


UTICA WATER & POWER AUTHORITY



Historical Analysis of UWPA

A Historical Analysis of UPUD and Angels Camp Contributions Against Hydro Revenues (1995–2026)

“All human situations have their inconveniences. We feel those of the present but neither see nor feel those of the future; and hence we often make troublesome changes without amendment, and frequently for the worse.”

— Benjamin Franklin

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EXECUTIVE SUMMARY

Three decades, one clear pattern

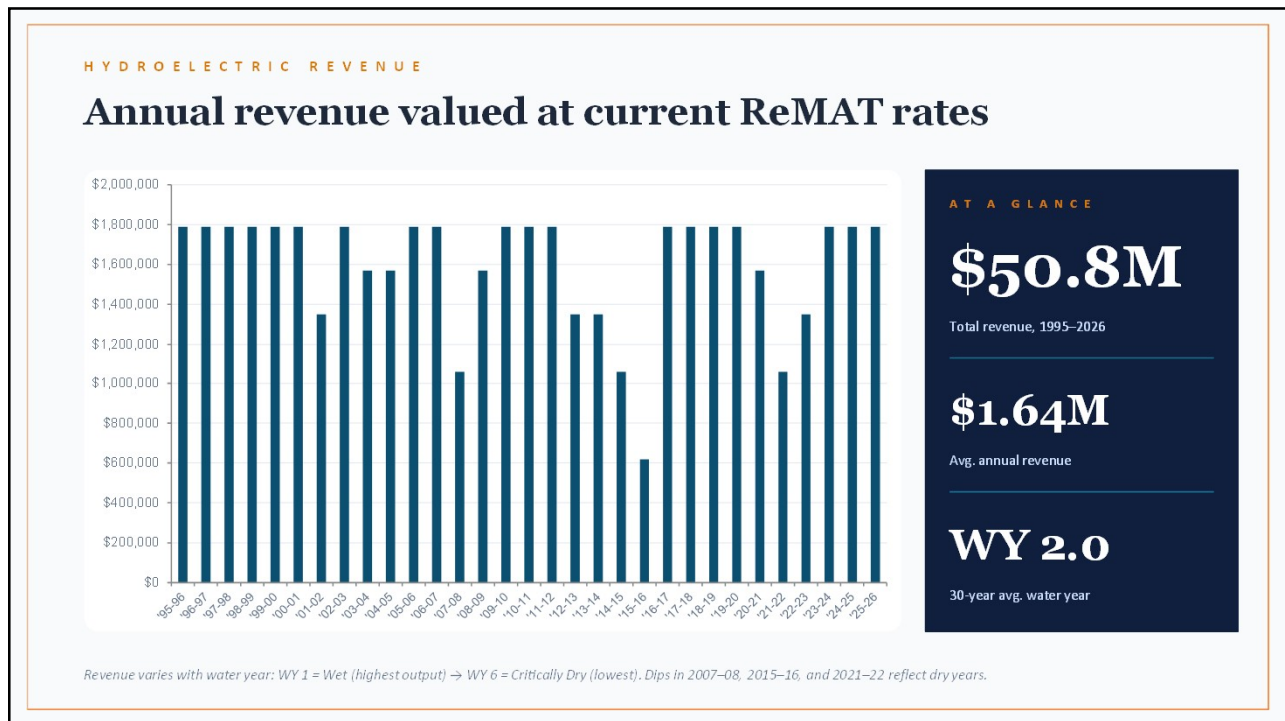
<p style="font-size: small;">TOTAL HYDRO REVENUE</p> <h1 style="margin: 0;">\$50.8M</h1> <p style="font-size: x-small;">1995–2026 (at today's ReMAT rates)</p>	<p style="font-size: small;">TOTAL MEMBER CONTRIBUTIONS</p> <h1 style="margin: 0;">\$7.2M</h1> <p style="font-size: x-small;">Combined UPUD + Angels Camp</p>	<p style="font-size: small;">NET SUBSIDY TO MEMBERS</p> <h1 style="margin: 0;">\$43.5M</h1> <p style="font-size: x-small;">Hydro revenue beyond contributions</p>
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Bottom line: Hydroelectric revenue has subsidized JPA member entities by over \$43 million across the life of the agreement.

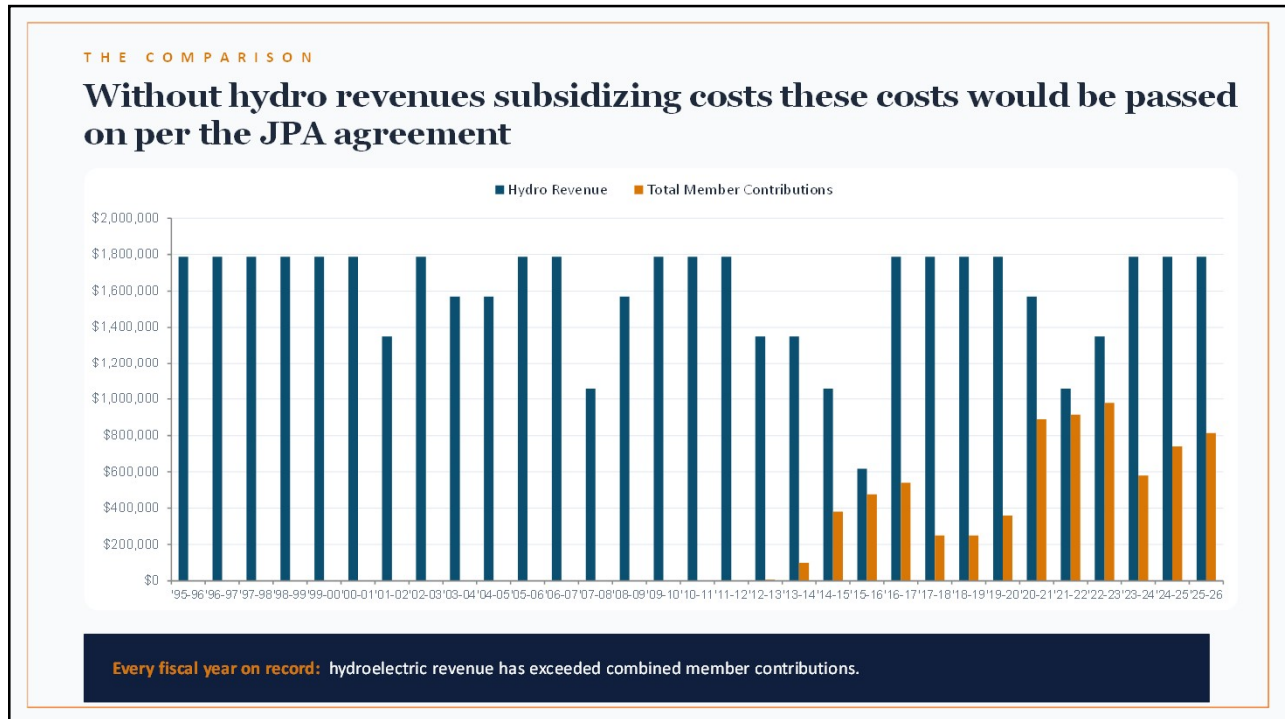
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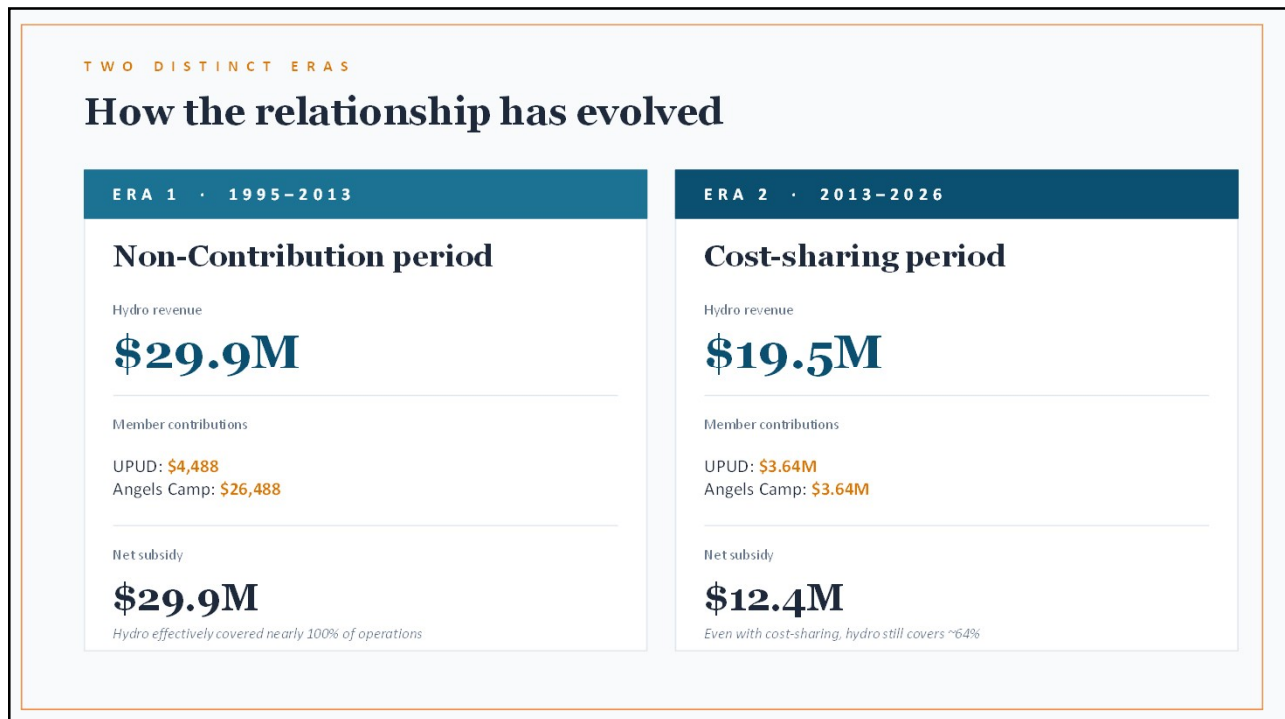
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LOOKING FORWARD

Projected revenue at current ReMAT rates

50 YEARS	75 YEARS	100 YEARS
\$78.5M	\$117.7M	\$157.0M
<i>Conservative scenario</i>	<i>Mid-range scenario-most aligned with current lifespan of infrastructure</i>	<i>Long-horizon scenario</i>

ASSET LONGEVITY

Hydro facilities are generational assets not year-over-year planning

MPH Facilities: **73 years old** APH Facilities: **86 years old**

Hydroelectric power generation was the first electricity in Calaveras County in the 1890s.

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THE BOTTOM LINE

What this means for member entities

WITHOUT HYDRO REVENUE, EACH MEMBER ENTITY WOULD NEED TO CONTRIBUTE

\$784,944

additional dollars per year, every year, for the next 75 years — per entity, at minimum to make up the difference.

- 01** Hydroelectric revenue has historically funded the vast majority of JPA operations.
- 02** Even after cost-sharing began in 2013, hydro continues to subsidize ~64% of operations.
- 03** Aging facilities still hold decades of value — preserving this asset protects member entities from significant rate increases.

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- Carryover Amount still to be determined at final budget for current fiscal year
 - TBD based final end of year FY2025/26 process
- CIP Committee
 - Held 4/13/2026 Directors Bottomly and Conrado. Discussion of new CIP and project rankings. Committee recommended MPH Relays, Tunnel Feasibility Assessment, Hunters Dam Comprehensive Assessment, Angels Penstock Assessment Scoping, MPH Generator Rewind Study.
- Budget Committee
 - Held 4/13/2026 Directors Tallakson and Broglio. Committee recommendations included 3% COLA for all employees (not including GM) and Hunters Dam Rental House no increase this fiscal year for rent, and included discussion on Ag rates from Resources Ad Hoc Recommendations to leave Ag rates unchanged for FY 2025/26. Budget Committee confirmed recommendations from CIP Ad Hoc Committee of \$450,000 in project.
- Reserve Contributions
 - Utica Board Policy determines contribution amounts and can only be changed by full Board quorum vote

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	FY 2021 - 2022	FY 2022 - 2023	FY 2023 - 2024	FY 2024 - 2025	FY 2025 - 2026	FY 2026 - 2027
UWPA 5-YEAR BUDGET PROJECTIONS FY 2022-23 THRU FY 2026-27						
JPA Contribution Worksheet						
	FY 2021 - 2022 APPROVED	FY 2022 - 2023 PROJECTED	FY 2023 - 2024 PROJECTED	FY 2024 - 2025 PROJECTED	FY 2025 - 2026 PROJECTED	FY 2026 - 2027 PROJECTED
REVENUE						
OPERATING INCOME ①	\$ 1,128,969	\$ 1,475,484	\$ 1,476,758	\$ 1,478,072	\$ 1,479,425	\$ 1,480,818
NON OPERATING INCOME ②	\$ 1,272,360	\$ 1,363,875	\$ 1,366,639	\$ 1,369,665	\$ 1,372,993	\$ 1,376,675
TOTAL REVENUE:	\$ 2,401,329	\$ 2,839,359	\$ 2,843,397	\$ 2,847,737	\$ 2,852,418	\$ 2,857,493
EXPENDITURES						
WAGES & BENEFITS ③	\$ 1,049,602	\$ 1,097,094	\$ 1,147,431	\$ 1,202,820	\$ 1,261,537	\$ 1,323,795
SERVICES & SUPPLIES ④	\$ 957,625	\$ 739,149	\$ 720,125	\$ 758,589	\$ 799,746	\$ 844,140
CAPITAL IMPROVEMENT PROGRAM ⑤	\$ 273,000	\$ 512,500	\$ 650,000	\$ 510,000	\$ 475,000	\$ 410,000
CAPITAL OUTLAY ⑥	\$ 61,500	\$ 84,500	\$ 87,035	\$ 89,646	\$ 92,335	\$ 95,105
RESERVES ⑦	\$ 489,416	\$ 446,050	\$ 521,082	\$ 571,114	\$ 571,147	\$ 571,182
FERC 5-10 Year Reserves	\$ 73,800	\$ 73,800	\$ 73,800	\$ 73,800	\$ 73,800	\$ 73,800
GRANTS ⑧	\$ 395,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -
TOTAL:	\$ 3,226,143	\$ 3,103,093	\$ 3,199,473	\$ 3,205,969	\$ 3,273,565	\$ 3,318,022
NET SURPLUS / SHORTFALL:	\$ (824,814)	\$ (263,734)	\$ (356,075.77)	\$ (358,232)	\$ (421,147)	\$ (460,529)
Ramp-Up Option	\$ 447,000	\$ 490,000	\$ 650,000	\$ 750,000	\$ 850,000	\$ 900,000
UPUD Rate / Customer	\$ 18	\$ 20	\$ 27	\$ 31	\$ 35	\$ 38
COA Rate / Customer	\$ 19	\$ 23	\$ 30	\$ 35	\$ 39	\$ 42
UPUD Percentage Increase	13%	13%	33%	15%	13%	6%
COA Percentage Increase	19%	19%	33%	15%	13%	6%
UPUD Rate	2,000 cust.					
COA Rate	1,800 cust.					

Recommended Rates

① Assumes \$0 annual water sales to NCPA, due to GEP; Irrigation sales increasing 3% per year; Power Sales per chart at Water Year 3; Water sales & Other Income flat at 2022-23 levels
 ② Includes \$380,000 in Grant Funds FY2021-22
 ③ Assumes Interest Income to increase by 20% per year assuming full funding & interest rate increases; Leases increase 3% per year; Member Contributions TBD; \$0 for grants
 ④ Assumes a 2.5% COLA and a 2.5% Step increase annually, total: 5%
 ⑤ Assumes 3% general increase except 5% for Maintenance & Repair and Utilities and 25% for Professional Services; blended rate 8%
 ⑥ Assumes current CIP plus Angels Governor Retrofit
 ⑦ Assumes Capital Outlay per CIP starting in 2021-22
 ⑧ Reserve Funding Based Resolution 20-05 adopted on June 23rd, 2020
 ⑨ Assumes no Grant Funding Available

2021
Financial
Assessment

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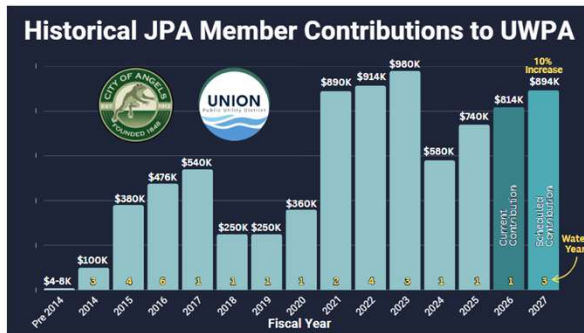
2024 Independent Consultant Financial Assessment

5-Year JPA Funding Agreement: 2025 - 2029					
Fiscal Year	24-25	25-26	26-27	27-28	28-29
O&M	\$2,253,955	\$2,365,000	\$2,497,000	\$2,543,000	\$2,634,000
CIP	\$770,000	\$360,000	\$285,000	\$135,000	\$285,000
Capital Outlay	\$21,000	\$61,000	\$82,000	\$22,000	\$23,000
Reserve Contributions	\$503,800	\$503,800	\$503,800	\$503,800	\$503,800
Grant Projects	\$1,000,000	\$0	\$0	\$0	\$0
Total Annual Expenses	\$4,548,755	\$3,289,800	\$3,367,800	\$3,203,800	\$3,445,800
Total Utica Revenue	\$3,123,573	\$1,813,000	1,824,000	1,836,000	\$1,848,000
JPA Member Payments (50/50 split)	\$740,000	\$814,000	\$895,000	\$985,000	\$1,083,000
Annual JPA Payment % Change	10%	10%	10%	10%	10%
Remaining Budget Shortfall	(\$685,182)	(\$662,800)	(\$648,800)	(\$382,800)	(\$514,800)

FY26/27 deficit was known this isn't a surprise figure

The proposed 5-year agreement was created through an independent consultant who developed a financial plan for Utica Water and Power Authority beginning in 2024. However, this financial plan was not adopted. Rather than agreeing to fund the JPA the financial plan was altered to eliminate CIP and Reserve Contributions. Then, it was never completed or signed. These costs were known as documented in the financial plan.

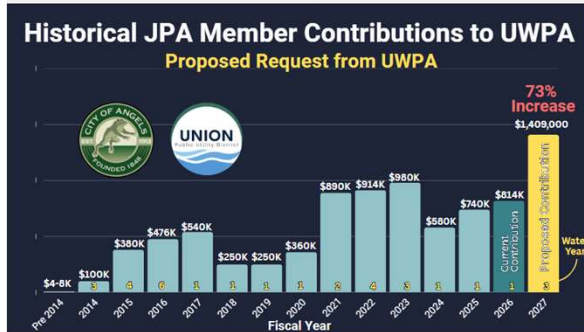
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The difference from a Water Year 1 and Water Year 3 is \$437,125.00 (85% of the additional requested amount)

The JPA Member Entity's 218 process was built on the back of the independent consultant's figures less reserve and CIP contributions. This was removed against recommendation and cuts both ways. This leaves Utica without the funding for required maintenance and regulatory compliance obligations.

This means that the 5-year agreement model (still unsigned or adopted) shortfall would fall short of projections. The independent consultant numbers still remain viable and accurate. This was just simply not funded to reflect 218s that matched required income. This structural deficit was known.



The shortfall requested has already been collected from ratepayers. It is already sitting in reserves. ANY statement regarding rate increases are fictitious.

**Pre 2014 amounts to 19-years of no investment in infrastructure, maintenance, or repairs from 1995-2014.

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General Ledger
Fund Balance Report CA CLASS
Feb-26

Account Number	Description	Beginning Balance	Debits	Credits	End Balance
01	Water Fund				
01-00-1501	CA CLASS - Emergency Reserve	\$ 1,020,524.74	\$ 2,929.75	\$ -	\$ 1,023,454.49
01-00-1502	CA CLASS - Irrigation Reserve	\$ 220,745.58	\$ 633.72	\$ -	\$ 221,379.30
01-00-1504	CA CLASS - UWPA Reserve	\$ 739,979.88	\$ 688.80	\$ -	\$ 740,618.68
01-00-1506	CA CLASS - Operations Reserve	\$ 469,533.25	\$ 1,286.05	\$ -	\$ 470,819.30
01-00-1507	CA CLASS - Capital Reserve	\$ 564,494.55	\$ 1,620.57	\$ -	\$ 566,115.12
Total CA CLASS		\$ 2,515,228.00	\$ 7,158.89	\$ -	\$ 2,522,386.89

General Ledger
Fund Balance Report CA CLASS
Mar-26

Account Number	Description	Beginning Balance	Debits	Credits	End Balance
01	Water Fund				
01-00-1501	CA CLASS - Emergency Reserve	\$ 1,023,454.49	\$ 3,211.98	\$ -	\$ 1,026,666.47
01-00-1502	CA CLASS - Irrigation Reserve	\$ 221,379.30	\$ 694.77	\$ -	\$ 222,074.07
01-00-1504	CA CLASS - UWPA Reserve	\$ 240,618.68	\$ 271,981.43	\$ 288,257.03	\$ 224,343.08
01-00-1506	CA CLASS - Operations Reserve	\$ 492,381.30	\$ 23,063.60	\$ -	\$ 515,444.90
01-00-1507	CA CLASS - Capital Reserve	\$ 566,115.12	\$ 1,768.15	\$ 7,017.50	\$ 560,865.77
Total CA CLASS		\$ 2,543,948.89	\$ 300,719.93	\$ 295,274.53	\$ 2,549,394.29

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General Ledger
Fund Balance Report CA CLASS
April 2026

Account Number	Description	Beginning Balance	Debits	Credits	End Balance
01	Water Fund				
01-00-1501	CA CLASS - Emergency Reserve	1,026,666.47	3,115.34	0.00	1,029,781.81
01-00-1502	CA CLASS - Irrigation Reserve	222,074.07	673.87	0.00	222,747.94
01-00-1504	CA CLASS - UWPA Reserve	224,343.08	680.75	0.00	225,023.83
01-00-1506	CA CLASS - Operations Reserve	515,444.90	1,551.00	0.00	516,995.90
01-00-1507	CA CLASS - Capital Reserve	560,865.77	1,701.91	0.00	562,567.68
Total CA CLASS		<u>2,549,394.29</u>	<u>7,722.87</u>	<u>0.00</u>	<u>2,557,117.16</u>

*****February 2026 showed \$240,618.68 but has since reduce by \$15,594.85. No contributions have been made to Utica between February and May in this amount*****

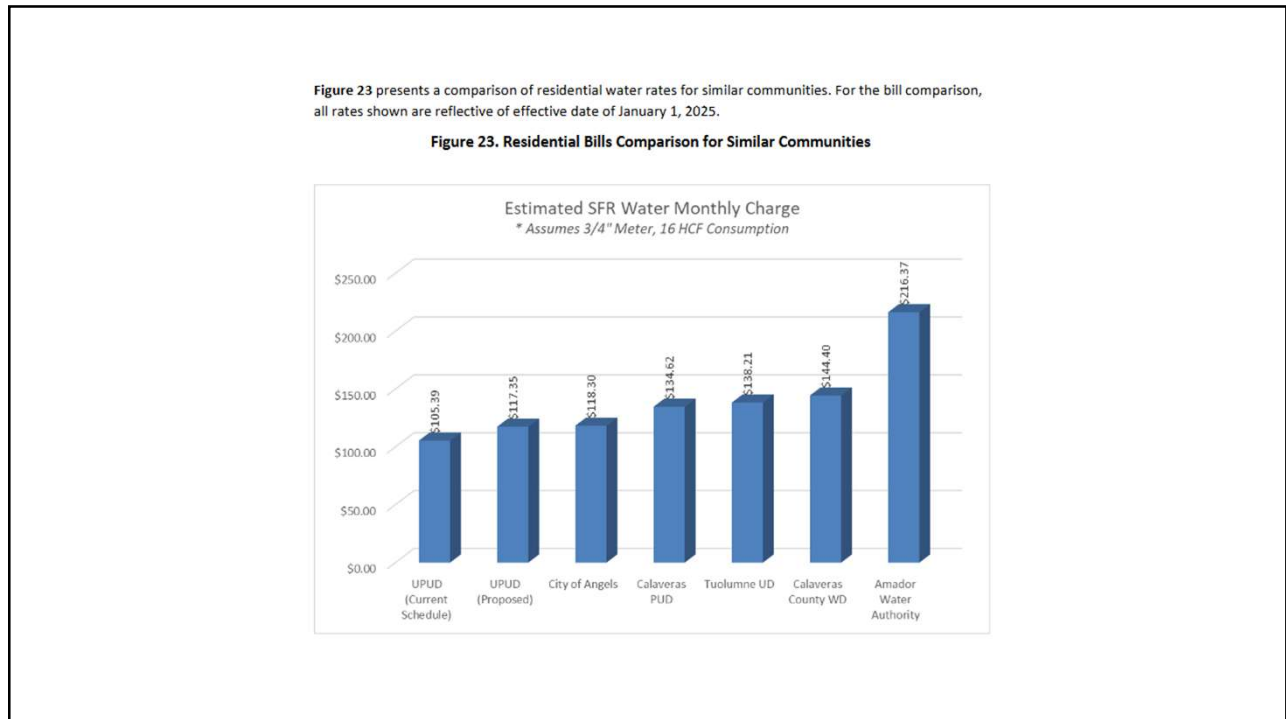
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Domestic Water Rates						
	Current	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
Monthly Fixed Charges (\$/month)						
PROPOSED						
5/8" or 3/4"	\$62.86	\$67.98	\$74.78	\$81.51	\$86.40	\$91.58
1"	\$94.15	\$110.81	\$121.89	\$132.86	\$140.83	\$149.28
1.5"	\$172.39	\$217.88	\$239.66	\$261.23	\$276.91	\$293.52
2"	\$266.28	\$346.36	\$381.00	\$415.29	\$440.20	\$466.62
3"	\$485.34	\$688.98	\$757.88	\$826.09	\$875.66	\$926.20
4"	\$798.28	\$1,074.43	\$1,181.88	\$1,288.25	\$1,365.54	\$1,447.47
6"	\$1,580.65	\$2,145.13	\$2,359.64	\$2,572.01	\$2,726.33	\$2,889.91
CURRENTLY SCHEDULED						
5/8" or 3/4"	\$62.86	\$69.15	\$76.07	\$83.68	NA	NA
1"	\$94.15	\$103.57	\$113.93	\$126.32	NA	NA
1.5"	\$172.39	\$189.63	\$208.59	\$229.45	NA	NA
2"	\$266.28	\$292.91	\$322.20	\$354.42	NA	NA
3"	\$485.34	\$533.87	\$587.26	\$645.99	NA	NA
4"	\$798.28	\$878.11	\$965.92	\$1,062.51	NA	NA
6"	\$1,580.65	\$1,738.72	\$1,912.59	\$2,103.85	NA	NA
Water Usage Charges (in 5/HCF (748 gallons))						
PROPOSED	\$1.04	\$2.00	\$2.20	\$2.39	\$2.54	\$2.69
CURRENTLY SCHEDULED	\$1.04	\$1.14	\$1.25	\$1.38	NA	NA
UPWA Fee (\$/mo)						
PROPOSED - All Customers, Per Accessory Dwelling Unit or additional parcel	\$18.00	\$16.20	\$17.47	\$18.85	\$20.32	\$21.92
CURRENT - All Customers only, not charged to Accessory Dwelling Units or additional parcel	\$18.00	\$18.00	\$18.00	NA	NA	NA
Customer Service Charge (\$/mo/dwelling unit)						
PROPOSED Customer Service Charge - Per Each Additional Dwelling Unit or Parcel	N/A	\$3.74	\$4.11	\$4.48	\$4.75	\$5.04

→ Rates went up, as needed

→ Rates went down, against recommendation

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The UWPA Fee is designed to be a "pass-through" that covers the costs of the District's projected contribution amounts. The projected contributions are based on UWPA projections. This Study recommends establishing a pass-through policy that resets the UWPA fee every year based on the projected UWPA contributions for the following year.

The District would be required to notify customers of the proposed pass-through policy in a Proposition 218 notification letter. If the policy passes the Proposition 218 adoption requirements, the District will be authorized to recalculate the UWPA Fee to account for any changes in the UWPA contribution. Such an adjustment will not require a public hearing or any additional action by the District Board however the District will be required to provide customers with notice of the expected adjustment at least 30 days before the effective date of the adjustment.

Table 10 provides an example of how the UWPA Fee could be calculated given an example contribution to UWPA and example number of then-current number of meters in the District (based on billing data).

Table 10: Example of UWPA Fee Pass-Through Calculation

Example UWPA contribution:	\$500,000
Then-current District meters:	1,668
Cost per meter per month:	\$24.98

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Example UWPA contribution:	\$500,000
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Cost per meter per month:	\$24.98

4.3 PROPOSED UWPA FEE RESERVE POLICY

As previously explained in Section 4.1, the District currently has an ordinance that authorizes the District to set aside \$1.00 of the UWPA fee into a reserve account. While this Report does not make any specific recommendations regarding the amount the District should annually contribute to this reserve (if any), it is recommended that the District more clearly define the purpose of the reserve and the reserve target, so that the reserve contributions can be tied to a specific financial need. It is our understanding that the most relevant current need for the reserve is a fund that will give the District the financial means to retain its water rights in the future, either by relicensing the hydroelectricity plant or by funding the decommissioning of the plant. A better

understanding of the magnitude and timing of those costs would be helpful when making a specific recommendation on the contribution amounts and the target reserve levels.

UWPA Charge

The District relies directly on Utica Water & Power Authority (UWPA) for delivery of surface water from the North Fork Stanislaus River to District facilities. The water delivered by UWPA is then treated by the District's water treatment plant to potable use standards for the domestic system and distributed to domestic customers; whereas the raw water is distributed to raw water customers without being treated to potable use standards by the District. The UWPA Charge is designed to be a "pass-through" that covers the costs of the District's projected contribution amounts to UWPA for delivery of surface water.

Based on input from District staff and the District Board of Directors, the proposed maximum charge is calculated by dividing the District's budgeted yearly required UWPA contribution by the District's total number of accounts and additional dwelling units (both domestic and raw water customers), as shown in Figure 12 below.

Figure 13. UWPA Charges by Calendar Year

Category	January 1, 2025	January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029
UWPA Contribution	\$ 388,500	\$ 427,350	\$ 470,085	\$ 517,094	\$ 568,803
Number of Accounts & Dwelling Units	1,998	2,038	2,079	2,120	2,163
UWPA Monthly Charge	\$ 16.20	\$ 17.47	\$ 18.85	\$ 20.32	\$ 21.92

Per direction from the District Board of Directors on October 23, 2024, a pass-through policy will not be included in the as part of the Proposition 218 notification letter. Therefore, even if the required UWPA contribution amount increases above the projected contribution amounts found in Figure 13 during the five-year rate adoption period, the District will not be authorized to recalculate the UWPA Fee in excess of the maximum monthly charges listed in the notification letter without undertaking another Proposition 218 process.

Section 4.4. Budget. At least 30 days prior to commencement of each fiscal year, the Board of Directors shall adopt a budget for the Authority for the ensuing fiscal year.

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Section 4.5. Contributions for Authority Operating Expenses.

a. If additional funds are needed in the future to cover expenses, each of the Member Entities shall equally pay such expenses upon request from the Board of Directors as the expenses are incurred. The Authority shall send each Member Entity a statement for its share of the operating expenses which is to be paid by the Member Entity. Any Member Entity which does not transmit its contributions within 30 days after receipt of a statement from the Authority shall be sent a follow-up notice demanding its payment within 10 days from its receipt of the notice. If the Member Entity does not make adequate arrangements with the Authority to make such payment, that Member Entity shall be deemed to have withdrawn as a Member Entity and cease to be a party to this agreement. The refunds or repayment of contribution shall be made in accordance with the terms and conditions upon which the contribution was made.

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b. In accordance with Government Code section 6512.1, repayment or return to the parties of all or any part of any contributions made by the parties and any revenues received by the Authority may be directed by the Board at such time and upon such terms as the Board may decide. The Authority shall hold title to all funds, property and works acquired by it during the term of this Agreement.

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Section 4.6. Sharing of Project Capital Costs, Operating Costs and Liabilities, and Net Revenues.

a. ANGELS and UPUD shall each be financially obligated for one-half (½) of CCWD's portion of the purchase price obligation under the CCWD/PG&E Agreement for the Angels and Utica Hydroelectric Projects. ANGELS and UPUD shall each be responsible for paying one-half (½) of all costs and liabilities, including annual operation, maintenance and replacement costs of the Project, and all costs of maintaining the Projects in compliance with requirements of the FERC or other regulatory authority.

b. ANGELS and UPUD shall share on an annual basis in proportion to each of their one-half (½) Project participations, the net revenues from the sale of the Project's electric energy, and the net revenues from the sale of Project water sold to generate electrical energy at the Collierville power plant, available after payment of all required annual payments of capital costs and all other operation, maintenance and replacement costs of the Project, and after full repayment of any loans or advances of funds made by any Member Entity to another Member Entity.

c. In the event of the withdrawal of a Member Entity as set forth in Sections 4.5 or 6.4, such withdrawing Member Entity shall remain obligated and liable to the Authority for its one-half share of capital costs and any accumulated operating deficits and liabilities incurred by the Authority up until the effective date of the withdrawal. The withdrawing party shall not be entitled to any Project revenues received by the Authority after its withdrawal, except that the withdrawing party will be entitled to payment

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ARTICLE VI

RELATIONSHIP OF AUTHORITY AND ITS MEMBER ENTITIES

Section 6.1. **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 or obligations of the Authority shall not be 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.

Section 6.2. **Additional Parties.** Additional parties may join in this Agreement and become Member Entities if accepted and approved unanimously by the then-existing parties. The terms and conditions of such new membership shall be set forth in an amendment to this Agreement signed by all of the then-existing parties and shall be consistent with any contracts, resolutions, indentures or other obligations of the Authority then in effect.

Section 6.3. **Termination of a Member Entity's Participation in the Authority.** Any Member Entity may

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withdraw from this Agreement by giving a one-year written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties; provided that such withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect, and is subject to the withdrawing member's continuing payment obligations under Section 4.6 hereof.

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“ No problem can be solved from the same level of consciousness that created it” – Albert Einstein

“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”

