	
1011 Operating Reserve (2195)										
Beginning Balance										133,745.31
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	396.31	134,141.62
Total for 1011 Operating Reserve (2195)									**$396.31**	
1012 FERC Exemption/Relicense Reserve (2948)										
Beginning Balance										732,421.84
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	2,170.27	734,592.11
Total for 1012 FERC Exemption/Relicense Reserve (2948)									**$2,170.27**	

Utica Water and Power Authority

Balance Sheet Detail
September 2026

	Transaction date	Transaction type	Num	Name	Item class	Description	Qty	Split account	Amount	Balance
1013 FERC 5 Year Reserve (2955)										
Beginning Balance										298,378.18
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	881.17	299,259.35
Total for 1013 FERC 5 Year Reserve (2955)									**$881.17**	
1014 FERC 10 Year Reserve (2070)										
Beginning Balance										66,551.67
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	197.20	66,748.87
Total for 1014 FERC 10 Year Reserve (2070)									**$197.20**	
1015 Budget Balancing Reserve (2930)										
Beginning Balance										69,343.58
	09/30/2026	Deposit		Bank of Stockton		INTEREST PAYMENT SYSTEM GENERATE INTEREST PAYMENT SYSTEM GENERATED?		Interest Income	205.47	69,549.05
Total for 1015 Budget Balancing Reserve (2930)									**$205.47**	
1030 Local Agency Investment Fund										
Beginning Balance										15,043.42
Total for 1030 Local Agency Investment Fund										

Utica Water and Power Authority

Profit and Loss by Month

September 2026

	SEP 2026	TOTAL
Income		
1210 Power Sales		$0.00
1210-01 Angels Powerhouse - Power Sales	34,349.34	$34,349.34
1210-02 Murphys Powerhouse - Power Sales	67,375.90	$67,375.90
Total 1210 Power Sales	**101,725.24**	**$101,725.24**
1220 Other Income		$0.00
1220-01 Other Income	1,201.11	$1,201.11
Total 1220 Other Income	**1,201.11**	**$1,201.11**
1300 Interest Income		$0.00
1300-01 Interest Income	4,792.22	$4,792.22
Total 1300 Interest Income	**4,792.22**	**$4,792.22**
1310 Rent Income		$0.00
1310-02 Crown Castle MFB Tower Lease Agreement	2,048.34	$2,048.34
1310-03 Hunter Reservoir Rental House	1,180.78	$1,180.78
1310-04 Cal.Net MFB Tower Lease Agreement	298.00	$298.00
Total 1310 Rent Income	**3,527.12**	**$3,527.12**
1340 Other Non-Operating Income		$0.00
1340-01 COA Sierra Hydrographics Pass Through	400.00	$400.00
Total 1340 Other Non-Operating Income	**400.00**	**$400.00**
Total Income	**$111,645.69**	**$111,645.69**
GROSS PROFIT	**$111,645.69**	**$111,645.69**
Expenses		
3000 Wages, Benefits & Burden		$0.00
3100 Power		$0.00
3101 Power Wages		$0.00
3101-01 Operations & Maintenance Superintendent	11,243.20	$11,243.20
3101-02 Hydroelectric Operator II	7,659.12	$7,659.12
3101-03 Hydroelectric Operator I	5,326.84	$5,326.84
Total 3101 Power Wages	**24,229.16**	**$24,229.16**
3102 Power Burden		$0.00
3102-01 Social Security, Medicare, State Unemployment Ins.	2,342.24	$2,342.24
3102-03 Workers Comp	3,136.08	$3,136.08
Total 3102 Power Burden	**5,478.32**	**$5,478.32**
3103 Power Benefits		$0.00
3103-01 Health Insurance - SDRMA	6,599.21	$6,599.21
3103-02 Health Reimbursement Account - EDIS	84.50	$84.50
3103-03 Dental/Vision/Chiro/Life Insurance - Choice Builder	264.61	$264.61
3103-04 CalPERS Pension	1,837.08	$1,837.08
Total 3103 Power Benefits	**8,785.40**	**$8,785.40**
Total 3100 Power	**38,492.88**	**$38,492.88**

	SEP 2026	TOTAL
3200 Water		$0.00
3201 Water Wages		$0.00
3201-01 Water Conveyance Supervisor	9,459.20	$9,459.20
3201-02 Senior Water Conveyance Operator	7,421.02	$7,421.02
3201-03 General Manager	11,968.96	$11,968.96
3201-04 Administrative Compliance Specialist	6,216.00	$6,216.00
3201-06 Hydroelectric Relief Operator and Conveyance Operator	6,388.46	$6,388.46
3201-07 Temp. Hire for Admin Support	2,491.80	$2,491.80
3201-09 IT Administrator	3,796.67	$3,796.67
Total 3201 Water Wages	**47,742.11**	**$47,742.11**
3202 Water Burden		$0.00
3202-01 Social Security, Medicare, State Unemployment Ins.	3,243.30	$3,243.30
3202-03 Workers Comp - Ops, GM, and Office Staff	4,704.13	$4,704.13
Total 3202 Water Burden	**7,947.43**	**$7,947.43**
3203 Water Benefits		$0.00
3203-01 Health Insurance - SDRMA	10,430.81	$10,430.81
3203-02 Health Reimbursement Account - EDIS	971.41	$971.41
3203-03 Dental/Vision/Chiro/Life Insurance - ChoiceBuilder	489.46	$489.46
3203-04 CalPERS Pension	3,840.69	$3,840.69
Total 3203 Water Benefits	**15,732.37**	**$15,732.37**
Total 3200 Water	**71,421.91**	**$71,421.91**
Total 3000 Wages, Benefits & Burden	**109,914.79**	**$109,914.79**
4100 Maintenance & Repair		$0.00
4100-06 Fuel for Vehicles and Equipment	2,166.29	$2,166.29
4100-07 Maintenance for Vehicles and Equipment	225.16	$225.16
4100-09 Powerhouses Maintenance and Supplies	9,138.98	$9,138.98
4100-11 Misc Supplies and Repairs	1,491.47	$1,491.47
4100-17 Cal Fire	444.52	$444.52
Total 4100 Maintenance & Repair	**13,466.42**	**$13,466.42**
4110 Misc. Supplies & Services		$0.00
4110-01 Office Services, Supplies, Equipment, Misc.	1,438.43	$1,438.43
4110-02 Employee Uniforms, Boots, PPE	323.03	$323.03
4110-04 Headquarters Cleaning	150.00	$150.00
Total 4110 Misc. Supplies & Services	**1,911.46**	**$1,911.46**
4120 Leases & Subscriptions		$0.00
4120-03 Office Toshiba Copier Lease	208.34	$208.34
4120-04 Software Subscriptions	341.73	$341.73
Total 4120 Leases & Subscriptions	**550.07**	**$550.07**
4400 Professional/Special. Services		$0.00
4400-08 Certified Public Accountant	245.57	$245.57
4400-12 FERC Exemption General Services	166.20	$166.20
4400-20 Hydrology Analysis Services	2,999.35	$2,999.35
4400-21 Community Education/Outreach	4,100.08	$4,100.08
4400-24 Grant Writing/Eng./Finance/Mgmt	3,785.50	$3,785.50
4400-28 Website Maintenance and Support	524.00	$524.00
4400-32 Water Rights Protection & Reporting	2,568.80	$2,568.80
Total 4400 Professional/Special. Services	**14,389.50**	**$14,389.50**

	SEP 2026	TOTAL
4600 Communications		$0.00
4600-01 Comcast	1,485.98	$1,485.98
4600-04 Verizon	952.74	$952.74
4600-05 Columbia Communications	77.14	$77.14
4600-06 Cal.Net	221.71	$221.71
4600-12 Starlink	390.00	$390.00
4600-13 ADT Security	418.86	$418.86
Total 4600 Communications	**3,546.43**	**$3,546.43**
4700 Utilities		$0.00
4700-01 Calaveras Public Power Agency	657.60	$657.60
4700-02 PG&E	1,563.89	$1,563.89
4700-05 City of Angels Water Service	459.84	$459.84
4700-07 Cal Waste Garbage & Recycling	246.15	$246.15
4700-08 Mountain Oasis Bottled Water	114.60	$114.60
Total 4700 Utilities	**3,042.08**	**$3,042.08**
5000 Powerhouses		$0.00
5000-05 Murphys Governor Retrofit	385.60	$385.60
5000-11 Backup MPH Transformer	1,289.00	$1,289.00
Total 5000 Powerhouses	**1,674.60**	**$1,674.60**
5100 Conveyance		$0.00
5100-06 Murphys Forebay Trash Rake Replacements	2,998.86	$2,998.86
Total 5100 Conveyance	**2,998.86**	**$2,998.86**
5200 General Projects		$0.00
5200-03 General Facilities	336.59	$336.59
Total 5200 General Projects	**336.59**	**$336.59**
5300 Regulatory Compliance		$0.00
5300-09 Part 12D	4,840.00	$4,840.00
Total 5300 Regulatory Compliance	**4,840.00**	**$4,840.00**
QuickBooks Payments Fees	32.75	$32.75
Total Expenses	**$156,703.55**	**$156,703.55**
NET OPERATING INCOME	**$ -45,057.86**	**$ -45,057.86**
NET INCOME	**$ -45,057.86**	**$ -45,057.86**

Utica Water and Power Authority

Budget vs. Actuals: FY 2026 - 2027 - FY27 P&L

July 2026 - June 2027

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
1200 Operating Income				
1200-02 COA Water Agreement	335,256.72	447,500.00	-112,243.28	74.92 %
1200-03 UPUD Water Agreement	335,256.72	447,500.00	-112,243.28	74.92 %
1200-04 Irrigation Water Contractors	37,871.15	54,000.00	-16,128.85	70.13 %
1200-05 1200-05 Slurry Line / CCWD Wheeling Fees		1,000.00	-1,000.00	
Total 1200 Operating Income	**708,384.59**	**950,000.00**	**-241,615.41**	**74.57 %**
1210 Power Sales				
1210-01 Angels Powerhouse - Power Sales	60,420.60	428,091.00	-367,670.40	14.11 %
1210-02 Murphys Powerhouse - Power Sales	139,339.14	922,892.00	-783,552.86	15.10 %
Total 1210 Power Sales	**199,759.74**	**1,350,983.00**	**-1,151,223.26**	**14.79 %**
1220 Other Income				
1220-01 Other Income	6,713.64		6,713.64	
Total 1220 Other Income	**6,713.64**		**6,713.64**	
1300 Interest Income				
1300-01 Interest Income	13,999.99	40,000.00	-26,000.01	35.00 %
Total 1300 Interest Income	**13,999.99**	**40,000.00**	**-26,000.01**	**35.00 %**
1310 Rent Income				
1310-02 Crown Castle MFB Tower Lease Agreement	10,345.89	40,000.00	-29,654.11	25.86 %
1310-03 Hunter Reservoir Rental House	3,542.34	14,169.00	-10,626.66	25.00 %
1310-04 Cal.Net MFB Tower Lease Agreement	1,192.00	3,436.00	-2,244.00	34.69 %
Total 1310 Rent Income	**15,080.23**	**57,605.00**	**-42,524.77**	**26.18 %**
1340 Other Non-Operating Income				
1340-01 COA Sierra Hydrographics Pass Through	1,600.00	4,800.00	-3,200.00	33.33 %
Total 1340 Other Non-Operating Income	**1,600.00**	**4,800.00**	**-3,200.00**	**33.33 %**
1400 Grant Funding				
1400-06 Utica and Angels Canal Lining (USBR WaterSMART)		28,000.00	-28,000.00	
Total 1400 Grant Funding		**28,000.00**	**-28,000.00**	
Total Income	**$945,538.19**	**$2,431,388.00**	**$ -1,485,849.81**	**38.89 %**
GROSS PROFIT	**$945,538.19**	**$2,431,388.00**	**$ -1,485,849.81**	**38.89 %**
Expenses				
3000 Wages, Benefits & Burden				
3100 Power				
3101 Power Wages				
3101-01 Operations & Maintenance Superintendent	42,588.85	132,412.80	-89,823.95	32.16 %
3101-02 Hydroelectric Operator II	29,529.59	84,905.60	-55,376.01	34.78 %
3101-03 Hydroelectric Operator I	21,714.92	91,436.80	-69,721.88	23.75 %
3101-04 On-Call	180.00	18,450.00	-18,270.00	0.98 %
3101-05 Hydro Management Leave		5,092.80	-5,092.80	
3101-10 Overtime	0.00	12,000.00	-12,000.00	0.00 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
3101-11 One-Time Bonus		5,000.00	-5,000.00	
Total 3101 Power Wages	**94,013.36**	**349,298.00**	**-255,284.64**	**26.91 %**
3102 Power Burden				
3102-01 Social Security, Medicare, State Unemployment Ins.	9,312.93	31,331.12	-22,018.19	29.72 %
3102-03 Workers Comp	5,398.70	19,224.28	-13,825.58	28.08 %
Total 3102 Power Burden	**14,711.63**	**50,555.40**	**-35,843.77**	**29.10 %**
3103 Power Benefits				
3103-01 Health Insurance - SDRMA	19,797.63	74,382.48	-54,584.85	26.62 %
3103-02 Health Reimbursement Account - EDIS	292.09	13,548.00	-13,255.91	2.16 %
3103-03 Dental/Vision/Chiro/Life Insurance - Choice Builder	1,113.18	4,291.56	-3,178.38	25.94 %
3103-04 CalPERS Pension	7,093.55	24,484.29	-17,390.74	28.97 %
3103-06 CalPERS Pension Unfunded Liability	8,666.40	8,956.40	-290.00	96.76 %
Total 3103 Power Benefits	**36,962.85**	**125,662.73**	**-88,699.88**	**29.41 %**
Total 3100 Power	**145,687.84**	**525,516.13**	**-379,828.29**	**27.72 %**
3200 Water				
3201 Water Wages				
3201-01 Water Conveyance Supervisor	35,831.20	111,404.80	-75,573.60	32.16 %
3201-02 Senior Water Conveyance Operator	28,977.14	90,979.20	-62,002.06	31.85 %
3201-03 General Manager	49,661.88	155,000.00	-105,338.12	32.04 %
3201-04 Administrative Compliance Specialist	23,536.24	71,427.20	-47,890.96	32.95 %
3201-05 Administrative Specialist, Clerk of the Board	13,038.53	73,216.00	-60,177.47	17.81 %
3201-06 Hydroelectric Relief Operator and Conveyance Operator	24,795.82	67,974.40	-43,178.58	36.48 %
3201-07 Temp. Hire for Admin Support	5,481.90		5,481.90	
3201-08 Temp. Hire for Operations	5,000.00	25,000.00	-20,000.00	20.00 %
3201-09 IT Administrator	14,769.48	29,540.16	-14,770.68	50.00 %
3201-10 Overtime	0.00	10,000.00	-10,000.00	0.00 %
3201-11 Conveyance Management Leave		4,284.80	-4,284.80	
3201-13 One-Time Bonus		5,000.00	-5,000.00	
Total 3201 Water Wages	**201,092.19**	**643,826.56**	**-442,734.37**	**31.23 %**
3202 Water Burden				
3202-01 Social Security, Medicare, State Unemployment Ins.	13,822.09	49,561.73	-35,739.64	27.89 %
3202-03 Workers Comp - Ops, GM, and Office Staff	8,098.07	24,059.74	-15,961.67	33.66 %
Total 3202 Water Burden	**21,920.16**	**73,621.47**	**-51,701.31**	**29.77 %**
3203 Water Benefits				
3203-01 Health Insurance - SDRMA	34,059.01	117,574.50	-83,515.49	28.97 %
3203-02 Health Reimbursement Account - EDIS	7,189.69	21,264.00	-14,074.31	33.81 %
3203-03 Dental/Vision/Chiro/Life Insurance - ChoiceBuilder	1,643.31	5,151.84	-3,508.53	31.90 %
3203-04 CalPERS Pension	14,680.48	47,543.66	-32,863.18	30.88 %
3203-06 CalPERS Pension Unfunded Liability	12,999.60	13,434.60	-435.00	96.76 %
Total 3203 Water Benefits	**70,572.09**	**204,968.60**	**-134,396.51**	**34.43 %**
Total 3200 Water	**293,584.44**	**922,416.63**	**-628,832.19**	**31.83 %**
Total 3000 Wages, Benefits & Burden	**439,272.28**	**1,447,932.76**	**-1,008,660.48**	**30.34 %**
4000 Conveyance Maintenance and Supplies		15,000.00	-15,000.00	
4000-27 Utica Canal Maintenance and Supplies	4,616.44		4,616.44	
Total 4000 Conveyance Maintenance and Supplies	**4,616.44**	**15,000.00**	**-10,383.56**	**30.78 %**
4100 Maintenance & Repair				
4100-01 Road Maintenance		5,500.00	-5,500.00	

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
4100-05 Property Maintenance		5,500.00	-5,500.00	
4100-06 Fuel for Vehicles and Equipment	6,254.76	18,000.00	-11,745.24	34.75 %
4100-07 Maintenance for Vehicles and Equipment	552.52	7,500.00	-6,947.48	7.37 %
4100-09 Powerhouses Maintenance and Supplies	13,174.57	15,000.00	-1,825.43	87.83 %
4100-10 Gaging Station Maintenance	77.15	6,000.00	-5,922.85	1.29 %
4100-11 Misc Supplies and Repairs	3,823.43	12,000.00	-8,176.57	31.86 %
4100-14 Dam and Spillway Maintenance		15,000.00	-15,000.00	
4100-16 Irrigation Maintenance (Not Meter Replacement)		2,500.00	-2,500.00	
4100-17 Cal Fire	444.52	18,000.00	-17,555.48	2.47 %
Total 4100 Maintenance & Repair	**24,326.95**	**105,000.00**	**-80,673.05**	**23.17 %**
4110 Misc. Supplies & Services	135.76		135.76	
4110-01 Office Services, Supplies, Equipment, Misc.	7,731.46	12,000.00	-4,268.54	64.43 %
4110-02 Employee Uniforms, Boots, PPE	701.13	5,000.00	-4,298.87	14.02 %
4110-04 Headquarters Cleaning	525.00	2,000.00	-1,475.00	26.25 %
Total 4110 Misc. Supplies & Services	**9,093.35**	**19,000.00**	**-9,906.65**	**47.86 %**
4120 Leases & Subscriptions				
4120-02 Sierra Pacific Industries Lease		250.00	-250.00	
4120-03 Office Toshiba Copier Lease	625.02	3,000.00	-2,374.98	20.83 %
4120-04 Software Subscriptions	1,446.68	9,000.00	-7,553.32	16.07 %
Total 4120 Leases & Subscriptions	**2,071.70**	**12,250.00**	**-10,178.30**	**16.91 %**
4200 Property & Liability Insurance				
4200-01 ACWA/JPIA Auto & General Liability		38,367.50	-38,367.50	
4200-02 ACWA/JPIA Property Insurance	61,179.46	74,000.00	-12,820.54	82.67 %
Total 4200 Property & Liability Insurance	**61,179.46**	**112,367.50**	**-51,188.04**	**54.45 %**
4200-03 ACWA / JPIA Cyber Liability	1,194.37	1,200.00	-5.63	99.53 %
4300 Memberships				
4300-01 Association California Water Agencies		14,663.00	-14,663.00	
4300-02 Tuolumne-Stanislaus Integrated Regional Water Management WAC		220.00	-220.00	
4300-03 Mountain Counties Water Resources Association	1,488.00	1,500.00	-12.00	99.20 %
4300-04 Calaveras Historical Society		50.00	-50.00	
4300-05 California Special District Association		2,000.00	-2,000.00	
4300-06 Amazon Prime		200.00	-200.00	
4300-07 Farm Bureau - Calaveras Chapter		200.00	-200.00	
4300-08 Murphys Community Park Association		75.00	-75.00	
Total 4300 Memberships	**1,488.00**	**18,908.00**	**-17,420.00**	**7.87 %**
4400 Professional/Special. Services				
4400-03 Chief Dam Safety Engineer	11,626.40	20,000.00	-8,373.60	58.13 %
4400-05 Murphys/Angels Powerhouse Inspection Reports		10,400.00	-10,400.00	
4400-07 SCADA and PLC Programming	2,634.10	7,000.00	-4,365.90	37.63 %
4400-08 Certified Public Accountant	426.82	2,808.00	-2,381.18	15.20 %
4400-09 Annual Audit		15,000.00	-15,000.00	
4400-10 General Legal Counsel	9,552.50	5,000.00	4,552.50	191.05 %
4400-12 FERC Exemption General Services	166.20		166.20	
4400-16 FERC Exemption Consultants	6,122.14	25,000.00	-18,877.86	24.49 %
4400-20 Hydrology Analysis Services	6,012.74	25,380.00	-19,367.26	23.69 %
4400-21 Community Education/Outreach	4,993.08	2,000.00	2,993.08	249.65 %
4400-24 Grant Writing/Eng./Finance/Mgmt	3,785.50	5,000.00	-1,214.50	75.71 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
4400-28 Website Maintenance and Support	1,572.00	7,000.00	-5,428.00	22.46 %
4400-29 GIS Mapping		2,000.00	-2,000.00	
4400-31 Recruitment	84.00		84.00	
4400-32 Water Rights Protection & Reporting	2,568.80	15,000.00	-12,431.20	17.13 %
4400-33 Human Resources Consulting Support	1,200.00	2,400.00	-1,200.00	50.00 %
4400-34 Revenue Meter Maintenance - CAISO	5,990.00	5,990.00	0.00	100.00 %
4400-36 Water Rights Legal Counsel		17,000.00	-17,000.00	
Total 4400 Professional/Special. Services	**56,734.28**	**166,978.00**	**-110,243.72**	**33.98 %**
4500 Governmental & Other Fees				
4500-02 FERC Annual Admin & Land Charge	10,228.85	11,000.00	-771.15	92.99 %
4500-03 Dept Water Resources Dam Fees		75,920.00	-75,920.00	
4500-04 WREGIS Annual Fee		75.00	-75.00	
4500-05 Powersoft Billing Software (MPH & APH)		500.00	-500.00	
4500-06 County Taxes (Booster, Hunters)	120.48	1,631.60	-1,511.12	7.38 %
4500-07 USA North 811 Annual Fee	300.00	300.00	0.00	100.00 %
4500-08 County Environmental Health Hazardous Waste		675.00	-675.00	
4500-09 CA Dept of Tax & Fee Admin - State Water Rights		2,500.00	-2,500.00	
4500-11 United States Geological Service Fees		10,000.00	-10,000.00	
4500-12 Bank Charges		100.00	-100.00	
4500-13 Miscellaneous Fees and Expenses		1,000.00	-1,000.00	
4500-16 Wylderidge Road Fee	470.00	470.00	0.00	100.00 %
Total 4500 Governmental & Other Fees	**11,119.33**	**104,171.60**	**-93,052.27**	**10.67 %**
4600 Communications				
4600-01 Comcast	4,104.55	11,000.00	-6,895.45	37.31 %
4600-04 Verizon	2,857.63	11,000.00	-8,142.37	25.98 %
4600-05 Columbia Communications	231.42	975.00	-743.58	23.74 %
4600-06 Cal.Net	665.13	2,912.00	-2,246.87	22.84 %
4600-12 Starlink	1,170.00	4,320.00	-3,150.00	27.08 %
4600-13 ADT Security	1,174.65	1,600.00	-425.35	73.42 %
Total 4600 Communications	**10,203.38**	**31,807.00**	**-21,603.62**	**32.08 %**
4700 Utilities				
4700-01 Calaveras Public Power Agency	1,287.20	8,000.00	-6,712.80	16.09 %
4700-02 PG&E	4,545.97	15,000.00	-10,454.03	30.31 %
4700-04 UPUD Water Service	286.75	1,000.00	-713.25	28.68 %
4700-05 City of Angels Water Service	1,346.81	5,100.00	-3,753.19	26.41 %
4700-07 Cal Waste Garbage & Recycling	973.33	2,700.00	-1,726.67	36.05 %
4700-08 Mountain Oasis Bottled Water	256.20	1,000.00	-743.80	25.62 %
4700-09 Ebbetts Pass Gas Propane		2,500.00	-2,500.00	
Total 4700 Utilities	**8,696.26**	**35,300.00**	**-26,603.74**	**24.64 %**
4800 Travel & Training				
4800-01 Travel and Training	3,285.00	20,000.00	-16,715.00	16.43 %
4800-03 Mileage Reimbursement		1,500.00	-1,500.00	
Total 4800 Travel & Training	**3,285.00**	**21,500.00**	**-18,215.00**	**15.28 %**
4900 Information Technology				
4900-02 Computers, Software, Hardware, and Equipment	1,175.64	5,000.00	-3,824.36	23.51 %
Total 4900 Information Technology	**1,175.64**	**5,000.00**	**-3,824.36**	**23.51 %**
5000 Powerhouses				
5000-01 MPH Relay Protection Upgrade	1,242.00	250,000.00	-248,758.00	0.50 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
5000-04 Feasibility & Facility Assessments		175,000.00	-175,000.00	
5000-05 Murphys Governor Retrofit	2,995.62		2,995.62	
5000-11 Backup MPH Transformer	1,289.00		1,289.00	
Total 5000 Powerhouses	**5,526.62**	**425,000.00**	**-419,473.38**	**1.30 %**
5100 Conveyance				
5100-06 Murphys Forebay Trash Rake Replacements	4,298.86		4,298.86	
Total 5100 Conveyance	**4,298.86**		**4,298.86**	
5200 General Projects				
5200-03 General Facilities	336.59		336.59	
Total 5200 General Projects	**336.59**		**336.59**	
5300 Regulatory Compliance				
5300-09 Part 12D	4,840.00		4,840.00	
Total 5300 Regulatory Compliance	**4,840.00**		**4,840.00**	
6100 Equipment & Material Purchases				
6100-03 Irrigation Meter Purch./Install	5,423.87		5,423.87	
6100-04 Tools and Equipment	7,745.19		7,745.19	
Total 6100 Equipment & Material Purchases	**13,169.06**		**13,169.06**	
7000 FERC Relicensing/Exemption Reserve		300,000.00	-300,000.00	
8000 Grants Expenditures				
8000-08 Automated Wastegates and Crossgates	160.44		160.44	
8000-10 Utica Canal Lining Project (USBR)		56,000.00	-56,000.00	
Total 8000 Grants Expenditures	**160.44**	**56,000.00**	**-55,839.56**	**0.29 %**
Office Supplies & Software	93.19		93.19	
QuickBooks Payments Fees	32.75		32.75	
Total Expenses	**$662,913.95**	**$2,877,414.86**	**$ -2,214,500.91**	**23.04 %**
NET OPERATING INCOME	**$282,624.24**	**$ -446,026.86**	**$728,651.10**	**-63.36 %**
NET INCOME	**$282,624.24**	**$ -446,026.86**	**$728,651.10**	**-63.36 %**



Item 5E

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: Oct 20, 2026

To: Erik Holt, GM

From: Frank Fields, O&M Superintendent

Re: Operations Report: Sept 2026 – Oct 2026

Hunter Dam

- Worked to support McKays Grizzly cleaning and continue with water deliveries
- Lowered elevation to 25ft in accordance with Winter S.O.P.
- Removed spillboards and lowered spillway bars.

Murphys Powerhouse

- Received reconditioned Nozzle seat housing and new spare nozzle seat. This is our only housing spare and now it is prepped for an install immediately when necessary.
- During an outage The DC lube oil pump motor began smoking and was shut down and it was suspected this may have been due to water intrusion and contaminants' when water had impacted the top of the lube oil tank. No immediate issues identified so the DC motor was placed into standby service while researching replacement options. An additional outage during PG&E PSPS events occurred and the DC motor became active again, however the RPM's were very slow. This motor has a unique 125 VDC compound wound design and a discontinued 204 frame design footprint. The motor will be sent out during the November outage for rewind.
- Heat exchanger upstairs began leaking again. We suspect that one of the sealing plugs came loose or an additional tube has failed. Heat exchanger caps will be removed to investigate and attempt repair in November outage. Unit likely needs to be pulled from plant and repaired when a longer outage window is opened. Tubes have to be pre manufactured and crane will be necessary to lift out of plant for rebuilding. We are trying to identify costs and propose having this done in the upcoming 6 week spring outage if possible. Note this is one of two heat exchangers and they are responsible for keeping the generator windings cool.

UPUD Chlorinator BLDG (S53)

- Inflow meter is recording data; however, it requires maintenance to clear debris from probe following a powerhouse outage or increased flows through the forebay bypass channel. The larger flows during such an event causes debris likely pine needles to pass through or over the screening at inlet pipe which then builds up on the probe.
- Operators are being shown how to reposition the meter to flush the debris off and then reposition probe to once again attain accurate readings. Likely water data during such events will have to be bridged/ simulated to maintain some accuracy, unless better screening methods can be incorporated at the inlet pipe.

Admin Building

- Relocated office supplies from bathroom area to North office printer room.

Operations

- Chance Herndon began operating and taking on call duties on OCT 11th
- Cody will now serve as relief operator and is beginning training and duties in Conveyance.



Item 5F

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Kyle Rasmussen, Conveyance Supervisor

Re: Conveyance Report

Conveyance System Work

- **Vegetation Management:** Continued utilizing CAL FIRE crews, when available, to control vegetation around UWPA facilities and along the conveyance system.
- **Winter Storm Preparation:** Inspected access roads and culverts throughout the system in preparation for winter storms. Culverts and drainage ditches were cleaned, and the work was documented.
- **Ross Outlet Micro-Hydro:** Completed necessary repairs to the micro-hydro unit at the Ross outlet.
- **Murphys Forebay Trash Rack:** Replaced the platform planks at the trash rack to maintain safe access for operations and maintenance.
- **Routine Operations:** Continued routine irrigation meter readings and canal patrols.
- **Ross Dam Outlet Pipe:** Scheduled Proper Pruning to remove a dead oak tree with a significant downhill lean over the outlet pipe. Removal will reduce the risk of damage to critical infrastructure.
- **Hunters Rental House:** Installed new septic tank riser lids.
- **Hunters Dam Winter Preparation:** Lowered the reservoir elevation in preparation for winter operations and removed all spillway flashboards. Conducted a perimeter inspection of the reservoir to identify potential floating debris.

Stream Gaging

- **Coordinated Stream Gaging and Staff Training:** Coordinated stream-gaging measurements with UWPA staff, Sierra Hydrographics, and Kevin Bazar of the USGS. This was the second of two annual staff training days with Sierra Hydrographics. The group conducted joint measurements at S78, below Murphys Afterbay Dam, and S128, on Mill Creek below Hunters Dam. These measurements provided an opportunity to coordinate efforts between agencies and reinforce staff training.
- **S47 Hunters Release:** Conducted a stream-gaging measurement at S47, which measures releases from Hunters Dam into the Lower Utica Canal, to evaluate a potential adjustment to the existing rating table.

Outage Planning and Preparation

- **Vegetation Clearing:** Coordinating with CAL FIRE crews to clear vegetation around planned maintenance areas along the Lower Utica Canal.

- **Materials and Staging:** Preparing and staging materials in advance of the planned outage work on Utica Flume 2 and the ¾ Mile Flume to help minimize delays once the outage begins.
- **Staffing and Contractors:** Coordinating contractor support and temporary hires to ensure adequate staffing for the scheduled maintenance work.
- **Equipment Reliability:** Completed servicing and maintenance on work trucks and equipment to improve reliability and reduce the potential for equipment-related delays during the outage.



Item 5G

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Brandi Sparks, Regulatory Compliance Specialist

Re: FERC Exemption Invoicing September 2026

Informational Item.

Staff reports the following regarding recent FERC Exemption invoices:

- **Stantec** – No invoices were received in August 2026.

- **SWCA Environmental Consultants** – Invoice 254637 in the amount of $3,335.46 was received September 18, 2026 for services through September 12, 2026. Professional Services including, Project Management and Cultural Resources Reporting.

- **Rock Creek** – No invoices were received in August 2026.

Staff will continue to monitor incoming invoices and provide updates as outstanding billings are received.

Attachment: Stantec 254637

SWCA ENVIRONMENTAL CONSULTANTS | INVOICE

GO GREEN!
We accept ACH payments

Routing # 071922777 | **Account #** 7811583501 | **Payable to:** SWCA, Incorporated | **Business Checking Account:** First American Bank
Notification: payment@swca.com | **Physical Remittance:** P.O. Box 7217, Carol Stream, IL 60197- 7217 | **EIN:** #86-0483317

Erik Holt
Utica Water and Power Authority
1168 Booster Way
PO Box 358
Angels Camp, CA 95222

September 18, 2026
Invoice No: 254637
Project Manager Indya Messier
Project No: RG-00096602-000

Invoice Total $3,335.46

UWPA FERC Cultural Resources

Professional Services through September 12, 2026

Phase 01 Project Management

Task 01 Project Management and Conference Calls

Professional Services

	Hours	Rate	Amount	
Planning-Specialist XI				
Messier, Indya	1.25	190.44	238.05	
Totals	1.25		238.05	
Total Professional Services				**238.05**
			Total this Task	**$238.05**
			Total this Phase	**$238.05**

Phase 02 Cultural Resources Study

Task 06 Cultural Resources Reporting

Professional Services

	Hours	Rate	Amount	
Cultural Resources-SME II				
Peabody, Joshua	6.00	222.64	1,335.84	
Planning-Specialist XI				
Messier, Indya	9.25	190.44	1,761.57	
Totals	15.25		3,097.41	
Total Professional Services				**3,097.41**
			Total this Task	**$3,097.41**
			Total this Phase	**$3,097.41**

Contract Limits	**Current**	**Prior**	**To-Date**	
Total Billings	3,335.46	165,387.45	168,722.91	
Limit			189,863.00	
Remaining			21,140.09	
		PLEASE PAY THIS AMOUNT ==========>		**$3,335.46**

For any questions regarding this invoice please contact Saul Martinez
Phone: 602.274.3831 Email: saul.martinez@swca.com

UWPA FERC Cultural Resources (Invoice)							
Phase #	**Task #**	**Name**	**Invoice through September 5, 2026**	**JTD Spent through September 5, 2026**	**Contract Amount**	**Budget Remaining**	**% Spent**
1	1	Project Management and Project Controls	$ 238.05	$ 13,582.42	$ 14,782.00	$ 1,199.58	92%
2	1	Study Plan Development	$ -	$ 7,128.85	$ 7,568.00	$ 439.15	94%
	2	Fieldwork	$ -	$ 27,945.20	$ 19,211.00	$ (8,734.20)	145%
	3	Resource Evaluation, Finding of Effect	$ -	$ 90,151.95	$ 79,802.00	$ (10,349.95)	113%
	4	Tribal Engagement	$ -	$ 2,900.30	$ 3,500.00	$ 599.70	83%
	5	Application Updates	$ -	$ 8,396.38	$ 17,000.00	$ 8,603.62	49%
	6	Cultural Resources Reporting	$ 3,097.41	$ 18,617.81	$ 37,000.00	$ 18,382.19	50%
	7	On-Call Support	$ -	$ -	$ 11,000.00	$ 11,000.00	0%
			$ 3,335.46	$ 168,722.91	$ 189,863.00	$ 21,140.09	89%



Item 5H

Return to Agenda

UWPA Quarterly Training Report - FY 2026-2027 | Quarter 1

Distribution account	Transaction type	Num	Name	Line description	Amount
4800-01 Travel and Training	Expense		Cody Cable	Improving Emergency Operations for Dam Failures	$1,095.00
					$1,095.00



Item 5I

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Brandi Sparks, Regulatory Compliance Specialist

Re: Quarterly Grant Report FY 2026-27 Q1

Automated Wastegates and Gaging Stations Grant (Lower Utica Canal Lining and Gaging Stations):

- Award Amount: $83,030
- 50% Grant Funded
- Funding Source: United States Bureau of Reclamation (USBR): Water SMART Program
- Performance Period: 09/11/2023 – 12/31/2026
- Project Status: **Work Complete – Reporting in process**
- Project Description: Utica will install automated wastegates/cross gates and gaging stations at three locations to improve water use efficiency, flood control, emergency water storage, and avoid unnecessary spillage.
- Amount of Grant Spent to Date: $83,030
- Amount of Utica Funds Spent to Date: $108,808.55 (including payroll costs associated with gate installation and administering the grant)
- Quarterly Report/Milestones:
    - June 2026: Worked with Grantor on reports – all financial reports have been accepted
    - July 2026: Nothing to Report
    - August 2026: Nothing to Report
    - September 2026: Nothing to Report
- Action Items:
    - Closeout grant reporting due October 30, 2026

The Utica Canal Lining Grant:

- Award Amount: $77,640.00
- 50% Grant Funded
- Funding Source: United States Bureau of Reclamation (USBR): Water SMART Program
- Performance Period: 09/20/24 – 06/30/2027
- Project Status: **Phase One Complete – Phase Two ongoing**
- Project Description: Utica will line 1,200 linear feet of earthen canal with a reinforced shotcrete liner to increase system efficiency and decrease water loss due to leaks.
- Amount Spent to Date: $74,976.35
- Amount Reimbursed by Grant: $25,000

    - UWPA Funds Spent: $49,976.35
- Quarterly Report/Milestones:
    - July 2026: Request for a no-cost budget amendment sent to Grantor; amendment to reallocate funds to cover increased cost of trash pump; waiting on response.
    - August 2026: Nothing to Report
    - September 2026: Nothing to Report
- Action Items:
    - Complete required reporting due October 30, 2026
    - Plan for Phases Two and Three, slated for November 2026 and March 2027.



Item 6A

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Karlee Karnes, Administrative Technician

Re: Coffee with Staff/Board Public Engagement

BACKGROUND:
At the September 22, 2026, Regular Board Meeting, the Board discussed opportunities to encourage greater communication and engagement between UWPA representatives and members of the public. A recurring informal meeting was proposed to provide community members with an opportunity to ask questions, share concerns, and engage in constructive discussions regarding UWPA matters.

DISCUSSION:
Staff proposes establishing a monthly *Coffee with Staff and Board* engagement session, tentatively scheduled for the third Tuesday of each month, preceding the regularly scheduled Board meeting on the fourth Tuesday.

The sessions would provide an informal opportunity for community members to interact with the UWPA general manager and participating Board members, promote transparency, and encourage ongoing public engagement.

Staff recommends beginning these sessions in January 2027 to accommodate the upcoming holiday season and potential changes to the November and December Board meeting schedules.

The proposed schedule and format are presented for Board discussion.
.

RECOMMENDATION:
Staff recommends that the Board discuss the proposed *Coffee with Staff and Board* engagement sessions including the schedule, format, and implementation beginning January 2027.



Item 6B

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Erik Holt, General Manager

From: Brandi Sparks, Regulatory Compliance Specialist

Re: FY 2025-2026 Budget Reconciliation

RECOMMENDED ACTION:

Staff recommends that the Board approve carrying forward $230,397 from Fiscal Year 2025–2026 into Fiscal Year 2026–2027, with carryover remaining in the General Fund Account to be available to cover outstanding consultant expenses associated with existing contracts that have remaining balances. Funds would be utilized as invoices are received for services performed under these contracts.
Staff further recommends that the Board adopt Resolution 2026-14, approving Fiscal Year 2025–2026 Budget Reconciliation.

OVERVIEW OF PROPOSED BUDGET ADJUSTMENTS:

Revenue

Revenue adjustments include $320,730.00 in unbudgeted NCPA water sales, and a combined $292,931.34 shortfall in Angels and Murphys Powerhouse sales. Grant funding and interest income also varied from the budget. Exhibit 1 details each account rather than netting unlike revenue sources.
The Board-approved $463,372.35 transfer from the Budget Balancing Reserve is reported in GL 1220-02 Reserve Transfers In. Of this amount, $216,864.35 supported the Murphys Powerhouse emergency sphere valve repair, while $246,508.00 was approved to replace projected power revenue.

Below is a list of recommended income adjustments:

REVENUE - PARENT GL				
GL #	Parent account	Current budget	Proposed	Change
1200	Operating Income	869,000.00	1,181,717.24	312,717.24
1210	Power Sales	1,701,002.00	1,408,070.66	(292,931.34)
1220	Other Income (incl. Reserve Transfers In)	-	463,419.85	463,419.85
1300	Interest Income	81,270.00	63,611.17	(17,658.83)
1310	Rent Income	66,764.00	48,562.83	(18,201.17)
1340	Other Non-Operating Income	5,070.00	14,990.00	9,920.00
1350	Reserve Income	450,500.00	431,700.00	(18,800.00)
1400	Grant Funding	611,399.00	595,854.78	(15,544.22)
	TOTAL REVENUE	**3,785,005.00**	**4,207,926.53**	**422,921.53**

- NCPA Water Sales: Staff projected no water sales to NCPA during the 2025-26 Fiscal Year. Due to favorable offers and Murphys Powerhouse being offline for emergency repairs staff decided to sell water in July, August, November, December, January, February and April.
- Angels Powerhouse: Reduced projected revenues due to water sales that limited the water available to generate hydropower.
- Murphys Powerhouse: Reduced due to emergency repair that took plant offline and water sales that limited the water available to generate hydropower.
- Interest Income: Interest Income is dependent on available cash balances and prevailing interest rates, which can fluctuate throughout the year.
- Rent Income: Sierra HOPE gave notice and vacated the rented office space mid-year.
- Other Non-Operating Income: PG&E reimbursement for Engineering costs associated with the Wylderidge tower project that was cancelled and compensated Utica for a right of entry easement to access their infrastructure on our property.
- Reserve Income: As consulting agreements are billed as work is done more funds were budgeted for than were used. However, Utica still has multiple open contracts with consultants on a bill when work is performed basis.
- Grant Funding: Hunters Fuel Reduction Project revenue received was -$57,730.67 less than what was budgeted. Utica did receive payment for the Grant Administration for $40,274 leaving the $15,544 difference.

Expenses

Staff is proposing increases to various expense accounts to capture the actual cost of goods and services and those dedicated to FERC exemption efforts. Staff also recommends cuts in some areas where projected expenses were above actual expenditures.

Below is a list of proposed adjustments:

EXPENSE - PARENT GL				
GL #	Parent account	Current budget	Proposed	Change
3000	Wages, Benefits & Burden	1,370,944.00	1,378,624.72	7,680.72
4100	Maintenance & Repair	222,440.00	246,149.39	23,709.39
4110	Misc. Supplies & Services	18,676.00	16,466.85	($2,209.15)
4120	Leases & Subscriptions	14,141.00	14,754.94	613.94
4200	Property, Liability & Cyber Insurance	111,599.00	112,869.82	1,270.82
4300	Memberships	18,791.00	18,455.29	($335.71)
4400	Professional/Special. Services	588,812.00	501,825.36	($86,986.64)
4500	Governmental & Other Fees	101,442.00	96,528.65	($4,913.35)
4600	Communications	27,707.00	47,536.35	19,829.35
4700	Utilities	33,050.00	36,044.92	2,994.92
4800	Travel & Training	21,500.00	5,062.95	($16,437.05)
4900	Information Technology	10,609.00	1,480.37	($9,128.63)
5000	Powerhouses	240,611.00	382,320.90	141,709.90
5100	Conveyance	70,000.00	620.77	($69,379.23)
5200	General Projects	35,000.00	10,882.85	($24,117.15)
5300	Regulatory Compliance	15,750.00	128,087.74	112,337.74
5400	IT Outside Services	-	4,335.37	4,335.37
6100	Equipment & Material Purchases	35,000.00	33,909.56	($1,090.44)
8000	Grants Expenditures	663,941.00	537,506.17	($126,434.83)
				($26,550.03)

- Wages, Benefits & Burden: The increase is attributed to employees electing to sell back holiday time and for salary increases that took effect in January 2026.
- Maintenance & Repair: Costs exceeded projections in several areas, including flume maintenance, property maintenance, powerhouse maintenance and supplies, and CAL FIRE labor.
- Miscellaneous Supplies & Services: Expenditures for miscellaneous supplies and services, including employee uniforms, boots, and personal protective equipment were less than budgeted.
- Leases & Subscriptions: Higher-than-budgeted office copier lease costs.
- Property, Liability & Cyber Insurance: Actual insurance premiums, which were slightly higher than anticipated during budget development.
- Memberships: Lower-than-anticipated costs.
- Professional/Special Services: Professional services expenditures were lower than anticipated, primarily due to reduced consulting and professional service costs associated with Utica's FERC Exemption efforts following submission of the exemption application. As the project transitioned beyond the application preparation and submission phase, fewer expenditures were incurred.
- Governmental & Other Fees: Reduced Department of Water Resources dam fees.
- Communications: The increase is primarily attributed to higher Comcast and Verizon costs, along with ADT security services that were not included in the original budget.
- Utilities: Costs for electricity and water services exceeded initial projections.
- Travel & Training: Expenditures were significantly lower than anticipated because staff utilized free training opportunities offered by various professional organizations and agencies, including the Association of California Water Agencies, Association of State Dam Safety Officials, Sierra HR, and California Special Districts Association.
- Information Technology: Fewer purchases and upgrades were necessary during the fiscal year.
- Powerhouses: $216,864.35 was spent to accommodate the emergency replacement of the Murphys Powerhouse TSV. This emergency expenditure was funded through an approved reserve allocation but was not budgeted for.
- Conveyance: The Murphys Forebay Trash Rake Replacement project, for which $70,000 had been budgeted, was not completed during FY 2025–2026. As a result, the majority of the funds allocated to this category were not expended.
- General Projects: General project expenditures were lower than anticipated, primarily because planned feasibility assessments did not incur the costs originally projected during budget development.
- Regulatory Compliance: During the fiscal year, Utica established a separate General Ledger account specifically for regulatory compliance expenditures to improve financial tracking and reporting. Because this account was established midyear, the original budget did not fully account for these expenditures. This category includes ongoing regulatory compliance obligations such as inundation mapping, Owners Dam Safety Plan requirements, slope stability assessments, Emergency Action Plan requirements, and other FERC-related compliance activities. These expenditures are separate from costs associated with Utica's FERC Exemption application projects.
- IT Outside Services: Although outside IT consulting services were not included in the original budget, Utica retained an outside consultant during the fiscal year to evaluate its information technology systems and provide an assessment of existing infrastructure and operational needs.
- Equipment & Material Purchases: Overall expenditures were slightly lower than projected, with savings in heavy equipment, attachments, and tools offsetting unbudgeted irrigation meter purchases and installations.
- Grant Expenditures: The primary reduction is associated with the Hunter Reservoir Fuel Reduction Project, which incurred $121,891.69 less in expenditures than originally budgeted.

FINANCIAL IMPLICATIONS:

Budgeted revenue will change from $3,785,005 to $4,207,926 and budgeted expenses will change from $4,003,813 to $3,977,529 resulting in a carryover of $228,910. Staff would like to emphasize this is not unallocated as Utica currently has the following outstanding contracts remaining open from FY 25-26 that will carryover into FY 26-27:

KGS Part 12D Periodic Inspection remaining $214,376
KGS MPH Relay Upgrade remaining $7,134
GFT Transformer Scoping remaining $24,934
SWCA remaining $21,140
Stantec remaining $77,162

ATTACHMENTS

1. *Open consulting contracts from FY 25-26*

Resolution No. 2026-14

A Resolution of the Board of Directors of the Utica Water and Power Authority Adopting the Fiscal Year 2025-2026 Budget Reconciliation

WHEREAS, the Utica Water and Power Authority Board of Directors adopted the Fiscal Year 2025-2026 Budget on June 24, 2025; and

WHEREAS, the Board directed staff to reconcile the budget throughout the year to reduce the number of discrepancies between the adopted budget and actuals at the end of the fiscal year; and

WHEREAS, staff recommends budget adjustments as described in the attached Exhibit 1, FY 2025-2026 Proposed Budget Reconciliation, dated October 27, 2026; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Utica Water and Power Authority hereby approves and adopts the reconciled Budget for Fiscal Year 2025-2026 as the official budget for Utica Water and Power Authority for the fiscal year beginning July 1, 2025, and ending June 30, 2026.

ON A MOTION by Director _____, and seconded by Director _____, the foregoing resolution was duly passed and adopted by the Board of Directors of the Utica Water and Power Authority, on the 27th day of October 2026, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Caroline Schirato, Board Chair

ATTEST:

_____
Karlee Karnes, Acting Clerk to the Board

Exhibit 1 : FY 2025-2026 Proposed Year-End Budget Adjustment

1200	Operating Income	869,000.00	1,181,717.24	312,717.24
1210	Power Sales	1,701,002.00	1,408,070.66	(292,931.34)
1220	Other Income (incl. Reserve Transfers In)	-	463,419.85	463,419.85
1300	Interest Income	81,270.00	63,611.17	(17,658.83)
1310	Rent Income	66,764.00	48,562.83	(18,201.17)
1340	Other Non-Operating Income	5,070.00	14,990.00	9,920.00
1350	Reserve Income	450,500.00	431,700.00	(18,800.00)
1400	Grant Funding	611,399.00	595,854.78	(15,544.22)
				422,921.53

EXPENSE - PARENT GL

GL #	Parent account	Current budget	Proposed	Change
3000	Wages, Benefits & Burden	1,370,944.00	1,378,624.72	7,680.72
4100	Maintenance & Repair	222,440.00	246,149.39	23,709.39
4110	Misc. Supplies & Services	18,676.00	16,466.85	($2,209.15)
4120	Leases & Subscriptions	14,141.00	14,754.94	613.94
4200	Property, Liability & Cyber Insurance	111,599.00	112,869.82	1,270.82
4300	Memberships	18,791.00	18,455.29	($335.71)
4400	Professional/Special. Services	588,812.00	501,825.36	($86,986.64)
4500	Governmental & Other Fees	101,442.00	96,528.65	($4,913.35)
4600	Communications	27,707.00	47,536.35	19,829.35
4700	Utilities	33,050.00	36,044.92	2,994.92
4800	Travel & Training	21,500.00	5,062.95	($16,437.05)
4900	Information Technology	10,609.00	1,480.37	($9,128.63)
5000	Powerhouses	240,611.00	382,320.90	141,709.90
5100	Conveyance	70,000.00	620.77	($69,379.23)
5200	General Projects	35,000.00	10,882.85	($24,117.15)
5300	Regulatory Compliance	15,750.00	128,087.74	112,337.74
5400	IT Outside Services	-	4,335.37	4,335.37
6100	Equipment & Material Purchases	35,000.00	33,909.56	($1,090.44)
8000	Grants Expenditures	663,941.00	537,506.17	($126,434.83)
				($26,550.03)

KGS Group International Inc.
Suite 320 - 40 Lake Bellevue Drive
Bellevue Washington 98005
P 425-449-8944
E invoices@kgsgroup.com

INVOICE

INVOICE No. **1677**
DATE: August 11, 2026

TO: Accounts Payables
Utica Water and Power Authority
P.O. Box 358, 1168 Booster Way
Angels Camp, CA 95222

PROJECT: 24-4447-001 Utica Water and Power Authority-Murphys Powerhouse Relay Upgrade
PROJECT MGR: Adam Pawlikewich
REFERENCE:

PROFESSIONAL SERVICES July 01, 2026 - July 31, 2026

Fees	$1,242.00
Subtotal	$1,242.00

Invoice Total **$1,242.00**

BILLINGS TO DATE

	Current	Prior	Total
Fees	$1,242.00	$41,216.00	$42,458.00
Subtotals	$1,242.00	$41,216.00	$42,458.00
Totals	**$1,242.00**	**$41,216.00**	**$42,458.00**

PROJECT SUMMARY

Contract Value	$49,592.00
Billings To Date (Net of Taxes)	$42,458.00
Balance Remaining	**$7,134.00**

BILLING DETAILS

Fee

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Capture Existing Conditions	$4,140.00	100.00	$4,140.00	$4,140.00	$0.00
Review CADD work	$1,120.00	100.00	$1,120.00	$1,120.00	$0.00
50% Design	$12,050.00	100.00	$12,050.00	$12,050.00	$0.00
50% Design - QA/QC	$2,560.00	100.00	$2,560.00	$2,560.00	$0.00
50% Design - Review meeting	$2,484.00	100.00	$2,484.00	$2,484.00	$0.00
90% Design	$15,060.00	100.00	$15,060.00	$15,060.00	$0.00
90% Design - QA/QC	$2,560.00	100.00	$2,560.00	$2,560.00	$0.00
90% Design - Review meeting	$2,484.00	100.00	$2,484.00	$1,242.00	$1,242.00
100% Issued for Construction	$1,544.00	0.00	$0.00	$0.00	$0.00
Rule 21 and CAISO submittal process	$4,080.00	0.00	$0.00	$0.00	$0.00
CADD As-builts	$1,510.00	0.00	$0.00	$0.00	$0.00
Total Fee	$49,592.00		$42,458.00	$41,216.00	$1,242.00
		Total Fixed Fee			**$1,242.00**

Invoice Total **$1,242.00**

SWCA ENVIRONMENTAL CONSULTANTS | INVOICE

GO GREEN!
We accept ACH payments

Routing # 071922777 | **Account #** 7811583501 | **Payable to:** SWCA, Incorporated | **Business Checking Account:** First American Bank
Notification: payment@swca.com | **Physical Remittance:** P.O. Box 7217, Carol Stream, IL 60197- 7217 | **EIN:** #86-0483317

Erik Holt
Utica Water and Power Authority
1168 Booster Way
PO Box 358
Angels Camp, CA 95222

September 18, 2026
Invoice No: 254637
Project Manager Indya Messier
Project No: RG-00096602-000

Invoice Total $3,335.46

UWPA FERC Cultural Resources

Professional Services through September 12, 2026

Phase 01 Project Management

Task 01 Project Management and Conference Calls

Professional Services

	Hours	Rate	Amount	
Planning-Specialist XI				
Messier, Indya	1.25	190.44	238.05	
Totals	1.25		238.05	
Total Professional Services				**238.05**
			Total this Task	**$238.05**
			Total this Phase	**$238.05**

Phase 02 Cultural Resources Study

Task 06 Cultural Resources Reporting

Professional Services

	Hours	Rate	Amount	
Cultural Resources-SME II				
Peabody, Joshua	6.00	222.64	1,335.84	
Planning-Specialist XI				
Messier, Indya	9.25	190.44	1,761.57	
Totals	15.25		3,097.41	
Total Professional Services				**3,097.41**
			Total this Task	**$3,097.41**
			Total this Phase	**$3,097.41**

Contract Limits	**Current**	**Prior**	**To-Date**	
Total Billings	3,335.46	165,387.45	168,722.91	
Limit			189,863.00	
Remaining			21,140.09	
		PLEASE PAY THIS AMOUNT ==========>		**$3,335.46**

For any questions regarding this invoice please contact Saul Martinez
Phone: 602.274.3831 Email: saul.martinez@swca.com

UWPA FERC Cultural Resources (Invoice)							
Phase #	**Task #**	**Name**	**Invoice through September 5, 2026**	**JTD Spent through September 5, 2026**	**Contract Amount**	**Budget Remaining**	**% Spent**
1	1	Project Management and Project Controls	$ 238.05	$ 13,582.42	$ 14,782.00	$ 1,199.58	92%
2	1	Study Plan Development	$ -	$ 7,128.85	$ 7,568.00	$ 439.15	94%
	2	Fieldwork	$ -	$ 27,945.20	$ 19,211.00	$ (8,734.20)	145%
	3	Resource Evaluation, Finding of Effect	$ -	$ 90,151.95	$ 79,802.00	$ (10,349.95)	113%
	4	Tribal Engagement	$ -	$ 2,900.30	$ 3,500.00	$ 599.70	83%
	5	Application Updates	$ -	$ 8,396.38	$ 17,000.00	$ 8,603.62	49%
	6	Cultural Resources Reporting	$ 3,097.41	$ 18,617.81	$ 37,000.00	$ 18,382.19	50%
	7	On-Call Support	$ -	$ -	$ 11,000.00	$ 11,000.00	0%
			$ 3,335.46	$ 168,722.91	$ 189,863.00	$ 21,140.09	89%

Check Payment Information:
GFT Infrastructure, Inc.
PO Box 829160, Philadelphia, PA 19182-9160 Federal EIN: 25-1613591

ACH/EFT Payment Information:
Account Name: GFT Infrastructure, Inc.
ABA: 031312738 Account No.: 5003165655 Wire Routing No.: 043000096
SWIFT: PNCCUS33 (required for international payments)

Send Remit Info: AccountsReceivable@gftinc.com
Send Audit Inquiries: GovtContractAudit@gftinc.com
All Other Inquires Contact the Project Team

Frank Fields
Utica Water and Power Authority
1168 Booster Way
Angels Camp, CA 95222

September 17, 2026
Invoice No: A0001699.000 - 1699.000.04
Due Date: October 17, 2026

A0001699.000 UWPA - Main Transformer

Professional Services from July 18, 2026 to August 28, 2026

	Total Fee	Billed To Date	Remaining Fee	Percent Complete	Previous Billings	Current Billings
Transformer Specification	45,732.00	20,797.88	24,934.12	45.48%	19,508.88	1,289.00
Total:	**45,732.00**	**20,797.88**	**24,934.12**	**45.48%**	**19,508.88**	**1,289.00**

Current Billings		1,289.00
Amount Due This Bill	**USD**	**1,289.00**

Project	A0001699.000	UWPA - Main Transformer	Invoice	1699.000.04

Phase 100 - Transformer Specification - UWPA-Transformer Specification

Professional Personnel

		Hours	Rate	Amount	
Professional 11					
Lam, Chan	7/27/2026	.50	310.00	155.00	
Professional 13					
Lam, Oai	7/22/2026	1.00	378.00	378.00	
Lam, Oai	7/27/2026	1.00	378.00	378.00	
Lam, Oai	7/28/2026	1.00	378.00	378.00	
Totals		3.50		1,289.00	
Total Labor					**1,289.00**
			Total this Phase		**1,289.00**
			Amount Due This Bill		**1,289.00**

gm@uticawater.com; reception@uticawater.com; frankf@uticawater.com

KGS Group International Inc.
Suite 320 - 40 Lake Bellevue Drive
Bellevue Washington 98005
P 425-449-8944
E invoices@kgsgroup.com

INVOICE

INVOICE No. **1745**
DATE: September 30, 2026

TO: Erik Holt
Utica Water and Power Authority
P.O. Box 358, 1168 Booster Way
Angels Camp, CA 95222

PROJECT: 26-4447-001 Utica Part 12D PI
PROJECT MGR: Kyle Jermstad
REFERENCE:

PROFESSIONAL SERVICES September 01, 2026 - September 30, 2026

Professional Personnel	$4,840.00
Subtotal	$4,840.00

Invoice Total **$4,840.00**

BILLINGS TO DATE

	Current	Prior	Total
Professional Personnel	$4,840.00	$0.00	$4,840.00
Subtotals	$4,840.00	$0.00	$4,840.00
Totals	**$4,840.00**	**$0.00**	**$4,840.00**

PROJECT SUMMARY

Contract Value	$219,216.00
Billings To Date (Net of Taxes)	$4,840.00
Balance Remaining	**$214,376.00**

BILLING DETAILS

Phase	2000	Inspection Planning and Schedule and Participate in FERC's Second Coordination Call
Task	01	Inspection Plan and Schedule

Professional Personnel

	Bill Hours	Bill Rate	Charge	
Prof Level 4				
Zahmatkesh, Zahra	14.00	235.00	$3,290.00	
Prof Level 5				
Jermstad, Kyle	4.00	175.00	$700.00	
Prof Level 7				
Deakyne, Amy	2.50	340.00	$850.00	
Total	20.50		$4,840.00	
Total				**$4,840.00**
		Total this Task		**$4,840.00**
		Total this Phase		**$4,840.00**

Billing Limits	**Current**	**Prior**	**To-Date**
Total Billings	$4,840.00	$0.00	$4,840.00
Limit			$219,216.00
Remaining			$214,376.00

Invoice Total **$4,840.00**

BILLING BACKUP

Phase	2000	Inspection Planning and Schedule and Participate in FERC's Second Coordination Call		
Task	01	Inspection Plan and Schedule		
			Total this Task	**$4,840.00**
			Total this Phase	**$4,840.00**
			Total this Project	**$4,840.00**
			Total this Report	**$4,840.00**



Item 6C

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 27, 2026

To: Board of Directors

From: Erik Holt, General Manager

Re: Resolution No. 2026-15 Reaffirming the Member Agencies' Funding Obligations Under the Joint Powers Agreement

---

RECOMMENDED ACTION:

Motion to adopt Resolution No. 2026-15, reaffirming the Member Agencies' funding obligations under Sections 4.5(a) and 4.6(a) of the Joint Powers Agreement, confirming each Member Agency's FY 2026–27 share of $670,513.43, and directing the General Manager to transmit the Resolution and issue invoices to Union Public Utility District and the City of Angels Camp.

SUMMARY:

The Joint Powers Agreement establishes how the Authority is funded. Under Section 4.6(a), the Member Agencies are each responsible for one-half of the costs of the operation, maintenance, replacement, and regulatory requirements of the Authority. Under Section 4.5(a), the Member Agencies pay additional funds equally upon request of the Board as expenses are incurred. These obligations are not new. They have governed the Authority's funding since its formation and were carried forward through the 2005 Amended Joint Powers Agreement and its First (2013), Second (2016), and Third (2019) Amendments.

On May 20, 2026, the Board adopted Resolution No. 2026-05 approving the Authority's FY 2026–27 budget. Resolution No. 2026-15 does not change that budget and does not create any new obligation. It does three things:

- **Reaffirms** the Member Agencies' existing obligations under Sections 4.5(a) and 4.6(a) of the Joint Powers Agreement.
- **Confirms** the FY 2026–27 amount attributable to each Member Agency, divided equally as the Joint Powers Agreement requires: $670,513.43 per Member Agency.
- **Requests payment** which will have been or will be invoiced in the amount of $ 167,628.36, on July 1, 2026, October 1, 2026, January 1, 2027, and April 1, 2027 to each Member Agency in their quarterly amounts.

FINANCIAL IMPACTS:

Adoption of the Resolution confirms the following Member Agency shares of the FY 2026–27 funding requirement, consistent with the budget adopted by Resolution No. 2026-05:

Member Agency	FY 2026–27 Share
Union Public Utility District (50%)	$670,513.43
City of Angels Camp (50%)	$670,513.43

Total member funding	**$1,341,026.86**

These amounts are necessary to meet the Authority's FY 2026–27 expenses and obligations, including operation, maintenance, replacement, and regulatory compliance under the Authority's FERC licenses and Division of Safety of Dams requirements. If the Member Agencies do not provide these funds, the Authority would need to draw on reserves established under Resolution No. 22-11 or defer maintenance and regulatory work.

Attachments

1. *Resolution No. 2026-15*

RESOLUTION NO. 2026-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UTICA WATER AND POWER AUTHORITY REAFFIRMING THE MEMBER AGENCIES' FUNDING OBLIGATIONS UNDER THE JOINT POWERS AGREEMENT

WHEREAS, the Utica Water and Power Authority ("UWPA" or "Authority") is a joint powers authority whose member agencies are the Union Public Utility District ("UPUD") and the City of Angels Camp ("City"); and

WHEREAS, pursuant to Section 4.6(a) of the Joint Powers Agreement ("JPA"), the member agencies are each responsible for one-half of the costs associated with the operation, maintenance, replacement, and regulatory requirements of the Authority; and

WHEREAS, Section 4.5(a) of the JPA provides for the equal payment of additional funds by the member agencies upon request from the Board of Directors as expenses are incurred; and

WHEREAS, on May 20, 2026, the Board of Directors adopted Resolution No. 2026-05 approving the Authority's FY 2026–27 budget; and

WHEREAS, the Board desires to reaffirm the existing obligations of the member agencies under the JPA, including the equal sharing of Authority costs and the payment of additional funds necessary to meet the Authority's expenses, and to confirm the amount attributable to each member agency for the FY 2026–27 budget deficit; and

WHEREAS, the Board has considered the Authority's FY 2026–27 financial requirements, the obligations of the member agencies under the JPA, the payment provisions applicable to the member agencies, and the need to ensure that the Authority has sufficient funding to meet the expenses and obligations reflected in its adopted FY 2026–27 budget and to continue carrying out the purposes and responsibilities of the Authority.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Utica Water and Power Authority as follows:

SECTION 1. Reaffirmation of JPA Funding Obligations.
The Board hereby reaffirms the obligations of the member agencies under Sections 4.5(a) and 4.6(a) of the JPA, including each member agency's responsibility for one-half of the costs associated with the operation, maintenance, replacement, and regulatory requirements of the Authority and the equal payment of additional funds as provided by

DRAFT

the JPA**.**

SECTION 2. Confirmation of FY 2026–27 Member Shares.
Consistent with the existing cost-sharing obligations established by the JPA, the Board hereby confirms that the projected FY 2026–27 budget is attributable equally to UWPA's two member agencies.

That amount for FY 2026-2027 is $670,513.43 per member agency. Due within 30 days from receipt of invoice, billed on first day of each fiscal quarter; July 1, October 1, January 1, and April 1.

SECTION 3. Reaffirmation and Request for Payment.
The Board hereby reaffirms that the amounts identified in Section 2 constitute each member agency's respective share of the additional funding required to meet the Authority's FY 2026–27 expenses and obligations under the JPA.
Consistent with Section 4.5(a) of the JPA, the Board hereby requests payment by each member agency of its respective share as expenses are incurred.

SECTION 4. Purpose of Member Funding.
The member funding addressed by this Resolution is necessary to meet the Authority's FY 2026–27 expenses and obligations as reflected in the adopted budget and to provide for the continued operation, maintenance, replacement, regulatory compliance, and other authorized activities of the Authority.

SECTION 5. Statements and Notice.
The General Manager is authorized and directed to transmit a copy of this Resolution to UPUD and the City and to issue statements reflecting each member agency's respective share of the FY 2026–27 funding requirement.

SECTION 6. Implementation.
The General Manager, Treasurer, Authority legal counsel, and other appropriate officers and staff of the Authority are authorized and directed to take all actions reasonably necessary to implement this Resolution in accordance with the JPA and other applicable agreements.

SECTION 7. Effective Date.
This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Utica Water and Power Authority at a duly noticed meeting held on_____, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Caroline Schirato, Board Chair

ATTEST:

DRAFT

_____

Karlee Karnes, Acting Board Clerk

DRAFT



Item 6D

Return to Agenda

UTICA WATER AND POWER AUTHORITY

Date: October 14, 2026

To: Board of Directors

From: Erik Holt, General Manager

Re: 100-year Strategic Funding Plan and Discussion on Hydroelectric Generation

---

RECOMMENDED ACTION:

Receive the 100-year Strategic Funding Plan and Discussion

SUMMARY:

The Authority was formed to operate the Utica and Angels Projects as a single, integrated system. Water and power have never been separate businesses in this system. The same dams, conduits, forebays, and license obligations that deliver raw water to the City of Angels Camp and Union Public Utility District also drive the Authority's powerhouses. For approximately 32 years, the revenues from those powerhouses have been applied to the cost of operating the system, and the Member Agencies and their ratepayers have paid less for water because of it.

The benefits of hydroelectric generation to the ratepayer

Staff recommends that the Board affirm the integrated model because of the benefits it delivers directly to ratepayers:

- **Lower water costs.** Net hydroelectric revenues are credited against the cost of water service each year. Because the Authority retains no profit, every dollar of net power revenue reduces what the Member Agencies, and ultimately their customers, pay for water. Hydro revenues over 32 years have averaged a water year 2.0. This equates to an annual revenue of $1,569,899 compared against an annual staffing cost of $459,050.05 in fully weighted costs. Which amounts to a profit of 1,110,838.95 annually to reduce (subsidize) water rates less capital improvement projects.
- **Shared infrastructure, shared cost.** The dams, conduits, forebays, and dam-safety obligations of the Utica and Angels Projects exist whether or not the powerhouses run. Generation allows a portion of those fixed costs to be carried by power revenues rather than by water ratepayers alone.
- **License obligations are met from a stronger base.** FERC license compliance, dam safety, and relicensing are substantial, non-discretionary costs. A combined enterprise with two revenue streams is better positioned to meet them than a water-only enterprise.
- **Long-term value.** The Authority's 100-Year Strategic Funding Plan compared retaining the hydroelectric facilities with retiring them. Retaining them produces a substantially better outcome for ratepayers over the planning horizon.

- **Local, renewable generation.** The facilities produce clean, renewable power from water that is already being conveyed through the system, and they have done so reliably for more than three decades (plus PG&E service life).

Attachments

1. 100-year Strategic Funding Plan

UTICA WATER AND POWER AUTHORITY · EST. 1852

100-Year Strategic Funding Plan

Comprehensive Financial Analysis, Risk Assessment, and Recommendation

Hydroelectric Generation, FERC Compliance, and Infrastructure Funding · Forecast Horizon 2028–2127

About this report. This document is the full analytical record behind the Authority's long-term funding decision. It establishes the modeling methodology and assumptions, examines the financial foundations of value over a century-long horizon, defines and values every credible option, stress-tests the resulting choice against the assumptions most likely to be wrong, assesses ratepayer impact, and develops a recommendation with a phased implementation plan. It is intended to support a fully informed Board decision and to serve as the durable reference document for that decision.

Document control	Detail
Prepared for	Board of Directors & Ratepayer Public
Forecast horizon	100 years (2028–2127), all figures nominal
Primary recommendation	Retain hydro; secure FERC exemption; fund infrastructure renewal and reserves from operating surplus
Headline outcome	$137.4M 100-year cumulative net cash on the recommended path, before the infrastructure renewal program is sized
Basis	100-Year Strategic Financial Plan workbook and supporting analyses

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Executive Summary

The Utica Water and Power Authority (UWPA) stewards multi-generational water and power infrastructure on behalf of its member entities. Two decisions of long-term consequence now sit before the Board: whether to continue operating the Authority's hydroelectric generation assets, and how the Authority will fund the renewal of shared infrastructure from within the enterprise. A third, nested question follows from the first — if generation continues, how the Authority maintains compliance with its Federal Energy Regulatory Commission (FERC) licenses, both of which expire in 2033. This report analyzes all three questions over a full 100-year horizon and develops a single, internally consistent recommendation.

The central finding is that hydroelectric generation is the dominant driver of the Authority's long-term financial position. Held flat at its current level, hydro contributes approximately $157 million of revenue over the horizon — a figure larger than any other lever in the model. Because water-rate revenue is identical regardless of the decision, the choice turns almost entirely on whether the Authority preserves or forfeits this generation revenue.

Three conclusions emerge from the analysis that follows, and they are mutually reinforcing:

1. **Retaining the hydro is the value-creating decision.** Continuing generation produces a 100-year cumulative operating position of approximately $131 million on a regulation-neutral basis, before the infrastructure renewal program is applied (Section 2.4), against roughly $8 million if the asset is retired — an advantage of roughly $123 million that is almost entirely attributable to hydro revenue. Even crediting Retire with the partial offset of selling raw water in lieu of generation (about $24.8 million over the horizon, analyzed in Section 4.3.1), the recommended path still leads by roughly $104 million on a fully-costed basis: selling water is a materially lower-value use of the same resource than running it through the powerhouses.
2. **Within that decision, a perpetual FERC exemption is the highest-value compliance path.** Securing a conduit exemption rather than undertaking recurring relicensing lifts the recommended-path outcome to approximately $137 million on a regulation-neutral basis and avoids a multi-million-dollar obligation that would otherwise recur roughly every forty years. Carrying the Authority's recurring dam-safety and FERC compliance program explicitly (about $9.2 million over the horizon, applied to both options) lowers each option's headline figure by that amount — placing the recommended path near $128 million fully costed — while leaving the advantage over retiring the asset essentially unchanged. Section 3.6 sets out this analysis in full.
3. **The recommendation is robust.** Across three independent stress tests — spanning reduced generation and modest cost inflation — retaining the asset outperforms retiring it in every case, by a margin ranging from roughly $92 million to $123 million.

Accordingly, this report recommends that the Board **retain hydroelectric operations, pursue the FERC conduit exemption as the primary compliance path while maintaining a funded relicensing fallback, fund infrastructure renewal and reserve contributions from the enterprise's operating surplus — with the renewal program to be sized by the FY 2026-27 capital studies rather than assumed in advance — hold the water rate at $40 per meter per month, and maintain reserves at the targets adopted in Resolution No. 22-11, supplemented by**

a relicensing contingency until the exemption is secured. The balance of this report sets out the methodology, evidence, and risk analysis on which that recommendation rests, and the implementation plan through which it would be carried out.

SECTION 1

1 · Introduction and Background

1.1 Purpose and Scope

This report provides the complete financial and strategic basis for the Authority's long-term funding decision. Its purpose is threefold: to document the analytical methodology so that the conclusions can be independently understood and re-tested; to present every credible option on a common, comparable basis; and to develop a recommendation that follows transparently from the evidence rather than being asserted in advance. The scope is deliberately long — a full century — because the assets and obligations in question are themselves multi-generational, and shorter analytical windows systematically understate both the durability of the value at stake and the optionality the decision creates.

The report does not attempt to resolve engineering, legal, or environmental questions in their own right; where those matters bear on the financial analysis — for example, the regulatory timeline for FERC compliance — they are incorporated as modeling assumptions and flagged accordingly. All monetary figures are expressed in nominal dollars unless otherwise noted, and all derive from the Authority's 100-Year Strategic Financial Plan workbook and its supporting analyses.

1.2 The Authority and the Assets It Stewards

UWPA serves a combined base of 3,879 metered connections through its member entities — the Union Public Utility District (UPUD), and the City of Angels Camp. In addition to the water-conveyance system that serves these connections, the Authority owns and operates two small hydroelectric powerhouses: the P-2019 Utica Project and the P-2699 Angels Project. Each operates under a thirty-year FERC license, and both licenses expire in 2033.

These hydroelectric assets are central to the decision at hand for two reasons. First, they are the Authority's only material source of revenue beyond water rates, and they therefore represent the single line item that distinguishes one strategic path from another. Second, their continued operation is contingent on a regulatory outcome — the renewal or replacement of the expiring licenses — which introduces both a cost and a timing question that the financial model must capture. The infrastructure that supports both the water and power functions is aging and requires recapitalization within the planning period, which is the proximate reason a funding strategy must be settled now, ahead of the capital studies that will size the program.

1.3 The decisions before the Board

The strategic question resolves into two nested decisions, with a third dimension — robustness — governing how much confidence the Board can place in the answer:

1. **The primary fork: retain or retire generation.** Under "Retain," the Authority continues hydroelectric operations and funds infrastructure renewal from its own operating surplus and reserves. Under "Retire," it decommissions the hydro assets, raises no capital, and operates as a water-only enterprise.

2. **The compliance fork (within Retain): exemption or relicensing.** Because both licenses expire in 2033, continued generation requires one of two compliant regulatory outcomes — a perpetual conduit exemption or a full FERC relicensing. This question only arises if the Authority chooses to retain the asset.
3. **Robustness.** Whatever the recommended direction, the Board must know whether it survives adverse but plausible assumptions. Three sensitivity analyses, across three risk categories, test exactly this.

To avoid the ambiguity that arises when a single label is used for different concepts, this report uses descriptive terms throughout: **Retain** and **Retire** for the primary fork, and **Exemption path** and **Relicensing path** for the compliance fork. A traceability table in Appendix D maps these terms to the labels used in earlier working documents.

1.4 Why A 100-Year Horizon

Water and hydroelectric infrastructure are among the longest-lived assets any public enterprise holds. Capital commitments made in the next five years will outlive every individual involved in making them, and the obligations they create — capital renewal, regulatory compliance, asset stewardship — extend across multiple generations of ratepayers. A planning horizon shorter than the useful life of the assets would distort the comparison between options by truncating exactly the period in which the decisive differences emerge.

This is not a theoretical concern. As the analysis in Section 3 shows, Retain's advantage is already material at the twenty-five-year mark and roughly triples over the remainder of the century; a conventional twenty-five- or thirty-year window would capture less than a third of the value at stake. A century-long horizon also surfaces the rate-relief optionality discussed in Section 6, which a shorter analysis would miss entirely. The horizon is therefore chosen to match the economic life of the decision, not for rhetorical effect.

1.5 How This Report is Organized

Section 2 documents the methodology and the assumptions that drive every figure in the report. Section 3 establishes the financial foundations — where value comes from and how cash flows behave over time. Section 4 defines each option precisely and values them on a common basis. Section 5 subjects the resulting choice to a structured risk analysis and three stress tests, and derives the appropriate reserve and contingency targets under the Authority's adopted Reserve Policy. Section 6 examines the impact on ratepayers. Section 7 develops the recommendation and its implementation plan, and Section 8 concludes. Five appendices provide the full assumption set, detailed financial tables, complete stress-test results, sources and traceability, and a glossary.

SECTION 2

2 · Methodology and Assumptions

The credibility of any long-horizon forecast rests on the transparency of its assumptions. This section sets out the modeling approach and every material input, so that the Board can see precisely what the conclusions depend on and where the genuine uncertainties lie. Section 5 then flexes the inputs most likely to be wrong.

2.1 Modeling Approach and Conventions

The analysis is built on an annual cash-flow model spanning 2028 through 2127. For each year and each option, the model computes net cash flow as the sum of revenues less operating costs, decommissioning obligations where applicable, and any regulatory cost. These annual figures are accumulated into a running cumulative position, which is the primary basis for comparison: because the options differ in the timing as well as the magnitude of their cash flows, only a cumulative view captures the full economic difference between them.

All figures are nominal. Revenues are not indexed to inflation after rate adoption, and core operating costs are held flat in the base case; this is a deliberately conservative convention that, as Section 5 shows, understates the absolute attractiveness of both options equally without affecting the choice between them. Where a real-terms or inflation-adjusted view would change the interpretation, the report notes it explicitly.

2.2 Revenue Assumptions

The model recognizes two revenue streams. Water-rate revenue is generated by 3,879 meters at $40 per meter per month, producing $1,861,920 per year, or approximately $186.2 million over the horizon. This stream is identical under every option, because the water system operates regardless of whether hydro generation continues. Hydroelectric revenue is held flat at $1,569,889 per year, contributing approximately $157.0 million over the horizon under Retain and zero under Retire.

Holding hydro revenue flat for a century is a strong assumption, and the report treats it as such. It is reasonable as a central case — generation output is relatively stable year to year — but it does not capture equipment aging, hydrological variability, or the renegotiation of power-purchase terms. Because hydro revenue is the model’s dominant lever, Section 5 stresses it directly with a sustained twenty-percent reduction, and Section 7 recommends ongoing reinvestment specifically to protect it.

2.3 Operating Cost and Staffing Assumptions

Operations and maintenance (O&M) are modeled as a single editable cost of $500,000 per year, held flat in the base case and stressed with a compounding escalator in Section 5. Salary and benefit costs differ by option, reflecting the different staffing each requires. Under Retain, the Authority carries both power and water staffing, with a year-three base of approximately $1.62 million after three sequential five-percent increases in 2028, 2029, and 2030. Under Retire, reduced no-hydro staffing produces a year-three base of approximately $1.18 million. Both bases hold flat thereafter.

2.4 Infrastructure Renewal: Treatment in This Revision

This revision carries no infrastructure financing line. As of this writing no loan, bond, or other debt instrument exists, has been applied for, or has been sized, and the plan deliberately does not assume one. The scope and cost of the infrastructure renewal program will be established by the engineering and capital-planning studies funded in the FY 2026-27 budget, and any figure adopted ahead of those studies would be speculation. Under Retain, therefore, the model computes the enterprise's operating position — revenues less staffing, O&M, and, where indicated, regulatory cost — without a capital-program or debt-service deduction.

The consequence for interpretation is important and is repeated wherever it matters: the annual surplus the model shows under Retain, approximately $1.31 million per year once the salary ramp is complete, is not free cash. It is the capacity from which the Authority will fund infrastructure renewal on a pay-as-you-go basis, make the reserve contributions required by Resolution No. 22-11 (Section 5.5), and provide local match for grant funding. Once the capital studies are complete, the next revision of this plan will carry the renewal program as an explicit line and re-test every figure in this report against it.

2.5 Decommissioning Assumptions

Under Retire, the Authority incurs a $10 million decommissioning obligation, spread evenly at $1 million per year across 2028 through 2037. This is a genuine, contractually-fixed cash cost — not a soft estimate — and it falls in the first decade, which is precisely when the option is most cash-constrained. It is important to recognize this obligation as a fixed liability: the perception that retiring the asset is the "obligation-free" path does not survive the presence of a $10 million commitment by another name.

2.6 Limitations and Conservatism

Three limitations warrant explicit acknowledgment. First, the flat-revenue and flat-O&M conventions are simplifications; the model is conservative on revenue and holds core operating cost flat in the base case, and Section 5 quantifies the effect of a modest, capped O&M escalator. Second, the model does not yet carry the recurring dam-safety and FERC compliance cost as an explicit, scenario-switched line in the underlying workbook; Section 3.6 now quantifies that cost — about $91,500 per year, roughly $9.2 million over the horizon — and applies it equally to both options, Section 4 layers the exemption-versus-relicensing fork onto the baseline analytically, and Section 7 recommends incorporating both directly in the next revision. Third, the meter count is held flat at its current level of 3,879 connections throughout the horizon. This reflects a deliberate and realistic expectation for the service area, which is not anticipated to experience material connection growth; the analysis therefore assumes no growth rather than treating it as upside, and every figure in the report is calculated on that flat-meter basis. None of these limitations alters the direction of the recommendation; each affects only the magnitude of the figures, and all are addressed in the risk analysis.

SECTION 3

3 · Financial Analysis: The Foundations of Value

Before any option is weighed, it is worth establishing where the Authority's long-term value actually originates and how its cash flows behave over time. Two structural facts shape everything that follows, and understanding them makes the later comparisons almost self-evident.

3.1 The Revenue Architecture: Why Water Rates Cannot Decide the Question

The Authority's revenue has two components, and they play very different roles in the decision. Water-rate revenue — $186.2 million over the horizon — is the larger of the two, but it is identical under every option, because the water system runs whether or not the hydro generates. A revenue stream that is the same across all paths cannot, by definition, distinguish between them. It is the stable foundation on which the enterprise rests, but it is analytically neutral to the choice.

Hydroelectric revenue is the opposite. At $1,569,889 per year, it is smaller in absolute terms, but it is the only revenue line that varies with the decision: preserved in full under Retain, forfeited entirely under Retire. The decision therefore does not turn on water rates at all — it turns on whether the Authority continues to operate its generation asset. This is the single most important framing in the entire analysis, and it explains why the comparison between options is, at its core, a comparison about hydro.

3.2 Hydro Generation as the Value Engine

Over the full horizon, flat hydro revenue accumulates to approximately $157 million. The scale of that figure relative to the rest of the model is what makes it decisive. It is the reason the generation asset, on its own, produces enough cumulative cash to fund the Authority's infrastructure renewal from within the enterprise rather than through borrowing. It is, in the most literal sense, the difference between an enterprise that can self-fund its own renewal and one that cannot.

This concentration of value in a single line has a strategic implication that the report returns to repeatedly: protecting hydro revenue is the Authority's most important operational priority under the recommended path. Because so much of the case rests on this one stream, the analysis treats threats to it — equipment aging, dry years, adverse power-purchase terms — as the risks most deserving of mitigation, and Section 5 stresses it more aggressively than any other input.

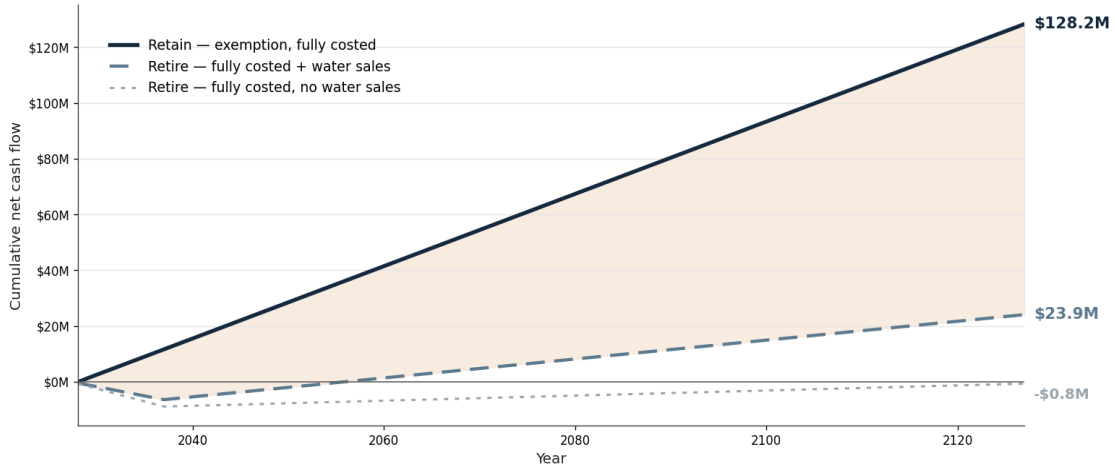
3.3 The Cash-Flow Profile Over Time

The two primary options do not merely differ in their endpoints; they follow fundamentally different trajectories, and the shape of those trajectories is the heart of the analysis. Retain runs a steady operating surplus from the first year, and that surplus compounds across the century. Retire carries its decommissioning obligation in the first decade and then settles into a permanently smaller surplus, having given up generation revenue for good.

Exhibit 1 traces the cumulative net cash position of each option across the full horizon, shown here on the fully-costed basis that carries the recurring compliance program (Section 3.6) against both options and credits Retire with the water-sale offset (Section 4.3.1). The visual tells the whole story: a steady, uninterrupted climb for Retain from 2028 onward; for Retire, an early trough driven by decommissioning, followed by a slow ascent that — even with water sales — never approaches Retain's trajectory. The shaded area between the two lines is Retain's growing advantage, which on the regulation-neutral foundation widens by approximately $2.1 million per year during the decommissioning decade and by approximately $1.13 million every year thereafter. The faint lower line shows Retire fully costed without water sales, to isolate the size of that offset.

Exhibit 1 · 100-year cumulative net cash flow (fully costed)

With compliance carried and water sales credited to Retire, the recommended path leads by ~$104M



Several specific features of the trajectory deserve note. Retain's cumulative position never turns negative: on a regulation-neutral basis it stands at roughly $1.5 million after the first year, $39.6 million at year thirty, and $131.5 million at year one hundred. Retire, by contrast, is driven to roughly negative $8 million by 2037 under the weight of decommissioning and does not return to positive territory until approximately 2081. The widely held intuition that retiring the asset is the safer course does not survive this comparison: the Retire path spends more than half a century underwater, while Retain never does.

The annual view makes the structural difference explicit. Under Retain, annual net cash flow is a surplus of roughly $1.46 million in 2028, eases to about $1.31 million per year as the three salary increases phase in through 2030, and holds at that level in perpetuity — before the infrastructure renewal program is applied (Section 2.4). Under Retire, the decommissioning decade runs annual deficits in the range of $708,000 to $817,000, after which the enterprise settles at a steady-state surplus of about $183,000 per year before water sales; crediting the water-sale offset (Section 4.3.1) lifts the average to roughly $431,000 per year, but with pronounced year-to-year swings — about $500,000 in a wet water year and far less in a dry one. Even so, the Retain surplus remains several times the size of Retire's steady state.

3.4 Cumulative Position at Strategic Horizons

The advantage of retaining the asset is not a distant-future artifact that depends on extrapolating a century out. As the checkpoints below show, Retain outperforms Retire at every horizon, and the advantage is material from the outset — roughly $38 million at twenty-five years — before widening steadily to more than $120 million at the century mark.

Horizon	End year	Retain net	Retire net	Retain advantage
25 years	2052	$33.0M	($5.3M)	+$38.3M
30 years	2057	$39.6M	($4.4M)	+$44.0M
50 years	2077	$65.9M	($0.7M)	+$66.6M
75 years	2102	$98.7M	$3.9M	+$94.8M
100 years	**2127**	**$131.5M**	**$8.4M**	**+$123.1M**

These figures are regulation-neutral: they carry no FERC compliance cost, and they therefore represent the foundation onto which Section 4 layers the cost of each compliance path. They establish the essential result — that retaining the asset is materially more valuable than retiring it at every horizon — before the regulatory question is even considered.

3.5 Regulatory Compliance and Dam Safety

Regulatory compliance is often speculated to disappear when discussing the options between Retain and Retire. Although this may seem like an appealing narrative the reality is much different. Most regulatory compliance costs owe their existence to Dam Safety regulations such as EAP, testing, inspections, ODSP, etc. Therefore, the reality is that any reduction expected in either FERC exemption or retiring hydroelectric assets would be nominal at best, but reduced costs would most likely not be realized.

3.6 The Recurring Cost of Dam-Safety and FERC Compliance

The regulation-neutral figures above carry no compliance cost of any kind. In practice the Authority incurs a continuing program of dam-safety and FERC obligations — annual inspections and certifications, recurring five- and ten-year studies and inspections, and periodic Part 12D safety reviews — that exist independently of the exemption-versus-relicensing fork analyzed in Section 4. These are the obligations catalogued in the Authority's compliance schedule, and the earlier revision of this plan did not carry them as an explicit line. This subsection corrects that omission and quantifies the burden so the Board sees the figures on a fully-costed basis.

Aggregating the scheduled items by their stated frequency and annualizing the recurring cycles produces a steady-state compliance cost of approximately $91,500 per year: roughly $1,000 of annual items, about $40,300 per year from the five-year cycle of studies and re-writes (dam-monument surveys, EAP exercises and re-writes, the ODSP re-write, the Part 12D safety review, and related work), and about $50,200 per year from the ten-year cycle (penstock ROV inspections, inundation-map updates, the Part 12D comprehensive and periodic inspections, and similar). Over the 100-year horizon this recurring burden accumulates to roughly $9.2 million. In addition, the schedule carries approximately $0.6 million of near-term, one-time studies — concrete testing, flood-study and seismicity updates, and a stability-analysis update — concentrated in the first several fiscal years.

Compliance category	Cycle total	Annualized	100-yr total
Annual items (USFS meeting, etc.)	$1,000 / yr	$1,000	$0.1M
Five-year cycle (surveys, EAP, ODSP, Part 12D review)	$201,700	$40,300	$4.0M
Ten-year cycle (ROV, inundation maps, Part 12D inspections)	$502,000	$50,200	$5.0M
Recurring compliance subtotal	**—**	**$91,500**	**$9.2M**
One-time near-term studies (FY27–FY32)	$625,000	—	$0.6M

The decisive point for the Board's decision is that this burden is, to a first approximation, common to both options. As Section 3.5 explains, most of these costs owe their existence to dam-safety regulation — EAP obligations, ODSP assessments, inspections, and monument surveys — which persist for as long as the dams themselves exist, whether or not generation continues. Decommissioning the powerhouses under Retire does not remove the dams or the reservoirs behind them, so the realistic reduction in this compliance program under Retire is nominal at best. The conservative and defensible treatment, adopted here, is therefore to apply the recurring compliance cost equally to both options.

Because the cost falls on both paths alike, it lowers each option's headline figure by roughly $9.2 million but leaves the gap between them — the actual basis for the decision — essentially unchanged. The table below restates the principal results on a fully-costed basis.

Measure	Regulation-neutral	With compliance	Change
Retain — baseline, 100-yr	$131.5M	$122.3M	−$9.2M
Retain — exemption, 100-yr (recommended)	**$137.4M**	**$128.2M**	**−$9.2M**
Retire — decommission, 100-yr	$8.4M	−$0.8M	−$9.2M
Retain advantage (exemption vs. retire)	**$129.0M**	**$129.0M**	**—**

Two conclusions follow. First, even fully costed, the recommended exemption path remains strongly positive over the horizon at roughly $128.2 million, and the Retain-over-Retire advantage is undiminished at about $129.0 million. The compliance cost is a level shift, not a lever that changes the decision. Second, the fully-costed view does sharpen one observation already made in Section 5.7: once compliance is carried explicitly, Retire's century-long position is approximately break-even rather than a modest surplus — reinforcing that retiring the asset is not the low-cost, low-risk path it is often assumed to be. Consistent with the recommendation in Section 7.5, the next revision of the model should carry this recurring compliance program as an explicit annual line, with the one-time near-term studies scheduled in the years the compliance calendar specifies, so that reserve sizing and the annual cash-flow profile reflect it directly.

SECTION 4

4 · The Options, Defined and Valued

This section defines each credible option precisely and then values the full set on a single, comparable 100-year basis. There are four distinct end-states: retire the asset, or retain it under one of three compliance-and-cost profiles.

4.1 The Structure of The Decision

The decision is best understood as a tree rather than a list. At the first node, the Authority chooses whether to retain or retire generation. If it retires, the analysis ends there — no compliance question arises and no capital is raised. If it retains, a second node opens: how to maintain FERC compliance for the two powerhouses whose licenses expire in 2033. That second choice does not affect whether the hydro runs — both compliance paths keep it running and preserve its revenue — but it materially affects the cost and recurrence of staying compliant, and therefore the long-run value of the Retain branch.

4.2 Option 1 — Retain Hydroelectric Assets

Under Retain, the Authority continues hydroelectric generation, retains its power and water staffing, and funds infrastructure renewal from its operating surplus and reserves, with the renewal program to be sized by the FY 2026-27 capital studies (Section 2.4). It preserves $1.57 million per year of generation revenue and runs an operating surplus of roughly $1.31 million per year. On a regulation-neutral basis its 100-year cumulative position is approximately $131.5 million.

4.3 Option 2 — Retire Hydroelectric Assets

Under Retire, the Authority ends hydroelectric operations, reduces staffing to water-only roles, and makes no investment in infrastructure renewal. It incurs the $10 million decommissioning obligation across 2028–2037 and permanently forfeits generation revenue. Its 100-year cumulative position is approximately $8.4 million on a regulation-neutral basis. The Authority could, however, partially offset the lost generation revenue by selling a portion of its water in lieu of running it through the powerhouses; Section 4.3.1 quantifies that offset, which improves the Retire position without closing the gap to Retain. Critically, retiring the asset is effectively irreversible: the practical optionality of restarting generation decades from now is close to zero, so this path forecloses the upside permanently rather than merely deferring it.

Dimension	Retain (continue hydro)	Retire (decommission)
Hydro generation	Continues; $1.57M/yr preserved	Ends; revenue forfeited
Infrastructure capital	Funded from operating surplus and reserves; program to be sized by FY 2026-27 studies	None

Dimension	Retain (continue hydro)	Retire (decommission)
Major obligation	Reserve contributions per Res. 22-11; renewal program (not yet sized)	$10M decommissioning, 2028–2037
Staffing	Power + water (yr-3 base ~$1.62M)	Water-only (yr-3 base ~$1.18M)
Water rate	$40/meter/month	$40/meter/month (identical)
100-yr cumulative (neutral)	$131.5M	$8.4M
Water sales (offset)	None (water runs through hydro)	~$247.5K/yr avg; ~$24.8M/100 yrs
Reversibility	Asset preserved	Effectively irreversible

4.3.1 Water Sales as a Partial Offset Under Retire

The regulation-neutral Retire figure assumes the Authority forfeits generation revenue entirely and earns nothing in its place. In practice, if the powerhouses are retired the water that would have driven them does not disappear — it remains available, and a portion of it could be sold rather than passed through generation. This subsection estimates that offset. It does not change the conclusion that Retire is the weaker path; it simply states the Retire case on its strongest reasonable footing, so the comparison is fair.

The volume available for sale varies with hydrology, and is estimated here on the same established water-year (WY) classification that underlies the hydro-revenue assumption — a thirty-year record averaging WY 2.0, within which roughly half the years are the wettest WY 1 type. The Authority estimates it could sell approximately 9,000 acre-feet in a WY 1 year, 5,500 acre-feet in a WY 2 year, and 2,000 acre-feet in a WY 3 year, with no saleable surplus in the drier WY 4 through WY 6 years, all priced at $45 per acre-foot. The per-water-year revenue that results is shown below. It should be noted with emphasis that this option risks another agency potentially seeking our water rights. Simply said, if we are not using our water rights they are subject to risk.

Water year (type)	Acre-feet sold	Price / AF	Revenue
WY 1 (wettest)	9,000	$45	$405,000
WY 2	5,500	$45	$247,500
WY 3	2,000	$45	$90,000
WY 4 – WY 6 (driest)	0	$45	—

Weighting these per-water-year amounts by how often each water-year type occurs across the thirty-year record — consistent with the WY 2.0 long-run average used elsewhere in this report — produces an average water-sale revenue of approximately $247,500 per year. Because the volumes are tied to hydrology rather than spread evenly, actual annual receipts are lumpy: a wet WY 1 year contributes about $405,000, a WY 3 year about $90,000, and the driest years nothing at all. Over the 100-year horizon the offset accumulates to roughly $24.8 million.

Layering this offset onto the fully-costed Retire position from Section 3.6 produces the comparison below. The water sales lift Retire materially — from roughly break-even to a positive cumulative position — but the recommended Retain-Exemption path still outperforms it by a wide margin.

Measure (100-yr cumulative, fully costed)	Without water	With water	Change
Retire — decommission	−$0.8M	$23.9M	+$24.8M
Retain — exemption (recommended)	**$128.2M**	**$128.2M**	**—**

Three points should be read alongside these figures. First, the offset is real but partial: even on its strongest footing, Retire-with-water reaches about $23.9 million over the century against roughly $128.2 million for the recommended path — a shortfall of about $104.3 million, almost all of it the generation revenue that selling raw water cannot replace. Second, the estimate is deliberately conservative on price and volume, holds the $45 per acre-foot rate flat in nominal terms, and assumes no saleable surplus in dry years; it does not assume any firm long-term purchase commitment, which the Authority does not currently hold. Third, and most important, the water-sale offset does nothing to address the irreversibility that is Retire's defining risk: once the powerhouses are decommissioned, the far larger generation revenue is foreclosed permanently, whereas selling water is a lower-value use of the same resource. The offset narrows the gap; it does not change the decision.

4.4 The FERC Compliance Fork (Within Retain)

Both powerhouse licenses expire in 2033, and continued generation requires one of two compliant outcomes. The structural difference between them is recurrence. A full FERC license runs only about forty years, so relicensing is not a one-time event — it recurs roughly every forty years, with renewal points falling at approximately 2033, 2073, and 2113 inside the horizon. A conduit exemption, by contrast, is issued in perpetuity: the Authority pays a much smaller cost once and never faces the process again. This difference in recurrence, more than the difference in any single cost, is what separates the two paths over a century.

4.5 The Exemption Path in Detail

The conduit exemption is the path the Authority is already pursuing. It targets completion around 2028, requires roughly $1.5 million of support work, and is issued in perpetuity with no renewal obligation. It also reduces ongoing FERC overhead by approximately $75,000 per year relative to the relicensing alternative, because it avoids the sustained consultant and reporting burden that a full license entails, and it qualifies as categorically exempt from the environmental review a relicensing would trigger.

A counterintuitive but important consequence of these features is that the exemption path scores slightly higher than the regulation-neutral baseline rather than lower. The reason is straightforward arithmetic: the $75,000 per year of avoided overhead, compounded across the horizon, accumulates to roughly $7.4 million, which exceeds the one-time $1.5 million application cost by about $5.9 million. The exemption is, in effect, a small net positive investment, not merely the cheapest way to stay compliant.

4.6 The Relicensing Path in Detail

Full FERC relicensing is the fallback should the exemption be denied or materially delayed. It is a multi-year process — roughly five years — completing around 2033, and it costs an estimated $10 to $15 million per cycle. It carries a sustained FERC overhead thereafter, is likely to require a full environmental assessment or impact statement, and, most consequentially, must be repeated roughly

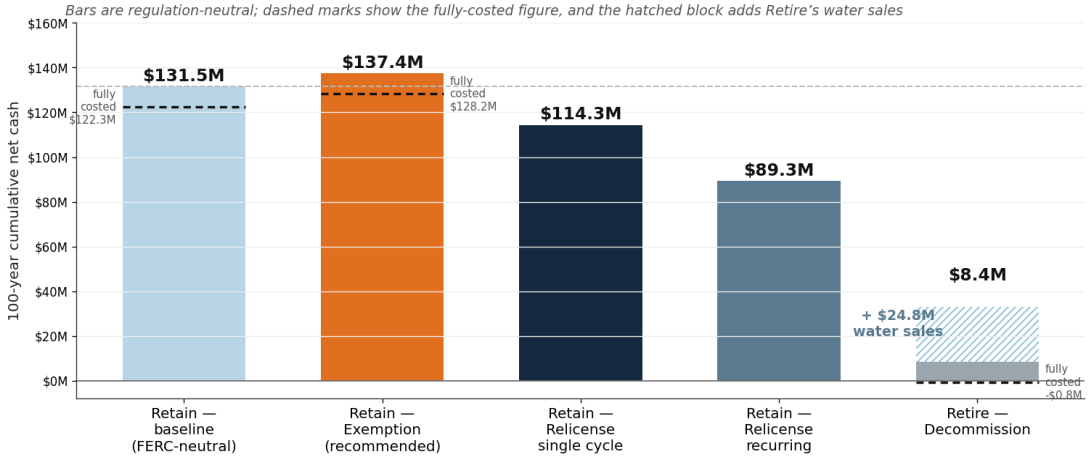
every forty years. The timing of the first cycle is itself a complicating factor: a 2033 completion lands in the plan's first years, before reserves have reached their targets, layering a large regulatory cost on top of the period in which the Authority is also funding reserve contributions and beginning infrastructure renewal. The cash-flow and reserve implications of that timing are analyzed in Section 5.

4.7 Valuing the Full Option Set

Layering each compliance path onto the regulation-neutral foundation from Section 3 produces the complete option space, valued on a single basis in Exhibit 2. The exemption path reaches approximately $137.4 million; a single relicensing cycle yields $114.3 million; recurring relicensing across the horizon yields $89.3 million; and retiring the asset yields $8.4 million. The bars are regulation-neutral for comparability; the dashed marks show the fully-costed figure once the recurring compliance program (Section 3.6) is carried, and the hatched block on the Retire bar adds the ~$24.8 million water-sale offset (Section 4.3.1). Even crediting Retire with water sales, it remains the lowest-value option by a wide margin.

Exhibit 2 · What each option is worth over 100 years

Bars are regulation-neutral; dashed marks show the fully-costed figure, and the hatched block adds Retire's water sales



Option (100-yr cumulative net)	Value	vs. exemption	vs. neutral baseline
Retain — Exemption (recommended)	$137.4M	—	+$5.9M
Retain — baseline (FERC-neutral reference)	$131.5M	−$5.9M	—
Retain — Relicense, single cycle	$114.3M	−$23.1M	−$17.2M
Retain — Relicense, recurring renewals	$89.3M	−$48.1M	−$42.2M
Retire — Decommission	$8.4M	−$129.0M	−$123.1M

Two conclusions follow directly from this exhibit. First, the regulatory fork never threatens the keep-hydro case: even recurring relicensing, the worst compliant outcome at $89.3 million, exceeds retiring the asset by roughly $81 million. The choice to retain is robust to how compliance is ultimately achieved. Second, the fork nonetheless matters a great deal for magnitude — approximately $48 million separates the best and worst compliant outcomes. Securing the exemption is therefore the

single highest-value move available within the recommended direction, and the difference between the two compliance paths is large enough to justify treating the exemption as a strategic priority rather than an administrative formality.

SECTION 5

5 · Risk Analysis and Stress Testing

A recommendation is only as good as its resilience to the assumptions that turn out to be wrong. This section applies a structured risk framework, then executes three sensitivity analyses — across two risk categories — on the variables most likely to deviate from the base case, derives the appropriate reserve and contingency targets, and consolidates the full risk picture.

5.1 A Framework: Direction, Magnitude, And Absolute Attractiveness

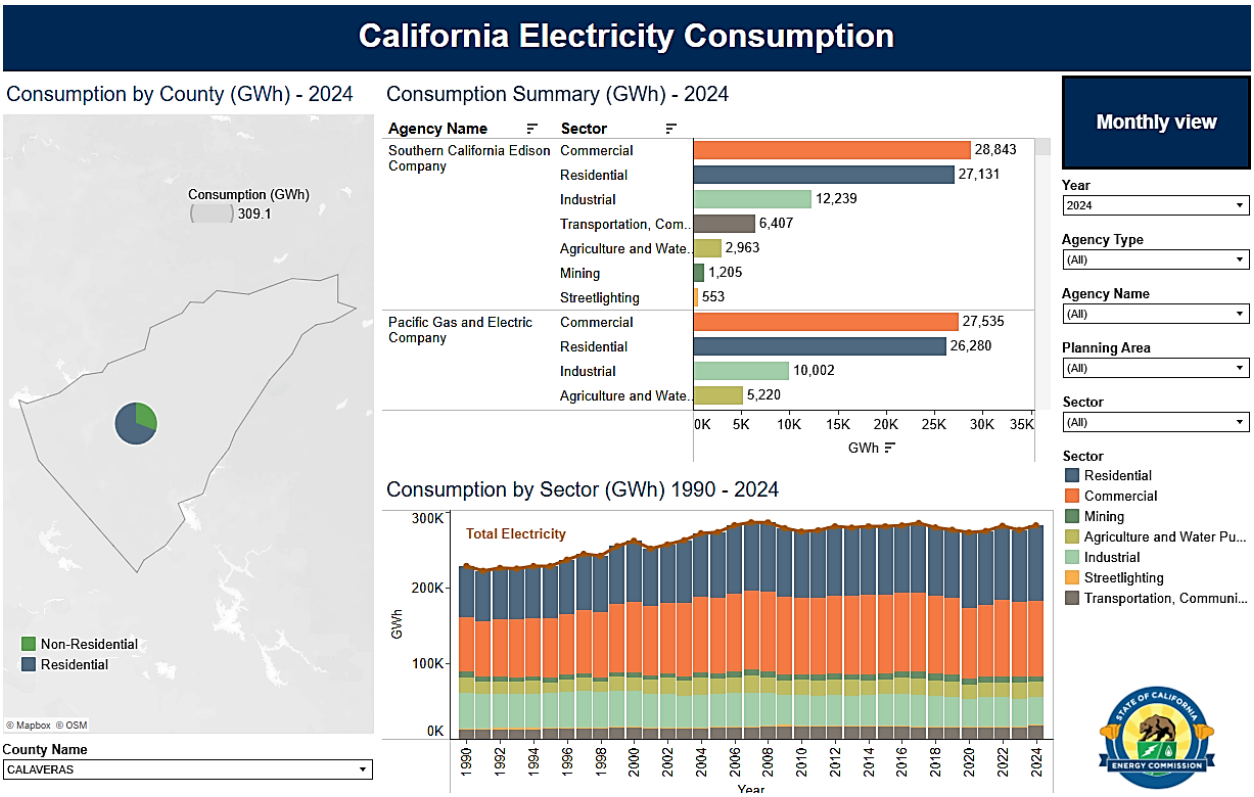
It is useful to distinguish three different things a risk can affect. A risk that changes the direction of the recommendation — that is, one that could make Retire preferable to Retain is decision-critical. A risk that changes the magnitude of Retain's advantage without reversing it affects how much is at stake but not the choice itself. And a risk that changes the absolute attractiveness of both options equally affects whether the enterprise is sustainable at all, but is neutral to the comparison. The stress tests are organized around this distinction, because conflating the three is the most common source of error in interpreting sensitivity analysis.

5.2 Stress Test 1 — Hydro Revenue Floor (−20%)

The test holds hydro revenue flat at $1.25 million per year for all hundred years — a sustained twenty-percent reduction from the $1.57 million baseline — representing a permanent decline from equipment aging, water-year variability, or unfavorable power-purchase renegotiation. This is the most aggressive single-variable stress in the battery, and deliberately so: because hydro revenue is the model's dominant lever, it is the assumption whose failure would do the most damage.

Under this stress, Retain's 100-year cumulative position falls from $131.5 million to $100.1 million — a reduction of $31.4 million — and its thirty-year position eases from $39.6 million to $30.2 million, though it remains positive in every year and therefore creates no reserve draw on its own. Even so, Retain still exceeds Retire by $91.7 million. A permanent twenty-percent haircut to the Authority's most important revenue line narrows the advantage substantially but does not come close to reversing it. The clear implication is operational: protecting hydro revenue is the first-priority risk-management task under the recommended path, and Section 7 recommends dedicated hydro-capital funding from operating surplus specifically to insure against the asset deterioration this stress models.

This stress test was built in to simulate a potential negative in planning. However, given CPUC data power consumption is rapidly increasing within the state of California due to vehicle electrification, data centers, and increase household consumption. Although this stress test was built in to show a negative to revenues the expectation given the CPUC data is that power generation revenues will continue to rise. This would create additional income revenues above the baseline figures built into this plan. This was done to ensure conservative estimates.



5.3 Stress Test 2 — O&M Inflation (+0.5–1%/Yr Over the First 30 Years)

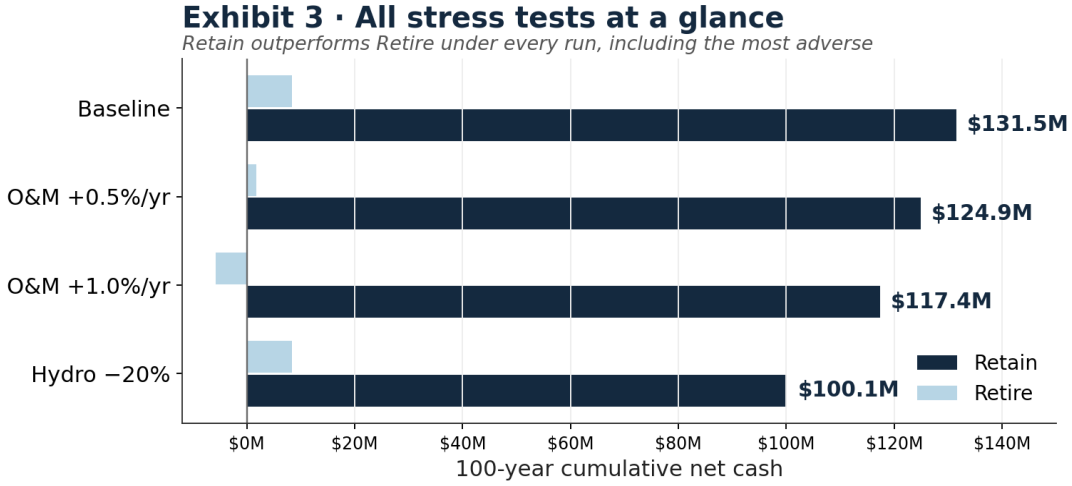
The flat-O&M convention is deliberately simple, and this test relaxes it in a measured, realistic way. Rather than assuming cost inflation compounds indefinitely, it applies a modest escalator — tested at both 0.5% and 1.0% per year — across the first thirty years (2028–2057), after which O&M is held flat at the level it has reached. This bounds the assumption to a credible window and avoids overstating long-run cost drift: by 2057 O&M reaches roughly $578,000 per year at 0.5% and $667,000 per year at 1.0%, against the $500,000 flat baseline, and it does not compound further thereafter.

The results are mild and, importantly, symmetric. At 0.5% per year, Retain's 100-year position eases from $131.5 million to $124.9 million and Retire's from $8.4 million to $1.8 million; at 1.0% per year, Retain settles at $117.4 million and Retire at negative $5.7 million. Because O&M costs are identical under both options, the escalator strikes them equally, so the advantage of Retain over Retire holds at exactly $123.1 million in both runs — unchanged from the baseline gap. The thirty-year position eases only slightly, from the base-case $39.6 million to between $37.2 million and $38.5 million, and the cumulative position remains positive throughout.

The interpretation is therefore unchanged in character but far less alarming in magnitude than an unbounded inflation assumption would suggest: cost inflation is a shared enterprise risk that affects how attractive both options are, not which one is better. It is a planning consideration to be monitored and managed through the periodic plan refresh, not a factor that bears on the retain-or-retire decision.

5.4 Synthesis of the Stress Tests

Exhibit 3 consolidates all three runs. The direction of the result is unanimous: Retain outperforms Retire in every case, including the most adverse. The smallest advantage, following the hydro stress, is still $92 million; the largest, under the symmetric O&M runs, is approximately $123 million.

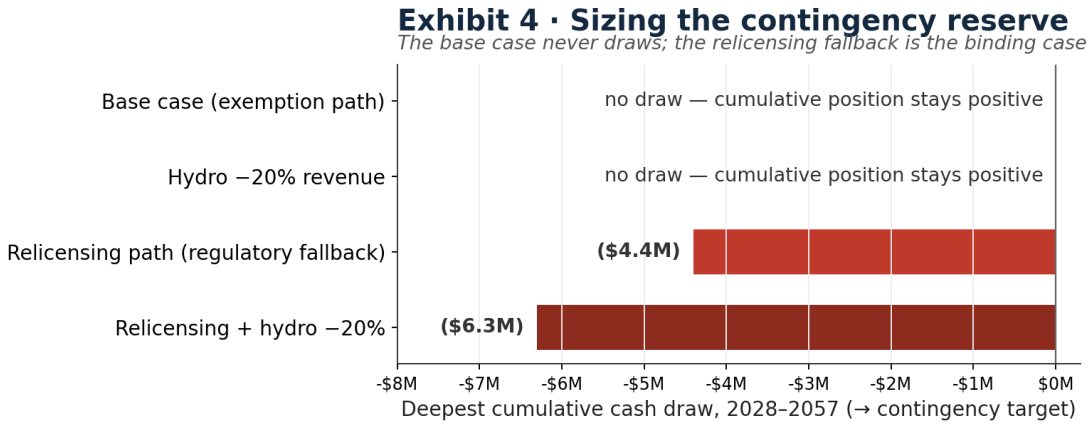


Read through the framework of Section 5.1, the battery yields a clear hierarchy. Nothing in the set changes the direction of the choice, because hydro revenue is larger than any plausible flex on the other inputs. Hydro revenue is the dominant magnitude lever — the only stress that meaningfully narrows the gap. And O&M inflation, now bounded to a realistic 0.5–1% over the first thirty years, affects the absolute attractiveness of both options equally while leaving the gap between them untouched. The Board can therefore proceed with confidence that the decision is robust, and focus its risk-management attention precisely where it matters: hydro-revenue protection as the leading operational priority, and disciplined cost management as a standing planning concern.

5.5 Reserve Sizing Under the Adopted Reserve Policy

The Authority must hold reserves sufficient to absorb the deepest cumulative cash draw it could face during the first thirty years without breaching liquidity. Because the base case carries no debt service, the deepest draw is not produced by the base case at all; it is produced by the regulatory fallback, and the contingency must be sized to that binding constraint rather than to the base case.

Exhibit 4 compares the candidate drivers. In the base case there is no draw: the cumulative position is positive from the first year, so the reserve targets the Board has already adopted (below) are the only requirement. The twenty-percent hydro stress likewise produces no draw. The binding constraint is the regulatory fallback: if the exemption is denied and the Authority must relicense, a $12.5 million cost phased across 2029–2033 drives the cumulative position to roughly negative $4.4 million at 2033, and a relicensing cycle that coincides with the hydro stress deepens that to roughly $6.3 million. Sizing the contingency to the compound case implies restricted funds of $6 to $7 million while the relicensing risk remains live.



Condition	Deepest draw, 2028–2057	Implied reserve target
Base case (exemption path)	none	Res. 22-11 policy targets
Hydro −20% revenue	none	Res. 22-11 policy targets
Relicensing path (regulatory fallback)	($4.4M)	~$4.5–5M contingency
Relicensing + hydro −20% (compound)	**($6.3M)**	**$6–7M contingency**

The reserve structure into which these figures fit is the one the Board has adopted. **Resolution No. 22-11, the Revised Utica Reserve Policy, establishes three reserve accounts — an Operating Reserve, a FERC Reserve, and a FERC/Dam Safety 5-Year and 10-Year Plan Reserve — and consolidates the former Emergency and Capital Reserves into the Operating Reserve.** The policy's targets are an Operating Reserve of 15 percent of operating budget expenses exclusive of depreciation plus any debt service, funded at $30,000 per year until that level (or $275,000) is reached; a FERC Reserve of $3,150,000 accumulated over ten years ($275,000 in FY 2022-23, $350,000 in FY 2023-24, and $400,000 per year from FY 2024-25 through FY 2028-29); and a FERC/Dam Safety Reserve set during each annual budget at the amount needed to fund the compliance activities due in that year. Emergency and capital uses of the Operating Reserve are defined in the policy, appropriations outside the annual budget require a four-fifths vote of the Board, and Section 6 of the policy allows the Board to modify the targeted amounts by majority vote on the basis of the annual reserve review.

Mapped onto that structure, this plan's findings translate into three practical rules. **First, the FERC Reserve is the natural home for the relicensing contingency: at its $3.15 million policy target it covers roughly half of the $6-to-7 million binding-case draw, and this plan recommends that the Board, acting under Section 6 of the policy, raise the FERC Reserve target to $6–7 million — or supplement it with a separately designated relicensing contingency of $3–4 million — until the exemption is secured, then return it to the policy level once compliance is locked in perpetuity.** Second, the Operating Reserve target of 15 percent of operating expenses is adequate for the base case, in which the enterprise never draws, and its capital provisions are the vehicle for the hydro-capital funding recommended in Section 7; the recurring dam-safety program (Section 3.6)

continues to be funded through the FERC/Dam Safety Reserve as the policy provides. Third, the next model revision should carry the relicensing cost as an explicit, scenario-switched line rather than as an external contingency, so that the reserve targets update automatically with the regulatory outcome and the annual reserve status report required by Section 6 of the policy can be drawn directly from the model.

5.6 Consolidated Risk Register

The following register consolidates the risks identified throughout the analysis with the mitigation appropriate to each. None of these risks inverts the recommendation; together they define the risk-management agenda for the recommended path.

Risk	Description	Mitigation
Hydro revenue decline (operational priority #1)	Flat $1.57M/yr could fall via equipment aging, dry years, or PPA terms; a sustained 20% cut costs ~$31M of cumulative value.	Fund hydro-capital renewal through the Operating Reserve's capital provisions (Res. 22-11); revisit revenue assumptions every 5 years.
Exemption denied or delayed	Triggers relicensing: ~$12.5M cost around 2033, recurring; FERC Reserve / contingency target rises to $6–7M.	Maintain a funded relicensing contingency; activate on the decision trigger in Section 7.
O&M cost inflation	Flat $500K/yr is a simplification; a 0.5–1%/yr escalator over the first thirty years reduces both options equally, leaving the choice unchanged.	Monitor through the 5-year plan refresh; build a modest, capped O&M escalator and an explicit capital-program line into the next revision.
Unsized renewal program	The infrastructure renewal program is not yet costed; the ~$1.31M/yr operating surplus is the funding capacity and must not be treated as free cash.	Complete the FY 2026-27 capital studies; carry the program as an explicit line in the next revision; fund it from surplus, reserves, and grants.
Irreversibility of Retire	Decommissioning forecloses generation permanently; restart optionality is effectively zero.	Recognize Retire's principal risk as permanent foreclosure of upside, not lower volatility.

5.7 Reframing the Risk of Retiring Hydroelectric Assets

Retire is frequently perceived as the low-risk option because it commits to no new spending. The analysis shows this framing to be mistaken on two counts. First, the $10 million decommissioning obligation is itself a fixed cost — an obligation by another name, paid by ratepayers — and it falls in the decade when the option is most cash-constrained, driving Retire underwater for decades while Retain never goes negative. Second, and more fundamentally, retiring the generation asset is effectively irreversible: the practical possibility of restarting generation decades later is close to zero. Retire's principal risk is therefore not financial volatility but the permanent foreclosure of upside — a category of risk that a conventional cost-avoidance lens misses entirely.

SECTION 6

6 · Ratepayer Impact

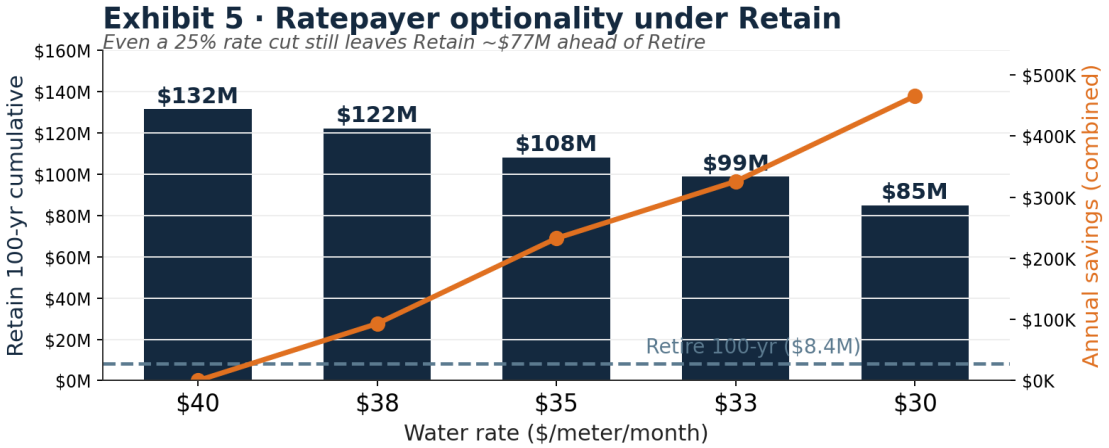
A funding decision of this scale is ultimately accountable to the ratepayers who finance it. This section examines what each option means for households, both in the near term and in the decades that follow.

6.1 Rate Continuity Under Both Options

For the foreseeable planning period, the two options are indistinguishable from a household's perspective. Both charge $40 per meter per month from 2028 onward, and neither requires a further rate increase to execute. Under Retain, infrastructure renewal and reserve contributions are funded entirely from the enterprise's own operating surplus, not from a rate hike, and the decommissioning obligation under Retire is likewise absorbed internally. The decision is therefore rate-neutral to ratepayers; the divergence between the options is a matter of the underlying enterprise's health, not of what households pay.

6.2 Rate-Relief Optionality Under Retain

The two options diverge in what they make possible, and only Retain creates room to lower rates. Because the enterprise runs a surplus of approximately $1.31 million per year under Retain, the Authority has the financial headroom to reduce water rates while still outperforming Retire by a wide margin. That headroom is not available on day one: the surplus is first committed to the reserve targets of Resolution No. 22-11 and to the infrastructure renewal program once it is sized (Section 2.4), and any rate reduction should follow the plan refresh at which those commitments are funded. Exhibit 5 and the table below quantify the optionality across a range of rates, applied conservatively from 2028 across the full horizon.



Water rate	Monthly saving / meter	Annual saving (combined)	Retain 100-yr	Beats Retire by
$40 (no change)	$0	$0	$132M	+$123M
$38	$2	$93K	$122M	+$114M

Water rate	Monthly saving / meter	Annual saving (combined)	Retain 100-yr	Beats Retire by
$35	$5	$233K	$108M	+$100M
$33	$7	$326K	$99M	+$90M
$30 (−25%)	**$10**	**$465K**	**$85M**	**+$77M**

Even the most aggressive relief tested — a twenty-five-percent reduction to $30 per meter, saving ratepayers roughly $465,000 per year in aggregate — still leaves Retain producing approximately $77 million more cumulative cash than Retire. The optionality is genuine and substantial: the Authority could meaningfully reduce household costs once reserves and the renewal program are funded and remain far ahead of the alternative.

6.3 What Retiring Hydroelectric Generation Forecloses

Under Retire, no equivalent rate reduction is financially feasible. The option’s steady-state surplus of approximately $183,000 per year cannot absorb the $465,000 of foregone revenue that a $10-per-meter cut would represent; the math simply does not allow it. The practical consequence is that retiring the asset does not merely produce a smaller surplus — it forecloses the possibility of future rate relief altogether. For ratepayers, the choice between the options is, in the long run, a choice between a path that can eventually lower their bills and one that cannot.

SECTION 7

7 · Recommendation and Implementation

7.1 The Recommendation

> **This report recommends that the Board authorize an integrated plan: (1)** retain hydroelectric operations and fund infrastructure renewal from the enterprise's operating surplus, reserves, and grant funding, with the renewal program to be sized by the FY 2026-27 capital studies; **(2)** pursue the FERC conduit exemption as the primary compliance path while maintaining a funded relicensing fallback; **(3)** set Member Agency rates in accordance with this plan to properly fund the Authority; and **(4)** maintain reserves at the targets adopted in Resolution No. 22-11, supplemented by a relicensing contingency.

7.2 Why the Recommendation Follows from the Analysis

Each element of the recommendation rests directly on a finding established earlier in the report. Retaining the asset follows from Section 3: hydro revenue is the dominant value driver, and Retain outperforms Retire at every horizon by a margin that Section 5 shows no stress test can reverse. Pursuing the exemption follows from Section 4: it is the highest-value compliance path and the single largest value-add available within the recommended direction. Holding the rate flat follows from Section 6: it is feasible under Retain in every year and preserves the rate-relief optionality that only Retain can deliver. And sizing the contingency to the relicensing fallback follows from Section 5.5: that fallback is the binding constraint on near-term liquidity. The recommendation is, in short, the conclusion the evidence compels rather than a preference imposed on it.

7.3 Decision Triggers

Because the regulatory outcome is not yet settled, the financial plan should be structured to switch automatically with it. The following triggers tie the financial model to the regulatory milestones, so that the governance document and the model tell the same story under either outcome.

Trigger	Financial action
Exemption approved / milestone reached	Lock the exemption path; release the relicensing contingency toward the Resolution 22-11 policy targets; reduce the regulatory-overhead line by ~$75K/yr.
Exemption denied or materially delayed	Activate the relicensing funding plan; raise the FERC Reserve / contingency target to $6–7M; phase the $10–15M cost across 2029–2033; revisit member-contribution smoothing.
New compliance conditions added	Update the FERC cost line in the model; re-run the 100-year forecast; bring a revised reserve target to the Board.

7.4 Phased Implementation

The recommendation is executed in five phases, from authorization through perpetual stewardship.

- **Phase 1 · Authorization (0–3 months).** Board adoption of this plan; public notice and ratepayer communication confirming rate continuity at $40/meter/month; commissioning of the FY 2026-27 capital studies that will size the infrastructure renewal program; confirmation of the exemption filing status.
- **Phase 2 · Reserve funding and capital needs assessment (3–9 months).** Confirm reserve balances against the targets of Resolution No. 22-11; designate the relicensing contingency that brings restricted funds to $6–7 million while the exemption remains pending; bring the annual reserve status report required by Section 6 of the policy to the Board; receive the capital studies and cost the infrastructure renewal program.
- **Phase 3 · Operations and stewardship (Years 1–30, 2028–2057).** Track actual versus modeled surplus annually; refresh the plan every five years, re-baselining hydro revenue, O&M, and meter counts; fund hydro-capital renewal from operating margin through the Operating Reserve's capital provisions under Resolution No. 22-11 to protect the asset that underpins the entire case.
- **Phase 4 · Capital program and rate review (first plan refresh after the capital studies are complete).** With the infrastructure renewal program sized and reserves at target, evaluate the rate-relief options of Section 6 using then-current data; refresh the rate-sensitivity analysis against the prevailing cost structure; decide whether to implement a ratepayer rebate or hold rates and accelerate capital reinvestment.
- **Phase 5 · Perpetual stewardship (2058 onward).** Provide quarterly Board reporting against the long-range model; conduct a full strategic review every ten years to ensure the assumptions remain valid; maintain hydro generation and the perpetual exemption as core enterprise assets.

7.5 Governance and Ongoing Stewardship

Beyond the immediate authorization, the analysis points to four standing additions that should be embedded in the next plan revision and maintained thereafter: an explicit infrastructure-renewal line once the FY 2026-27 capital studies are complete; an explicit, scenario-switched FERC cost line so the model reflects the regulatory outcome automatically; a modest, capped O&M escalator in the 0.5-to-1.0-percent range applied over the first thirty years, with a corresponding cost review at each plan refresh; a hydro-revenue sensitivity capability that models defined reduction events explicitly. The meter count should continue to be held flat at its current level, consistent with realistic expectations for the service area, rather than carrying any growth assumption. Together these convert the present analysis from a one-time decision document into a living governance instrument.

SECTION 8

8 · Conclusion

The Authority's long-term funding decision, examined over the full century its assets will serve, resolves into a clear and well-supported conclusion. Hydroelectric generation is the dominant driver of the Authority's financial future, contributing roughly $157 million over the horizon and accounting for almost the entire difference between the available paths. Retaining that asset and funding infrastructure renewal from within the enterprise produces a 100-year cumulative position of approximately $131 million on a regulation-neutral basis, against roughly $8 million if the asset is retired — and securing a perpetual FERC exemption lifts the recommended path to approximately $137 million while avoiding a recurring multi-million-dollar obligation.

That conclusion is not contingent on optimistic assumptions. It survives every stress test in the battery, including a permanent twenty-percent reduction in generation revenue and a realistic O&M cost-inflation scenario. In every case, retaining the asset remains the superior choice, by a margin of no less than $92 million. The risks that genuinely warrant management attention are well-identified — hydro-revenue protection as the leading operational priority, with disciplined cost management and the FERC compliance outcome as the principal planning concerns — and each has a defined mitigation.

Authorizing the recommended plan is the value-creating decision, and deferring it is not a neutral alternative: it leaves roughly $123 million of cumulative value on the table and forecloses the only path to future rate relief for ratepayers. The Board can proceed with confidence that the recommendation is sound, robust, and accountable to the ratepayers and future generations the Authority serves.

Appendix A · Key Assumptions

Input	Value	Notes
Forecast start / horizon	2028 / 100 yrs to 2127	All cash flows nominal
Infrastructure renewal program	Not yet sized	To be established by FY 2026-27 studies; funded from surplus, reserves, grants (Section 2.4)
Hydro revenue (Retain)	$1,569,889 / yr	Held flat; $157.0M over 100 yrs
Water-rate revenue	$1,861,920 / yr	3,879 meters × $40/mo × 12; $186.2M/100 yrs
UPUD / City of Angels Camp meters	2,079 / 1,800	3,879 total; held flat — no growth assumed
Monthly water rate	$40 / meter	Same in both options, 2028 onward
O&M cost	$500,000 / yr	held flat in base case (stressed at +0.5–1%/yr over 30 yrs)
Salary base — Retain (yr 3)	~$1,619,192	After 3 × 5% increases, 2028–2030
Salary base — Retire (yr 3)	~$1,179,146	Reduced no-hydro staffing
Decommissioning (Retire)	$10,000,000	Spread $1M/yr over 2028–2037
Water sales (Retire only)	~$247.5K / yr avg ($24.8M/100 yrs)	WY-weighted; 9,000/5,500/2,000 AF for WY1/2/3 at $45/AF (Section 4.3.1)
Exemption cost / savings	~$1.5M / −$75K per yr	One-time cost; perpetual overhead saving
Relicensing cost	$10–15M (mid $12.5M)	~2033; recurs ~2073 and ~2113
Recurring compliance cost	~$91,500 / yr (~$9.2M/100 yrs)	Dam-safety/FERC schedule; applied to both options (Section 3.6); plus ~$0.6M one-time
Reserve target	Res. 22-11 targets + $6–7M contingency while exemption pending	Operating 15% of opex; FERC $3.15M; Dam Safety as budgeted (Section 5.5)

Assumptions:

Assumptions had to be developed in order to develop a long-term analysis. None of these are locked in figure, but more accurately are baselines to which deviations can easily be adapted as decision points become clearer such as capital program costs or water conveyance fees. These baseline assumptions provide the Board with a starting point that can easily be compared and adapted as necessary to hone in more precise numbers and calculations while still supported by this report's long-term vision.

Forecast start / horizon: 2028, this allows time for full analysis and appropriate Prop 218 processes. The FY2026-27 has already been approved and adopted by the Board on May 20, 2026 funding UWPA for the next fiscal year. The 100-year model was selected to appropriate evaluated the lifecycle of our hydroelectric infrastructure.

Infrastructure renewal program: No loan or other financing instrument exists as of this revision, and none is assumed. Known capital improvement plan needs will be costed by the studies funded in FY 2026-27; until then the program is carried as unsized so that this plan does not speculate on

either its amount or its funding mechanism. The decision on how to fund the program will also need to reflect the reserves saved for the FERC exemption/relicensing fork established in this plan.

Hydro revenue: The figure used is the average of 32-years' worth of water year data. Over 32 years the average water year equals WY 2.0 and can confidently be used with that many years of data. Over the same 30-year period 15 WY 1's have occurred. This would bridge the year-over-year deficits built into this report; however, we must utilize these year-over-year surpluses in reserve accounts to prepare for drought years.

Water-rate revenue: The water conveyance fee collected by UPUD and the City of Angels Camp has historically underfunded Utica Water and Power Authority *see (historical analysis).* This strategic funding plan aims to correct this multi-decade underfunded approach to ensure long-term sustainability. Given the historically low funding the Authority already currently sits at a critical juncture where a large increase in fees collected has to be undertaken rather than a more preferred method of gradual increases. Unfortunately, the faster approach is more shocking to absorb by rate payers but years of deferral has created this shock in fees. The baseline for this study raises current fees from approximately $18 currently to $40 as the base. It is understood that UPUD and the City of Angels Camp charges these fees based on the total amount divided by number of meters within their respective areas of influence. This means that the rates for each member entity will not be equal to ratepayers and vary slightly. However, the baseline attempts to make a whole number to build into financial planning estimates. For example, UPUD may charge $38 while the City of Angels Camp has to charge $42, but the mean average would still equal to the $40 baseline.

UPUD / City of Angels Camp meters: This was sourced as an approximate from rate studies. Exact numbers may vary slightly. No growth was assumed over the span of the 100-year analysis, but these can be re-examined at appropriate intervals and still adjust in concert with this financial plan as needed.

Monthly water rate: This is the baseline water conveyance fee necessary. Water rate multiplied by number of meters will give the total revenue above.
O&M cost: This amount is a baseline figure for annual flume/canal repairs and capital outlay expenses. This is the most sensitive baseline figure because it can be affected by grant matching, cost of goods, inflation, tools and equipment, and vary greatly year-over-year. This must be managed appropriately through proper fiscal management and reserve account balancing.

Salary base – Retain (3-yr): As part of this analysis a 5% annual three-year increase in salaries was included to try and align the Authorities salaries more inline to market rates to improve recruitment and retention necessary to support proper succession planning.

Salary base – Retire (3-yr): This baseline figure was determined based on retiring hydroelectric assets and realigning the necessary staffing model to continue water conveyance. This was also built with the same 5% annual three-year increase as the retain model.
Decommissioning (Retire): This was a conservative estimate of costs associated with the studies, planning, consultant costs, and other costs built into decommissioning of both hydroelectric generators. This conservative cost could raise by $5-10 million dollars depending on what requirements would be to decommission.
Water sales (Retire only): This applies only under Retire and represents the sale of raw water that would otherwise have driven the powerhouses. Volumes are estimated on the established water-year classification (the same basis as hydro revenue): approximately 9,000 acre-feet in a WY 1 year, 5,500 in WY 2, and 2,000 in WY 3, with none in the drier WY 4–6 years, all at $45 per acre-foot. Frequency-weighting these across the 30-year record (mean WY 2.0) gives an average of about $247,500 per year, roughly $24.8 million over the horizon, with lumpy year-to-year receipts. The $45 rate is held flat in nominal terms and no firm long-term purchase commitment is assumed; both price

and volume can be revisited as markets and water-right conditions become clearer. See Section 4.3.1.

Exemption cost / savings: The Authority is currently going through the process of a FERC exemption. Should this be successful this was built into the financial plan to show the impact on long-term planning.

Relicensing cost: Although the Authority is working through the FERC exemption application process there is no guarantee of a successful outcome. Any long-term financial plan must consider the costs associated with relicensing with FERC.

Recurring compliance cost: This figure is derived directly from the Authority's compliance schedule by annualizing the recurring dam-safety and FERC items — annual certifications and inspections, the five-year cycle of surveys, EAP exercises, the ODSP re-write and the Part 12D safety review, and the ten-year cycle of penstock ROV inspections, inundation-map updates and the Part 12D comprehensive and periodic inspections. It excludes the separately-modeled exemption and relicensing fork. Because these obligations attach to the dams rather than to generation, the cost is applied equally to both Retain and Retire, consistent with Section 3.5; the realistic reduction under Retire is nominal. The schedule also carries roughly $0.6 million of one-time, near-term studies (concrete testing, flood-study and seismicity updates, and a stability-analysis update) concentrated in the first several fiscal years. Both should be carried as explicit lines in the next workbook revision.

Reserve target: Reserve targets follow the Revised Utica Reserve Policy adopted by Resolution No. 22-11 (Operating Reserve, FERC Reserve, and FERC/Dam Safety 5-Year and 10-Year Plan Reserve). The financial assessment and strategic funding plan must evaluate both FERC forks into its reserve contributions and planning; the $6–7 million relicensing contingency derived in Section 5.5 is presented as a recommended modification of the FERC Reserve target under Section 6 of the policy, to be sustained through all stress test factors.

Appendix B · Detailed Financial Tables

B.1 Annual Net Cash Flow by Period

Period	Retain — annual net	Retire — annual net
2028	+$1,463K	—
2028–2037 (decommissioning)	—	−$708K to −$817K/yr
2029–2030 (salary ramp)	+$1,390K to +$1,313K	—
2031–2127 (steady state)	+$1,313K/yr	—
2038–2127 (steady state)	—	+$183K/yr

B.2 Cumulative Net Position at Strategic Horizons

Horizon	End year	Retain net	Retire net	Retain advantage
25 years	2052	$33.0M	($5.3M)	+$38.3M
30 years	2057	$39.6M	($4.4M)	+$44.0M
50 years	2077	$65.9M	($0.7M)	+$66.6M
75 years	2102	$98.7M	$3.9M	+$94.8M
100 years	**2127**	**$131.5M**	**$8.4M**	**+$123.1M**

Appendix C · Stress-Test Results in Detail

Stress test	Retain 30-yr	Retain 100-yr	Retire 100-yr	Advantage
Baseline	$39.6M	$131.5M	$8.4M	$123.1M
Hydro −20%	$30.2M	$100.1M	$8.4M	$91.7M
O&M +0.5%/yr (30 yr)	$38.5M	$124.9M	$1.8M	$123.1M
O&M +1.0%/yr (30 yr)	$37.2M	$117.4M	($5.7M)	$123.1M

Reading the table. The 30-year column is the cumulative position at year thirty (2057), shown for comparability with the reserve analysis in Section 5.5; it is positive in every run, which is why no reserve draw arises outside the relicensing fallback. The advantage column is the Retain premium at year 100; it is exactly $123.1M for the symmetric O&M-inflation runs, which strike both options identically, and narrows but never closes for the asymmetric hydro-revenue stress, which affects Retain alone. Meter count is held flat across all runs, consistent with the realistic service-area expectation.

Appendix D · Methodology, Sources, and Traceability

This report consolidates and extends three prior working analyses — an executive briefing on the retain-or-retire decision, a FERC pathway analysis of the exemption-versus-relicensing fork, and a stress-test addendum executing the sensitivity runs — into a single integrated study, with the meter-growth and O&M-inflation assumptions revised to reflect a flat meter count and a capped 0.5–1% cost escalator. All three derive from the same 100-Year Strategic Financial Plan workbook, and every shared figure has been cross-verified across them and reconstructed independently for this report; the figures tie out to the published values at every checkpoint.

Terminology traceability. Earlier working documents used “Scenario A/B” labels that carried different meanings in different contexts. To eliminate that ambiguity, this report uses descriptive terms throughout. For anyone consulting the source files, they map as follows:

Term used here	Prior label	Meaning
Retain Hydro Assets	Briefing “Scenario A”	Continue hydro operations
Retire Hydro Assets	Briefing “Scenario B”	Decommission hydro
Exemption path	Plan “Scenario A”	Conduit exemption, ~2028, perpetual
Relicensing path	Plan “Scenario B”	Full FERC relicense, ~2033, recurring

All inputs are editable on the Assumptions tab of the source workbook, and changing a value there propagates through both options. Recommended additions for the next revision, drawn from the risk analysis, include an explicit infrastructure-renewal line, an explicit relicensing-cost line, a modest capped O&M escalator (0.5–1% over the first thirty years), and a dedicated hydro-revenue sensitivity capability. The meter count is held flat at its current level throughout, with no growth assumption, consistent with realistic expectations for the service area.

Appendix E · Glossary

Term	Definition
Conduit exemption	A perpetual FERC authorization for qualifying conduit hydropower, issued once with no renewal requirement.
Cumulative net cash flow	The running total of annual net cash flow from 2028 forward; the primary basis for comparing options.
Decommissioning	The retirement and safe shutdown of the hydro assets under Retire, costed at $10M over 2028–2037.
FERC	The Federal Energy Regulatory Commission, which licenses the Authority's two hydroelectric projects.
JPA / member entities	The joint-powers structure through which UWPA serves UPUD and the City of Angels.
Nominal dollars	Dollar figures not adjusted for inflation; the convention used throughout this report.
Relicensing	Full FERC license renewal, costed at $10–15M per ~40-year cycle, with recurrence inside the horizon.
Reserve Policy (Res. 22-11)	The Revised Utica Reserve Policy adopted by the Board, establishing the Operating Reserve, FERC Reserve, and FERC/Dam Safety 5-Year and 10-Year Plan Reserve and their funding targets.



Item 7A

Return to Agenda

51 E Timber Tides Drive
Union, WA 98592

September 21, 2026

Erik J. Holt, General Manager
Utica Water and Power Authority
1168 Booster Way
Angels Camp, CA 95222

Dear Mr. Holt:

I am writing concerning the management of water flows into Angels/Murphys Creek during major winter storms.

I understand that Utica Water and Power Authority operates a complicated water-conveyance system and that not all of the water flowing through Angels Creek is within Utica's control. I also understand that your staff are the experts who must make difficult operational decisions during rapidly changing storm conditions. No doubt you and your staff already have this issue firmly in mind.

Nevertheless, I hope Utica will make certain that the experience of the winter of 2022–23 is not repeated.

Utica's records document the extraordinary storm sequence of December 30–31, 2022. Approximately 6.4 inches of rain fell in 24 hours, and Utica reports that Angels Creek through Murphys reached approximately 225 cubic feet per second. In response, Utica opened multiple waste gates, closed cross gates, and ultimately shut down the Murphys Powerhouse as flows increased.

Utica subsequently took an even more explicit preventive approach in anticipation of the March 2023 atmospheric-river storm. On March 8, Utica announced that it would begin "dewatering" its 27-mile system by opening nine waste gates and lowering reservoir levels, specifically to reduce the risk of catastrophic failure and help keep flows lower through Murphys/Angels Creek.

Those events are particularly relevant now. NOAA's September 2026 ENSO advisory reports that El Niño is strengthening and gives greater than a 90 percent probability of a very strong El Niño during the coming fall and winter. NOAA's current seasonal outlook also shows increased precipitation probabilities for California during the winter months. These forecasts do not establish that Calaveras County will experience flooding, but they

provide ample reason to prepare for the possibility of another sequence of unusually heavy storms.

I recognize that Angels/Murphys Creek has a natural watershed and that water is no longer under Utica control once it leaves the Murphys Afterbay. I am therefore not suggesting that Utica can simply control every cubic foot of water that reaches the creek. But Utica does control important parts of the system, and its past statements demonstrate that the Authority can, when conditions warrant, lower reservoir levels, open waste gates, reduce or stop flows through the Murphys Powerhouse, and otherwise "dewater" portions of the system before a major storm arrives.

My request is therefore straightforward: please make the necessary preparations now, while there is still time, to ensure that the system is operated in a manner that minimizes avoidable high flows through Angels/Murphys Creek during major storms this winter. I hope Utica will consider whether water can be released, diverted, or otherwise managed at earlier points in the system rather than allowing large volumes to reach the creek during periods when the creek is already carrying substantial natural runoff.

I realize operational decisions are considerably more complicated than they may appear to an outside observer. That is of course why I am bringing the matter to you rather than presuming to tell Utica how its system should be operated.

But the responsibility for making those decisions rests with the Authority, and the consequences can extend beyond the Authority's facilities to homes and property along the creek. I hope that the experience of 2022–23, together with the current El Niño outlook, will cause Utica to err on the side of preparing early and creating as much capacity and operational flexibility as possible before the next major storm arrives.

I have a particular interest in this issue because I own several residential properties along Angels Creek and have a personal and financial stake in what happens to the creek during major storm events. I am therefore paying close attention to how the Utica system is managed as we enter what may be an unusually wet winter.

Thank you for your attention to this concern. I would appreciate knowing what measures Utica presently has in place for managing extraordinary storm inflows to minimize the risk of damaging flows through Angels/Murphys Creek.

Sincerely,

G. Randy Kasten

Julie Hollars
Vallecito, CA
209-890-5298 (bunzy1@comcast.net)
10/21/2026

Attn: Board Secretary / General Manager
Utica Water and Power Authority
1168 Booster Way
P.O. Box 535
Angels Camp, CA 95222

Subject: Request to Place Item on Upcoming Board of Directors Meeting Agenda

Dear Board Secretary and Members of the Board,

I am writing to formally request that the following item be placed on the agenda for the next regularly scheduled meeting of the Utica Water and Power Authority Board of Directors:

Proposed Agenda Item Title: Request discussion in regards to 09.22.26 UWPA Presentation - Dave Cameron.pdf clarification on Board Member duties and responsibilities and who they represent.

Background and Purpose:
Article VI Section 6.1 of the Joint Powers Agreement states "Separate Entity. The Authority shall be a public entity separate from the parties to this agreement. **Unless and to the extent otherwise agreed herein, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities or obligations of the Member Entities.** All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority except as otherwise provided in this Agreement."

Requested Action:
In light of the confusion that followed the PowerPoint presentation dated September 22nd 2026 by not only the public, but also by two Utica Board Members representing UPUD and the City of Angels, I am requesting that the Board review the Joint Power Agreement, any Amendments, and clarification moving forward of its responsibilities as a board representing each entity.

Thank you for your time and consideration.

Sincerely,

Julie Hollars

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STATE OF CALIFORNIA – CALIFORNIA NATURAL RESOURCES AGENCY
GAVIN NEWSOM, *Governor*

DEPARTMENT OF WATER RESOURCES
P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

Division of Safety of Dams (DSOD)

Notice to Dam Owners

Proclamation of a State of Emergency
Potential Severe Weather Conditions Related to El Niño Event

October 2026

On September 21, 2026, Governor Newsom signed a Proclamation of a State of Emergency related to potentially severe weather conditions related to a developing El Niño event. The purpose of the proclamation was to help prepare California in advance of the upcoming winter storm season.

This notification is being provided as a reminder that dam owners are responsible for inspecting, operating, maintaining, repairing, and safely managing their dams and appurtenant structures. This includes addressing any maintenance items needed to ensure that dams and their spillways can safely pass flood flows due to potentially severe weather conditions during the El Niño event. Typical spillway maintenance work includes removing any debris or vegetation that may impede flows, patching concrete spalls, sealing cracks and joints, clearing spillway drains, and securing log booms. Spillways must also be regularly inspected, cleared of debris, and repaired as needed throughout the flood season to ensure they remain safe for continued use.

Additionally, dam owners should utilize weather forecasting and early reservoir releases to minimize high spillway flows that could adversely impact spillways and downstream watercourses and infrastructure. The National Weather Service (NWS) is a good resource for forecasts at https://www.weather.gov. The NWS also provides updates regarding the potential El Niño event and daily briefings when impactful weather is expected at https://www.weather.gov/sto/briefing.

As noted in DSOD's September 2026 *Spillway Inspections and Maintenance Repairs* Notice, Emergency Action Plans and emergency procedures need to include up-to-date contact information. DSOD must be notified immediately if there are any unsafe or unusual conditions involving the dam or its appurtenant structures.

Sincerely,

Erik J. Malvick, Ph.D., P.E., G.E.
Division Manager
Division of Safety of Dams