



BUDGET COMMITTEE MEETING MINUTES

2:00 p.m. Thursday, March 21, 2024
Utica Headquarters | 1168 Booster Way, Angels Camp, CA 95222

View the meeting agenda packet: <http://www.uticawater.com/board-of-directors/board-meeting-agendas-and-minutes>

UTICA BUDGET COMMITTEE MEMBERS

Director Tom Quincy
Director Caroline Schirato

ORDER OF BUSINESS

Agenda Items

1. **Call to Order / Pledge of Allegiance**
 - Meeting called to order at 2:01 p.m.

2. **Roll Call**
 - **Directors Present**
 - Director Quincy
 - Director Schirato
 - **Utica Staff Present**
 - Joel Metzger, General Manager
 - Stacie Walker, Administrative Specialist
 - **Others Present**
 - Jessica Self, UPUD General Manager
 - Rebecca Callen, COA Administrator

3. **Public Comment**
 - None

Members of the public may address the Board on items not listed on the agenda. Comments are limited to five 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.

4. **New Business**

A. Discussion and Direction Regarding FY 2024-2025 Water Contractor Agreements

- Mr. Metzger gave a presentation that explained Utica's water supply, the history of irrigation rate increases, the factors staff consider when making fee adjustments, and potential adjustments for the upcoming irrigation season. Mr. Metzger stressed that water contracts do not have water rights and are not guaranteed water. Mr. Metzger explained that irrigation water is different than drinking water and asked Ms. Callen to check on the rates COA charges Greenhorn Creek for comparison. Ms. Self explained that UPUD rolled back its agricultural rates last month and will be applying a 10% increase moving forward, although a new rate study is planned for 2024. Mr. Metzger explained the water supply capacity as it relates to the potential for new irrigation contractors and the history of the irrigation waitlist. He explained that the annual contracts are written to allow more irrigation contractors without jeopardizing the ability to serve water to the JPA first. Mr. Metzger reviewed a late fee staff recommended be added to the annual water contractor addendum.

- **Budget Committee Discussion**
 - Director Schirato asked if there had been a late fee in the past. Mr. Metzger replied no. Director Schirato stated she is in favor of the late fee. Director Schirato asked what other fee increases staff is recommending. Mr. Metzger said a 3% increase in acre-foot cost for irrigation along with the 10 percent admin increase, he believes a 3% increase will not cause concerns among water contractors. However, Mr. Metzger said a 5% increase is reasonable, too, if the Committee goes that route. The current rates do cover the lost power generation but do not cover system maintenance. He cautioned that too high of an increase may cause a loss in contractors.

- **Budget Committee Direction**
 - Director Quincy and Director Schirato recommend a 3% increase in acre-feet cost and a 10 percent admin fee increase, and adding late fee language to the addendum.

B. Discussion and Direction Regarding FY 2024-2025 Budget Development

- Mr. Metzger reviewed the budget development process and explained the tentative timeline from draft to budget adoption. Mr. Metzger pointed out that Utica is having a financial analysis performed with the intent of developing solid financial information for Utica staff and the Board of Directors to aid member agencies in understanding costs to develop a five-year funding

agreement. Staff is developing the FY 2024-2025 draft budget based, with consideration of the JPA members' financial capabilities, understanding there could be adjustments when rate studies are complete. Mr. Metzger deferred to the Boards and Council to determine the future funding rate structure. Ms. Callen said she doesn't expect a new rate to go into effect until October 2024. Ms. Callen stated that if the Prop 218 initiative fails this year the old rate structure remains in place. Mr. Metzger reiterated that the UWPA Board has been careful to consider the needs and capabilities of the member agencies when developing budgets. The committee discussed the potential impacts of the rate studies. Mr. Metzger reviewed the budget vs. actuals for FY 23-24 and spoke about key pieces of the budget and what to expect at the next meeting. Mr. Metzger requested the Budget Committee meet again before the full Board Meeting in April to review and discuss the financial analysis.

- **Budget Committee Direction**

- The Budget Committee plans to meet prior to April 30 and will recommend the April Board meeting be pushed back a week to April 30 to allow time for the Utica Financial Analysis to be completed, reviewed, and discussed.

5. Upcoming Meetings and Calendar Events

A. Budget Committee Meeting – Thursday April 18, 2024, at 1 p.m.

6. Adjournment

- Meeting adjourned at 3:20 p.m.

Utica Mission Statement

We are committed to preserving and protecting local control of our water resources through effective fiscal and operational management and assuring a safe and reliable water supply for municipal and agricultural stakeholders, while ensuring the quality and quantity of this precious resource for generations to come.

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.

Approved at the April 18, 2024, budget committee meeting:

Caroline Schirato

Caroline Schirato (Apr 23, 2024 15:55 PDT)

Caroline Schirato, Committee Chair

Attest:

Stacie Walker

Stacie Walker, Board Clerk






Budget Committee Minutes

Final Audit Report

2024-04-23

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"Budget Committee Minutes" History

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