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**MISSION STATEMENT**

*Utica Water and Power Authority is committed:*

*to preserve and protect the water of the Sierra foothills for the vested interest of the communities in East Calaveras County by promoting collaborative efforts between its two member entities, Union Public Utility District and the City of Angels; to maintain the historical properties of the Argonauts' original ditch system while advancing efficient management and technology; to deliver water to the communities served, by using revenues generated from hydroelectric energy production; and to assure the quality and quantity of this precious resource for the best beneficial public use for generations to come.*

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**UTICA WATER AND POWER AUTHORITY**  
**REGULAR BOARD MEETING**

UWPA Office Building ~ 1168 Booster Way, Angels Camp ~ (209) 736-9419

**Tuesday – February 26, 2019 – 5:30 p.m.**

*(1) 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 UWPA office at (209)736-9419 or fax your request to (209)736-0114. Notification in advance of the meeting will enable UWPA to make reasonable accommodations to ensure accessibility to this meeting. (2) Any materials distributed to the Board and that relate to an agenda item are available at the UWPA office 72 hours prior to the scheduled meeting.*

**AGENDA**

(prev. Res. #19-02)

**Call to Order and Pledge of Allegiance**

**Item 1: Approval of Agenda**

**Item 2: Opportunity for Public Comments:**

*Limited to 5 minutes per person. Members of the public may address the board on items not agendaized. The public is encouraged to work through staff members to put items on the agenda to be considered by the Board. No action will be taken unless an item is agendaized.*

**Item 3: Consent Calendar - Approval of all items**

- A. Minutes of the regular board meeting dated 1/22/19 p. 1-7
- B. Minutes of the special board meeting dated 2/19/19 p. 8

**Item 4: Staff Reports - Discussion only**

- A. Financials 1/1/19 through 1/31/19 p. 9-13
- B. Interim General Manager's report – K. Rojas
- C. Administrative report – K. Rojas
- D. Generation and O&M Reports for January – F. Fields p. 14
- E. Water Conveyance – K. Rasmussen

Board of Directors

**Joe Oliveira**, City of Angels ~ Chairman      **Greg Rasmussen**, U.P.U.D. ~ Vice-Chairman  
**Tom Quincy**, U.P.U.D. ~ Secretary      **Larry Thompson**, At-Large Member      **Amanda Folendorf**, City of Angels

- Item 5:**        **Old Business** - *Discussion and possible action*  
A. ReMAT Update – K. Rojas, F. Fields  
B. Natel MAB Project update - K. Rojas, F. Fields  
C. Ratification and Approval of Ad Hoc Committee recommendation for Interim Tier 2 salaries during General Manager recruitment - T. Quincy, L. Thompson

- Item 6:**        **New Business** - *Discussion and possible action*  
A. Promotion of joint public agency discussions on feasibility studies for potential public system partnerships, voluntary consolidations, and regionalization, Resolution No. 19-03 - J. Oliveira, L. Thompson    p. 15-20  
B. Discussion of benefits of IRWMA WAC membership - K. Rojas, L. Karnes

- Item 7:**        **Reports** – *Discussion only*  
A. Tuolumne-Stanislaus Integrated Regional Water Management Authority  
B. Calaveras Public Power Agency (CPPA)  
C. Calaveras Local Agency Formation Commission (LAFCo)  
D. Calaveras Water Work Group for the Hwy 4 Corridor  
E. U.P.U.D.  
F. City of Angels

**Item 8:**        **Staff/Directors' Comments**

- Item 9:**        **Adjourn to Closed Session:** *Discussion and possible action*  
  
A. PUBLIC EMPLOYMENT - General Manager Recruitment  
Pursuant to Gov't Code Section 54957  
  
B. CONFERENCE WITH LEGAL COUNSEL - Existing Litigation  
Gov't Code Section 54956.9(d)(1)  
Name of Case: PG&E Corporation and Pacific Gas & Electric Company,  
United States Bankruptcy Court for the Northern District of California,  
Case No. 19-30088

Reconvene from Closed Session: *Report of reportable action.*

**Adjourn**

**Next Regular Meeting:**    Tuesday, March 26, 2019 at 5:30 pm

UTICA WATER AND POWER AUTHORITY

1168 Booster Way  
Angels Camp, CA 95222

January 22, 2019  
Regular Board Meeting

The Board of Directors of the Utica Water and Power Authority met in Regular Session at the UWPA office in Angels Camp, California.

Directors present:	Greg Rasmussen, UPUD	Chairman
	Eric Bottomley, UPUD	Secretary (outgoing Director)
	Larry Thompson, Community	Director
	Joe Oliveira, COA	Director
Also present:	Michael Minkler	General Manager
	Karen Rojas	Administrative Manager
	Frank Fields	O & M Superintendent
	Kyle Rasmussen	Water Conveyance Supervisor
	Lori Karnes, UWPA	Secretary
	Tom Quincy, UPUD	Incoming director
	Amanda Folendorf, COA	Incoming director
	Melissa Eads, COA	City Administrator

Call to Order and the Pledge of Allegiance

The meeting was called to order at 5:30 pm by Chairman Rasmussen.

Item 1: Approval of Agenda

A. Motion by Director Thompson to approve the agenda; seconded by Director Oliveira and adopted 5-0. Ayes: Rasmussen, Bottomley, Thompson, Oliveira, Quincy; Noes: None.

Item 2: Opportunity for Public Comments: No comment.

Item 3: Order of Business – Discussion and possible action

A. Certificates of Appointment and Oaths of Office – Eric Bottomley administered the oaths to:

1. Tom Quincy, UPUD, fills seat vacated by Eric Bottomley
2. Amanda Folendorf, City of Angels, fills seat vacated by Scott Behiel

B. Election of Officers - Newly appointed officers are as follows:

Joe Oliveira, Chairman  
Greg Rasmussen, Vice Chairman  
Tom Quincy, Secretary

- C. Appointments to Committees - Committee appointments are as follows:
  - Personnel & Legal - Larry Thompson and Joe Oliveira
  - Resource Management - Tom Quincy and Larry Thompson
  - Budget - Greg Rasmussen and Amanda Folendorf
  - FERC - Tom Quincy and Larry Thompson
  - ACWA/JPIA Representative - Greg Rasmussen
  - CPPA Representative - Joe Oliveira and Tom Quincy (alternate)
- D. 2019 Meeting Calendar - Regular board meetings to be held at 5:30 on the fourth Tuesday of every month. The possible combining of the November and December meetings will be considered later in the year.

- Item 4: Consent Calendar – Approval of all items
- A. Minutes of the regular board meeting dated 12/10/18
  - B. Minutes of the special board meeting dated 1/4/19

Motion by Director Rasmussen to approve the Consent Calendar; motion seconded by Director Thompson and adopted 4-0 with 1 abstention. Ayes: Rasmussen, Quincy, Thompson, Oliveira; Noes: None; Abstentions: Folendorf.

- Item 5: Staff Reports – Discussion only
- A. Financials - 11/1/18 through 11/30/18
  - B. Financials - 12/1/18 through 12/31/18
- Michael reported in November we received member agency payments and that increased our revenue figures for the month. Incidental expenses were up due to annual outage work. Normal power revenue was supplemented by payments from other agencies. Karen reported in November we received \$15,000 from Calpine, which was a collateral deposit we gave to Sempra back in 2004 when we contracted with them to buy our power. December is unusual because of the water we sold to NCPA during the outage. We are paid the following month for water sales due to reconciliation that occurs at the end of the month the water was sold. The plan is to continue to sell water if the offer is right. Water sales are up to due the extended outage and higher than originally budgeted. Power sales are still on track to meet budget projections even though it's an extended outage. We are ahead of revenue at this point because in July, August, and September our revenue was nearly double the \$25/MW that was projected in the budget for MPH. In May and June we will receive a total of \$52,000 for the first 1,500 Vintage 2019 RECs under our 10-year \$35/certificate contract with Calpine. Then the surplus RECs are sold at \$9/certificate for the rest of the year.
- C. General Manager's Report – M. Minkler - Michael reported we have been consumed with storms. Our new operator Nick did a great job operating during one of our biggest storms without back up. Good job Nick! The storm hadn't been forecast for heavy rain, but it quickly dropped a lot of rain in a short amount of time in the Murphys area. The operators had to scramble to control the system. The last week has been very busy with a lot of rain, high flows and downed trees. No damage to the infrastructure and no outages during this time, thanks to our operators. It has been a priority lately to get the valve at Ross automated. We recently got a quote from a company that will install a "powerball," which is an old fashioned water wheel with a generator that will generate just enough power to charge batteries to run SCADA equipment and

operate the valve. The cost to get commercial power was too expensive. This project will cost approximately \$5,000. It will also save the staff from having to go out physically every time that the valve needs to be open or closed. Director Thompson asked if the PG&E bankruptcy will have an effect on payments from ReMAT contract. Michael answered he didn't think so, but it's not completely out of question.

- D. Administrative Report – K. Rojas - Karen reported since the last meeting we've been busy with the outage, a few storm,s and the GM giving notice. CCWD was billed for the water they pumped from Hunter's during NCPA's outage from January 9<sup>th</sup> through the 11th. Michael added he neglected to mention during his GM Report we are back online after a long outage - it was 71 days. The last six weeks of it was waiting for PG&E to approve the test reports and get an appointment to send their station testing group here to do onsite testing, which took two full days. The relays and the recloser will be a benefit to us in troubleshooting causes for outages, but on a day-to-day operational standpoint there won't be much change. The operators and crews put a tremendous amount of work in during the outage and the good news is we may have come in under budget. We are working with a company to assist us with website compliance. In January Murphys Fire Protection District will be doing some drills at the Murphys Afterbay. Michael scheduled Murphys at 1.1 MW for February until further notice. CSDA offers courses with some scholarships; Lori had applied and received one for the board training class she attended in the Fall. The courses include performance evaluations, Brown Act, financial planning, ethics, board chair classes, etc. and she will share this information with the board if anyone is interested. There are some FERC items that still need to be addressed. Karen will be talking to John Kessler and Michael Minkler about these items. We will need to schedule a Resource Management Committee meeting soon to discuss the upcoming irrigation season.
- E. Generation and O&M Report for December – F. Fields - Frank reported we did receive a little rain in December. Of course we were in maintenance outage for an extended period, but the work accomplished was top notch and the testing cycle with PG&E went rather smoothly. The Angels plant seems to have an increase in efficiency and we will see over time if it's true.
- F. Water Conveyance – K. Rasmussen - Kyle reported it's nice to be running again. He was concerned seeing the ditch that low for so long. There was only about 1 - 2 cfs running. The ditch is partial gunite with a cut bank and not enough support without water. The operators had to clean up some debris in the canal because of that during some storms. The ditch as been flushed a few times to move the debris out of the system. Some trees have fallen during recent storms meaning that the siphons needed a lot of cleaning. Director Oliveira asked if the operators are alone during the night when they're on the system. Kyle explained we have a good system for checking in and out on Allstaff and posting their location. It's not feasible for the operators to be in pairs all the time. There seems to be an increase in bugged trees again. A good frost is needed to kill the beetle larva.

Item 6: Old Business – Discussion and possible action

- A. ReMAT Update – M. Minkler -Michael reported a decision could come from the Ninth Circuit sooner than later. If the district court's decision gets overturned

and the injunction is lifted we could be in ReMAT by the summer. This is a best case scenario. In the worst case the PUC loses the appeal and the injunction doesn't get lifted and then we are relying on the standard offer contract revision. There is uncertainty with the standard offer contract because it still needs to be approved by the judge and the PUC would have to argue that it satisfies the original deficiency with the contract. We are really hoping for a favorable decision at the Ninth Circuit to avoid the time it might take to get a new contract approved. Once the injunction is lifted we have the consultant who helped us with Angels ReMAT contract ready to assist us with Murphys ReMAT as well. We must be mindful that energy division at the PUC must approve the advice letter that would approve the revisions to the contract that came from AB1979 revising the ReMAT tariff at the PUC that would allow MPH to be included. This letter originally caused delays in getting MPH into the ReMAT contract to begin with. Before Murphys can be eligible for ReMAT, this letter needs staff level approval and should not have to go before the commission. The PUC had no problems or concerns with the revision. The issue is their interpretation of the injunction and as such they are being cautious and not moving forward on anything concerning ReMAT. We have to be sure PUC approves the advice letter before we can submit the MPH ReMAT application.

- B. "2 X 2" discussions with CCWD – M. Minkler - Michael reported there was no meeting. Michael explained the purpose of the 2 X 2 committee. We have additional customers who would be interested in getting water from our system. The goal is to get an agreement with CCWD, who has post-1914 water rights to some of its 8,000 AFA that they cannot use because they don't have the infrastructure to deliver. We could deliver the water through our system to meet the unmet demand and help CCWD keep their consumptive water rights to serve the Hwy 4 corridor. UWPA's concern is how to get more water to customers and this might be a solution.
- C. Natel MAB Project update (see attached Item 6C) – M. Minkler – Michael gave an update about the Natel project. We've submitted a draft FERC license amendment package to the Water Board, Fish and Wildlife, a historic resource consultant that might comment on the process before we submitted it to FERC to flush out any comments in advance. Two scientists from Fish and Wildlife and Jessica from Natel came for a site visit. We are still waiting for written comments from the agencies. We will need to get an agreement with Fish and Wildlife regarding erosion that could happen during the construction period. There don't seem to be any major obstacles. Once we have the comments we will submit them to FERC and wait for comment. There have been changes to the original design, which will create higher efficiency, but we will have to re-submit these changes to the agencies as before. The power generated from this project will potentially be sold to a utility in Alameda. The payment to UWPA for the project has been reduced from \$200,000 to \$150,000, because MPH will not be in ReMAT. The project did make it through supplemental review with PG&E, which is a big hurdle to get over. Once they get the interconnection agreement in place Natel will look for the O&M Agreement and Ground Lease to be signed. There will be additional compensation for our operators to monitor the project, but the time it would require should be minimal. These issues will be addressed in the O&M

Agreement. The goal would be to have another project at Hunters where the flow is higher and here would be the potential of greater revenue.

- Item 7: New Business – Discussion and possible action
- A. Acceptance of 6/20/18 Auditor’s Report (see attached Item 7A) – R. Jolley, CPA Michael briefly explained the Auditor's Report. Motion by Director Rasmussen to accept the Auditor's Report; motion seconded by Director Quincy and accepted 5-0. Ayes: Rasmussen, Oliveira, Quincy, Folendorf, Thompson; Noes: None.
  - B. Long-term strategic planning – M. Minkler - Michael talked about the presentation he gave at UPUD and City of Angels concerning UWPA's long term financial outlook. He explained our expenditures over the last couple of years has been around \$1.3 to \$1.5M. The last couple years it's been around \$2M. The revenue in 2015-2016, water year VI, was \$680K without the member contributions and before APH was in ReMAT. Since then revenue has steadily increased, partly due to good water years and the fact the ReMAT revenue from APH went from \$300K to almost \$700K. Over time, without member contributions, expenses had been steady for a period, then revenue and reserves gradually declined and expenses began to increase. Expenditures over the next couple years should remain about the same. Depending on the water year, even with Murphys in ReMAT we are in budget deficits with all but the two best water years. A more detailed plan of capital improvements and costs needs to be drafted for long term planning. A master plan has been discussed, but not been a priority due to many other more urgent issues and the cost of doing a master plan. Director Thompson commented that a master plan is necessary to see what work needs to be done and the cost involved. It's hard to go to member agencies without a detailed plan. He is suggesting having a joint meeting with the agencies to talk about a plan. Relicensing is coming up and how are we going to pay for it? Michael, Frank, and Kyle have had discussions about work that needs to be done on the conveyance side and operations side and cost involved. We need a reserve policy as well. Our staff is very good at using minimal water and maximizing efficiency. The flumes are very vulnerable to deterioration and will become harder and more expensive to maintain. Kyle has been incredibly efficient at maintaining the flumes, but at some point large infrastructure planning is necessary. Kyle commented that 3/4-Mile Flume is the most challenging to repair and costs are going to continue to go up. There was discussion about using CCC crews and Cal Fire crews. We do use CalFIRE crews often, but CCC crews are more expensive. We need contractors to build the flume boxes; crews cannot build boxes. Crews are used for clearing brush and moving material. There is a possibility we could apply for a grant to help us hire a contractor and, with Kyle's supervision, complete as much work as possible. It's a challenge to find experienced independent contractors to work with us building the flumes at a lower rate of pay. A collaborative effort between agencies could help us solve a lot of common problems.
  - C. General Manager Job Description update – M. Minkler - The board discussed updating the General Manager’s salary range in the job description. Director Rasmussen moved to amend the General Manager's annual salary range to \$100,000 - \$120,000, seconded by Director Thompson and adopted 5-0. Ayes: Rasmussen, Oliveira, Quincy, Folendorf, Thompson; Noes: None.

- D. FY'18-'19 Budget Amendment, Resolution 19-01 – M. Minkler - Michael explained that while staff is pursuing the CalPERS retirement plan, this amendment would increase the Employer contribution into the current CalPERS 457 Plan to 6.842 percent. This will put us on par with our member agencies until the CalPERS pension can be contracted, which could be up to a year or more. With the current 457 Plan the employee is not mandated to make any deferrals and can take out loans from his/her individual account. Motion by Director Rasmussen to approve Resolution 19-01, Fourth Budget Amendment, seconded by Director Thompson and adopted 5-0. Ayes: Rasmussen, Oliveira, Quincy, Folendorf, Thompson; Noes: None.
- E. Appointment of Interim General Manager – M. Minkler - Michael talked about a transition plan when he leaves. The discussion has been that Karen, Frank, and Kyle could step in on an interim basis until a new general manager is hired. Michael felt it made sense to have Karen be appointed as interim manager because she is accustomed to dealing with the day-to-day administrative duties. Frank and Kyle would each have to be responsible for operations and maintenance as usual with the understanding they will all work together. The board and the staff agreed. Director Rasmussen made the motion to approve Karen Rojas as interim General Manager, it was seconded by Director Thompson and adopted 5-0. Ayes: Rasmussen, Oliveira, Quincy, Folendorf, Thompson; Noes: None. Michael also added that Karen deserves acknowledgement of her hard work, as well as Frank and Kyle. Director Quincy suggested UWPA give additional compensation to all three during this interim period. The board decided to create an ad hoc committee to determine a fair compensation.
- F. Resolution in Appreciation of Michael Minkler, Res. 19-02 – L. Thompson  
Director Thompson read the Resolution in Appreciation of Michael Minkler.  
Motion by Director Thompson to approve Resolution 19-02 in Appreciation of Michael Minkler; seconded by Director Rasmussen and adopted by 5-0.  
Ayes: Rasmussen, Oliveira, Quincy Folendorf, Thompson; Noes: None

Item 8: Reports – Discussion only

- A. Tuolumne-Stanislaus Integrated Regional Water Management Authority – Lori attended and reported they continued talking about the DACs, did a mapping exercise, and discussed some upcoming grant opportunities.
- B. Calaveras Public Power Agency (CPPA) – No report.
- C. Calaveras Local Agency Formation Commission (LAFCo) – Amanda reported at the last meeting they adopted the sphere of influence for annexation for one applicant. Repeated talks about consolidation of districts and the challenges of that geographically. Anita Paque was reappointed to the state LAFCo board and Joe Oliveira will now be on the LAFCo committee.
- D. Calaveras Water Work Group for the Hwy 4 Corridor – No meeting.
- E. U.P.U.D. - Director Rasmussen reported the meeting was centered mainly around backwater issues.
- F. City of Angels – Director Oliveira reported that at the last council meeting Michael made a presentation to the city explaining the difficulties UWPA is having and will continue to have in the future if we can't boost revenue. The



council understands the problems of sustainability and has informed staff that whatever contributions need to be with respect to this JPA should be considered in the city's rate structure. Amanda was reappointed to Environmental Quality Board at the League of Cities again for the year. At the meeting they discussed board priorities and bills coming through legislation. They've invited authors of these bills to give presentations along with other organizations to assist cities and other agencies with disaster and emergency planning along with grant funding. One of the main priorities is water and infrastructure and looking at legislation and how the state mandates will affect the cities and public agencies. CEQA was another topic discussed and when they are needed or not. They also discussed PG&E's bankruptcy and how it will affect other smaller utilities if it becomes state run. They discussed the money collected from state water bonds and there are a lot of funding opportunities that UWPA may qualify for. Michael also stressed the importance of having a Hazard Mitigation Program in place. It would help access funding.

- Item 9: Staff/Directors' Comments – Karen thanked the board for their confidence in her and Frank and Kyle. Kyle thanked Michael for all of his support and the grants he's helped UWPA get. Michael was appreciative and thanked the board and staff. Director Rasmussen thanked Director Oliveira for stepping in as chairman.

Recessed at 8:45 pm

- Item 10: Adjourn to Closed Session at 8:50 pm: Discussion and possible action

- A. PUBLIC EMPLOYMENT – General Manager Recruitment  
Pursuant to Gov't Code Section 54957

Report of reportable action: Direction was given to staff.

The meeting was adjourned at 9:30 pm.

Next regular meeting will be Tuesday, February 26, 2019 at 5:30 pm.

Approved at the regular board meeting on February 26, 2019.

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Board Chairman

\_\_\_\_\_  
Board Secretary

# UTICA WATER AND POWER AUTHORITY

1168 Booster Way  
Angels Camp, CA 95222

## Minutes of February 19, 2019 Special Board Meeting

The Board of Directors of the Utica Water and Power Authority met in special session at the UWPA office in Angels Camp, California.

Directors present:	Joe Oliveira, City	Chairman
	Greg Rasmussen, UPUD	Vice-Chair
	Tom Quincy, UPUD	Secretary
	Amanda Folendorf, City	Director
	Larry Thompson, At-Large	Director
Also present:	Karen Rojas	Interim General Manager
	Frank Fields	O&M Superintendent
	Kyle Rasmussen	Water Conveyance Supervisor
	Lori Karnes	Office Secretary

### **Call to Order**

The meeting was called to order at 4:00 p.m. by Chairman Oliveira.

### **Item 1: Adjourned to Closed Session at 4:02 p.m.**

A. PUBLIC EMPLOYEE - General Manager Recruitment  
Gov't Code Section 54957

### **Reconvened from Closed Session at 4:45 p.m.**

*Report of reportable action taken:*

Direction was given to staff.

The meeting was adjourned at 4:50 p.m.

Next meeting: Tuesday, February 26, 2019 - 5:30 p.m. Regular Board Meeting

Approved at the regular board meeting on February 26, 2019.

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Board Chairman

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Board Secretary



Vaughn Tribble, CPA

Daniel Ayala, CPA

Douglas Tribble, CPA

**Tribble & Ayala**  
**Certified Public Accountants, Inc.**

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Accountant's Disclaimer

Utica Water & Power Authority  
Angels Camp, California

The accompanying Consolidated Report - statement of revenues, expenses and fund balance (cash basis) and the accompanying Revenue Fund Report - statement of revenues, expenses and budget variances (cash basis) for the period ending January 31, 2019 of the fiscal year July 1, 2018 to June 30, 2019, and the accompanying Bank Activity Report (All Funds) for the period January 1 to January 31, 2019 of the Utica Water & Power Authority were not audited by us and, accordingly, we do not express an opinion on them. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Utica Water & Power Authority's revenues, expenses, and fund balance. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Certified Public Accountants, Inc.

February 20, 2019

Utica Water and Power Authority  
Bank Activity Report (All Funds)  
For the Period January 1 to January 31, 2019

**Revenue Fund**

Recap	Current Month	Prior Month	Difference
Revenues	\$ 238,637.17	\$ 178,123.41	\$ 60,513.76
Expenses	\$ (215,076.56)	\$ (129,878.05)	\$ (85,198.51)
Difference	\$ 23,560.61	\$ 48,245.36	\$ (24,684.75)

Fund Balance - 12/31/2018 \$ 620,151.87

Revenues:	1/2/2019 CCATT payment for Jan 2019 rent	1,406.70
	1/15/2019 Interest earned Oct-Dec 2018 - LAIF	3,165.12
	1/25/2019 Calpine payment for Sept 2018 renewable energy	12,672.00
	1/25/2019 PG&E payment for <del>Jan 1 - Jan 25, 2019</del>	25,005.60
	1/28/2019 Murphys Realty Jan 2019 Rent	827.00
	1/28/2019 Sierra HOPE Jan 2019 Rent	835.00
	1/28/2019 City of Angels Dec 2018 CMM/DL Data workup	400.00
	1/28/2019 City of Angels 3Qtr 18-19 Contribution to Budget	21,250.00
	1/28/2019 NCPA payment for Dec 2018 water	172,270.00
	1/31/2019 Calpine payment for Sept 2018 Imbalance	715.75
	<b>Total Revenues</b>	<b>238,637.17</b>

Expenses:	1/2/2019 Payroll transfer for 1/3/19 wages & taxes	(27,535.43)
	1/2/2019 A T.E.E.M. Electrical Engineering Inc.	(1,400.00)
	1/2/2019 A T.E.E.M. Electrical Engineering Inc.	(3,500.00)
	1/2/2019 Apex Automation Solutions	(55.00)
	1/2/2019 Calaveras County Water District	(125.03)
	1/2/2019 Calaveras Lumber Co, Inc.	(1,218.51)
	1/2/2019 Carson Hill Rock	(243.33)
	1/2/2019 Colonial Life	(71.84)
	1/2/2019 IETS	(2,400.00)
	1/2/2019 IETS	(1,800.00)
	1/2/2019 Karen S Rojas	(39.24)
	1/2/2019 Lori Karnes	(306.73)
	1/2/2019 Mountain Oasis Purified Water	(48.75)
	1/2/2019 Pacific Gas & Electric Co.	(621.12)
	1/2/2019 Sierra Pacific Industries	(250.00)
	1/2/2019 Sutton Enterprises	(600.00)
	1/2/2019 UPS	(28.75)
	1/2/2019 U.S. Postmaster	(50.00)
	1/2/2019 Zoom Imaging Solutions, Inc.	(23.99)
	1/2/2019 CalPERS 457 Plan	(2,033.51)
	1/14/2019 Payroll transfer for 1/14/19 wages & taxes	(25,975.37)
	1/15/2019 ACWA	(475.00)
	1/15/2019 AT&T 555 8	(1,879.61)
	1/15/2019 Blue Shield of California - Med Supp	(174.00)
	1/15/2019 Blue Shield of California	(7,673.17)
	1/15/2019 Calaveras Power Agency	(392.20)
	1/15/2019 California Waste Recovery Systems	(177.99)
	1/15/2019 Carson Hill Rock	(5,182.08)
	1/15/2019 CDK Supply	(60.48)
	1/15/2019 City of Angels	(131.70)
	1/15/2019 City of Angels	(170.40)
	1/15/2019 Choice Builder	(758.94)
	1/15/2019 CMS Medicare Insurance	(408.00)
	1/15/2019 Columbia Communications, Inc.	(75.00)
	1/15/2019 Driven	(1,367.99)
	1/15/2019 Gateway Press, Inc.	(109.23)
	1/15/2019 General Supply Co.	(98.43)
	1/15/2019 Griffith & Masuda	(200.00)
	1/15/2019 Humana Insurance Co.	(29.90)
	1/15/2019 Jeff Rivas	(300.00)
	1/15/2019 Mother Lode Answering Service, Inc.	(152.00)
	1/15/2019 O'Reilly Automotive, Inc.	(645.23)
	1/15/2019 Pacific Gas & Electric Co.	(23.06)
	1/15/2019 Pacific Gas & Electric Co.	(436.97)
	1/15/2019 Pacific Gas & Electric Co.	(1,211.21)
	1/15/2019 Powersoft, L.L.C	(250.00)
	1/15/2019 Sara Steck Myers	(1,350.00)

10

Utica Water and Power Authority  
Bank Activity Report (All Funds)  
For the Period January 1 to January 31, 2019

1/15/2019	Sierra Hydrographics	(1,728.00)	
1/15/2019	Sonora Airco Gas & Gear	(51.32)	
1/15/2019	Spence Ranch Feed-Supply	(11.15)	
1/15/2019	State Compensation Insurance Fund	(2,182.00)	
1/15/2019	Timothy and Deanna Plunkett	(75.00)	
1/15/2019	Tribble & Ayala CPA's, Inc.	(622.64)	
1/15/2019	Union Public Utility District	(59.00)	
1/15/2019	U.S. Bank Corporate	(3,758.73)	
1/15/2019	U.S. Bank Equipment Finance	(199.76)	
1/15/2019	U.S. Bank Equipment Finance	(432.47)	
1/15/2019	Verizon Wireless	(426.27)	
1/15/2019	Weidmann Electrical Technology Inc.	(807.56)	
1/15/2019	CalPERS 457 Plan	(1,928.69)	
1/15/2019	Bank Charge	(14.95)	
1/16/2019	Foothill Resources, Ltd.	(236.80)	
1/20/2019	TASC	(2,686.66)	
1/28/2019	Payroll transfer for 1/28/19 wages & taxes	(28,123.59)	
1/28/2019	Bryant L. Jolley	(7,250.00)	
1/28/2019	CDK Supply	(102.17)	
1/28/2019	Comcast Business	(457.31)	
1/28/2019	Comcast Business	(148.00)	
1/28/2019	IETS	(10,000.00)	
1/28/2019	IETS	(19,147.00)	
1/28/2019	New York Life	(41.83)	
1/28/2019	North Valley Distributing	(214.52)	
1/28/2019	North Valley Distributing	(27,890.27)	
1/28/2019	Pacific Gas & Electric Co.	(739.39)	
1/28/2019	CalPERS 457 Plan	(3,285.63)	
1/31/2019	Transfer out to FERC Relicensing Fund	(8,333.33)	
1/31/2019	Transfer out to FERC Part 12 Fund	(2,083.33)	
	<b>Total Expenses</b>	<u>(215,076.56)</u>	
	<b>Net Revenues</b>	23,560.61	
	<b>Transfers:</b>		
	1/22/2019 Budgetary transfer from Water Balancing Fund	19,117.00	
	<b>Total Transfers</b>	<u>19,117.00</u>	
	<b>Fund Balance - 1/31/2019</b>		<b>\$ 662,829.48</b>
	<b><u>Water Balancing Fund</u></b>		
	Fund Balance - 12/31/2018	\$ 93,434.00	
	1/22/2019 Budgetary transfer to Revenue Fund	(19,117.00)	
	Fund Balance - 1/31/2019		<b>\$ 74,317.00</b>
	<b><u>FERC Relicensing Fund</u></b>		
	Fund Balance - 12/31/2018	\$ 141,050.25	
	1/31/2019 Transfer in from Revenue Fund	8,333.33	
	Fund Balance - 1/31/2019		<b>\$ 149,383.58</b>
	<b><u>FERC Part 12 Fund</u></b>		
	Fund Balance - 12/31/2018	\$ 12,499.98	
	1/31/2019 Transfer in from Revenue Fund	2,083.33	
	Fund Balance - 1/31/2019		<b>\$ 14,583.31</b>
	<b><u>Operating &amp; Capital Reserve Fund</u></b>		
	Fund Balance - 12/31/2018	\$ 85,019.38	
	1/31/2019 Interest earned Jan 2019	1.83	
	Fund Balance - 1/31/2019		<b>\$ 85,021.21</b>
	<b>Total All Funds - 1/31/2019</b>		<b>\$ 986,134.58</b>
	Total All Funds - 12/31/2018	\$ 952,155.48	
	Difference	<u>\$ 33,979.10</u>	

Unaudited - See Accountant's Disclaimer

Utica Water & Power Authority  
**Revenue Fund Report**  
Statement of Revenues, Expenses and Budget Variances (Cash Basis)  
For the Period Ending January 31, 2019 (58.90%)  
Of the Fiscal Year July 1, 2018 to June 30, 2019

<u>Revenues:</u>	<u>Budget - 1/22/19</u>	<u>Revenues to Date</u>	<u>Balance</u>	<u>% of Budget</u>	<u>Year-To-Date Annualized %</u>
1100 Interest Income	\$ 5,000	\$ 7,918	\$ (2,918)	158.36%	268.84%
1200 Power Sales	\$ 1,187,268	\$ 681,662	\$ 505,606	57.41%	97.47%
1301 Water Sales to NCPA	\$ 40,000	\$ 325,430	\$ (285,430)	813.58%	1381.19%
1302 Water Agreements	\$ 80,000	\$ 40,000	\$ 40,000	50.00%	84.88%
1303 Water Sales UWPA	\$ 31,351	\$ 841	\$ 30,510	2.68%	4.55%
1400 Property Leases	\$ 37,200	\$ 20,604	\$ 16,596	55.39%	94.03%
1500 Other Revenues	\$ 9,800	\$ 31,883	\$ (22,083)	325.34%	552.32%
1610 Bobcat Grant	\$ 5,091	\$ 486	\$ 4,605	9.55%	16.22%
1620 Expert Tree Removal Grant	\$ -	\$ -	\$ -	0.00%	0.00%
1630 Truck Grant	\$ 75,000	\$ -	\$ 75,000	0.00%	0.00%
1700 Member Contributions	\$ 170,000	\$ 106,250	\$ 63,750	62.50%	106.10%
<b>Total Revenues</b>	<b>\$ 1,640,710</b>	<b>\$ 1,215,074</b>	<b>\$ 425,636</b>	<b>74.06%</b>	<b>125.73%</b>

<u>Expenses:</u>	<u>Budget - 1/22/19</u>	<u>Expenses to Date</u>	<u>Balance</u>	<u>% of Budget</u>	<u>Year-To-Date Annualized %</u>
2400 FERC Compliance	\$ 167,000	\$ 77,267	\$ 89,733	46.27%	78.55%
2450 Dam Safety	\$ 2,000	\$ 2,005	\$ (5)	100.27%	170.23%
3000 Operations & Maint	\$ 653,130	\$ 398,487	\$ 254,643	61.01%	103.58%
4000 Administration	\$ 271,009	\$ 164,888	\$ 106,121	60.84%	103.29%
4050 Travel/Training	\$ 10,000	\$ 2,742	\$ 7,258	27.42%	46.56%
4100 Materials/Misc	\$ 20,000	\$ 11,904	\$ 8,096	59.52%	101.05%
4200 Insurance	\$ 38,400	\$ 20,678	\$ 17,722	53.85%	91.42%
4300 Legal	\$ 18,000	\$ 6,047	\$ 11,953	33.60%	57.03%
4400 Accounting	\$ 20,600	\$ 14,381	\$ 6,219	69.81%	118.52%
4500 Fees	\$ 120,180	\$ 33,003	\$ 87,177	27.46%	46.62%
4600 Communications	\$ 33,510	\$ 23,067	\$ 10,443	68.84%	116.86%
4700 Utilities	\$ 30,800	\$ 16,225	\$ 14,575	52.68%	89.43%
5010 Water Balancing Fund	\$ 80,000	\$ 40,000	\$ 40,000	50.00%	84.88%
6010 PH - Maint/Repair	\$ 18,000	\$ 9,752	\$ 8,248	54.18%	91.98%
6050 PH - Capital Projects	\$ 123,000	\$ 98,344	\$ 24,656	79.95%	135.74%
6060 PH - ReMAT Expenses	\$ 82,000	\$ 8,920	\$ 73,080	10.88%	18.47%
6070 PH - MAB Hydro Project	\$ 5,000	\$ 605	\$ 4,395	12.10%	20.54%
6110 WC - Maint/Repair	\$ 70,000	\$ 16,297	\$ 53,703	23.28%	39.53%
6150 WC - Capital Projects	\$ 173,049	\$ 110,909	\$ 62,140	64.09%	108.81%
6210 Bobcat Grant	\$ 5,091	\$ 4,351	\$ 740	85.47%	145.10%
6220 Expert Tree Removal Grant	\$ -	\$ -	\$ -	0.00%	0.00%
6230 Truck Grant	\$ 75,000	\$ -	\$ 75,000	0.00%	0.00%
7000 Hydrography	\$ 23,500	\$ 14,352	\$ 9,148	61.07%	103.68%
7100 SCADA/IT	\$ 14,700	\$ 6,708	\$ 7,992	45.63%	77.47%
7110 SCADA Capital Projects	\$ 21,000	\$ 4,332	\$ 16,668	20.63%	35.02%
8000 Consultants	\$ 7,500	\$ -	\$ 7,500	0.00%	0.00%
9000 Vehicles	\$ 39,500	\$ 14,332	\$ 25,168	36.28%	61.60%
9500 Contingencies	\$ 70,000	\$ 3,906	\$ 66,094	5.58%	9.47%
<b>Total Expenses</b>	<b>\$ 2,191,969</b>	<b>\$ 1,103,503</b>	<b>\$ 1,088,467</b>	<b>50.34%</b>	<b>85.47%</b>
<b>Excess Revenues (Expenses)</b>	<b>\$ (551,259)</b>	<b>\$ 111,571</b>	<b>\$ (662,831)</b>		
xxxx Transfer In	\$ -	\$ 45,683	\$ (45,683)	0.00%	0.00%
xxxx Transfer Out	\$ -	\$ -	\$ -	0.00%	0.00%

12

**Utica Water & Power Authority**  
**Consolidated Report**  
 Statement of Revenues, Expenses and Fund Balance (Cash Basis)  
 For the Period Ending January 31, 2019 (58.90%)  
 Of the Fiscal Year July 1, 2018 to June 30, 2019

<u>Revenues:</u>	<u>Revenue Fund</u>	<u>Water Balancing Fund</u>	<u>FERC Relicensing Fund</u>	<u>FERC Part 12 Fund</u>	<u>Operating &amp; Capital Reserve Fund</u>
1100 Interest Income	\$ 7,918	\$ -	\$ -	\$ -	\$ 13
1200 Power Sales	\$ 681,662				
1301 Water Sales to NCPA	\$ 325,430				
1302 Water Agreements	\$ 40,000				
1303 Water Sales UWPA	\$ 841				
1400 Property Leases	\$ 20,604				
1500 Other Revenues	\$ 31,883				
1610 Bobcat Grant	\$ 486				
1620 Expert Tree Removal Grant	\$ -				
1630 Truck Grant	\$ -				
1700 Member Contributions	\$ 106,250				
<b>Total Revenues</b>	<b>\$ 1,215,074</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13</b>
<u>Expenses:</u>					
2400 FERC Compliance	\$ 77,267				
2450 Dam Safety	\$ 2,005				
3000 Operations & Maint	\$ 398,487				
4000 Administration	\$ 164,888				
4050 Travel/Training	\$ 2,742				
4100 Materials/Misc	\$ 11,904				
4200 Insurance	\$ 20,678				
4300 Legal	\$ 6,047				
4400 Accounting	\$ 14,381				
4500 Fees	\$ 33,003				
4600 Communications	\$ 23,067				
4700 Utilities	\$ 16,225				
5010 Water Balancing Fund	\$ 40,000				
6010 PH - Maint/Repair	\$ 9,752				
6050 PH - Capital Projects	\$ 98,344				
6060 PH - ReMAT Expenses	\$ 8,920				
6070 PH - MAB Hydro Project	\$ 605				
6110 WC - Maint/Repair	\$ 16,297				
6150 WC - Capital Projects	\$ 110,909				
6210 Bobcat Grant	\$ 4,351				
6220 Expert Tree Removal Grant	\$ -				
6230 Truck Grant	\$ -				
7000 Hydrography	\$ 14,352				
7100 SCADA/IT	\$ 6,708				
7110 SCADA Capital Projects	\$ 4,332				
8000 Consultants	\$ -				
9000 Vehicles	\$ 14,332				
9500 Contingencies	\$ 3,906				
<b>Total Expenses</b>	<b>\$ 1,103,503</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess Revenues (Expenses)</b>	<b>\$ 111,571</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13</b>
Fund Balance 7/1/18	\$ 505,576	\$ 80,000	\$ 91,050	\$ -	\$ 85,009
Excess Revenues (Expenses)	\$ 111,571	\$ -	\$ -	\$ -	\$ 13
xxxx Transfer In	\$ 45,683	\$ 40,000	\$ 58,333	\$ 14,583	\$ -
xxxx Transfer Out	\$ -	\$ (45,683)	\$ -	\$ -	\$ -
<b>Ending Fund Balance</b>	<b>\$ 662,829</b>	<b>\$ 74,317</b>	<b>\$ 149,384</b>	<b>\$ 14,583</b>	<b>\$ 85,021</b>

**UWPA OPERATIONS/MAINTENANCE REPORT**

**JANUARY 2019**

<b>RAINFALL</b>	<b>APH</b>	<b>MPH</b>
JANUARY rainfall	8.2	11.4
PYTD rainfall 7/1/18- 6/30/19	17.1	22.8
Last year this time	10.9	13.6

**GENERATION**

<b>MURPHYS (sold to Calpine)</b>	
FROGTN_1_UTICAM	
Wtg for ISO/QRE concurrence	655
(~ 1.56 MW for 1/14-1/31)	
<b>ANGELS (sold to PG&amp;E)</b>	
FROGTN_1_UTICAA	
Wtg for PG&E concurrence	330
(~ 780 kw 1/14 - 1/31)	
<b>TOTAL GENERATION:</b>	985 MWhr

**REVENUES**

January's projected scheduled generation:	
\$59,594	Jan APH (0.9 MW) @ \$89 (1)
\$35,340	Jan MPH (1.9 MW) @ \$25
\$11,124	Sept MPH RECs @ \$9
\$1,800	Sept MPH imb @ \$20
<b>\$107,858</b>	

January's actual scheduled generation:	
\$31,623	Jan APH (1/2 outage) @ \$96
\$10,053	Jan MPH (1/2 outage) @ \$36 (2)
\$12,672	Sept MPH RECs @ \$9 (3)
\$716	Sept MPH imb @ \$18 (4)

- (1) January's budget revenue was based on both APH and MPH being back online after the outage in November.
- (2) Both APH and MPH continued offline for the first 14 days of January, loss of power revenue was compensated by another water sale.
- (3) Continuing to sell supplemental Vintage 2018 RECs at \$9 on a month-to-month agreement with Calpine.
- (4) MPH was scheduled 1.9 for 30 days of September, no fluctuations, so only 41 MWhrs were imbalance in January at \$18 vs DA at \$33.

Power Revenue:	\$55,064	
Water Revenue:	\$97,580	(Budgeted \$40,000 during FY18-19,
Water and Power:	\$152,644	1,333 AF @ \$30.)

**OUTAGES**

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

Date	Time Off	Duration	Cause	Plant
1/1 - 1/14	0000	13 days 11 hrs 55 mins	<b>P:</b> Planned outage was continued due to issues at Angels Powerhouse.	Murphys
1/1 - 1/14	0000	13 days 16 hrs 36 mins	<b>P:</b> Planned outage was extended due to the OCB replacement and manufacturing of new structure. The plant was still offline as we are waiting for PG&E onsite inspections.	Angels
			<i>This was the longest outage in 15 years: lasted 71 days, beginning November 4th and ending mid-day January 14.</i>	

**WATER**

Jan'19 Att A 2,682 + (0) from Dec'18  
 S-66 + S-127  
 S-47 into conduit + S-128 fish  
 LESS water sale to NCPA @ \$70/AF  
 Pay back or carry over in February

2,682	AF
(1,288)	AF
(1,394)	AF
(0)	(5)

Mill Creek inflow S-66    1,148 AF, using S-47 during Hunters spills  
 Tunnel Tap draft S-127    141 AF  
 S-47 into conduit + S-128 fish  
 Total:    1,288 AF

(5) Received NCPA's concurrence on 2/15/19.

14



# Utica Water and Power Authority

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Date: February 22, 2019  
To: Directors  
From: Staff  
Re: Water System Partnerships and Voluntary Consolidation

Please see the attached draft Resolution No. 19-03.

There could be fiscal advantages to combining facilities, engineering, management, and governance in order to increase efficiency and achieve economies of scale in our communities.

Staff has initiated research by reaching out to the State Water Board for information regarding funding opportunities that might be available to assist in promoting joint public agency discussions about potential public system partnerships, voluntary consolidations, or regionalization.

The purpose of this resolution is to seek to include the water and wastewater agencies in the Highway 4 corridor in these efforts, which could include joint workshops and feasibility studies.

The information enclosed is from the California Water Board website and gives a quick overview of some of these possibilities and what the process could entail going forward.



[Home](#) | [Drinking Water](#) | [Certlic](#) | [Drinkingwater](#) | [Waterpartnership](#)

# Water System Partnerships and Voluntary Consolidation

## Overview

A public water system is generally defined as a system that provides water for human consumption with 15 or more connections, or regularly serves at least 25 people daily for at least 60 days out of the year. California has more than 7,500 public water systems, of which approximately 92 percent serve less than 1,000 connections. Small public water systems are often less resilient to natural disasters, such as drought and fire, have more difficulty adjusting to regulatory changes, and may struggle to fund infrastructure maintenance and replacement due to poor economies of scale and lack of staff. As a result, the State Water Resources Control Board (State Water Board) supports water partnerships whenever feasible. Water partnerships can take many forms, including: local resource sharing, physical consolidation, managerial consolidation, and full regionalization.

## How Do We Begin?

The following links provide information on water partnership tools, step-by-step processes of consolidation and regionalization, funding and funding incentives for consolidation and regionalization projects, and success stories.

[Water Partnership Toolbox](#)

[Consolidation Approach - Step by Step](#)

[Regionalization Approach - Step by Step](#)

[Funding and Incentives for Consolidation and Regionalization Projects](#)

[Water Partnership Success Stories](#)

[Consolidation Statistics](#)

[Water Partnership and Consolidation Events](#)

[Mandatory Consolidations for Disadvantaged Communities](#)

## What is Local Resource Sharing?

Local resource sharing can be formal and informal agreements between water systems that allow them to decrease their costs, or provide specialization that they otherwise would not be able to afford. For



All of these strategies or local resource sharing can help water systems save money so that they can spend their resources on needed improvements, funding reserves, or paying down debts.

## What is Water System Consolidation?

Consolidation is the joining of two or more water systems, which includes, usually but not always, a smaller system being absorbed into a larger water system. One way to do this is through physical consolidation. For example, a small mobile home park which has its own water system may be near a city and decides it no longer wishes to be responsible for providing drinking water. The city can begin providing water to the mobile home park through an interconnection. The mobile home park can dissolve its water system and no longer be responsible for providing water. In this case, we call the city the "receiving" water system and the mobile home park the "subsumed" water system.

Managerial consolidations also exist. Managerial consolidation is when a small water system becomes part of a larger water system for all managerial purposes, but continues to use their original water supply and distribution system. For example, a small community may once have had an all-volunteer staff. The volunteer staff may be aging and no longer wants to be responsible for the water system. The water system may be too far from the large water system to make it cost-effective to physically consolidate. The larger water system can legally take over the water system functions such as regulatory reporting, billing, operations, etc., but use its existing infrastructure. The smaller water system dissolves and is no longer legally responsible for water service.

## What is Regionalization

Regionalization is a process where several local public water systems work together to form a combined public water system. It can also be used to describe a situation where several public water systems will be subsumed into one large water system. Regionalization is consolidation on a larger scale that has benefits on a much larger scale for its customers.

## What are the Benefits of Consolidation or Regionalization?

Consolidated water systems can share costs such as billing and operational personnel, the cost of new water sources, and often can purchase time-saving equipment that neither system could afford to purchase alone because they can spread costs over a larger customer base. One of the benefits of physical consolidation and/or regionalization, over water partnerships, can also be lowered monitoring costs. For example, two small water systems may each be required to sample monthly for bacteriological quality in the distribution system, disinfection byproducts annually, and lead and copper every three years, etc. When a receiving water system takes in a subsumed system they may not see an increase in their sampling if the consolidation water system population does not exceed certain thresholds. The subsumed water



## Systems?

Zero interest loans up to ten million dollars are available for water systems that complete the consolidation of a small disadvantaged water system. The zero interest consolidation incentive loans can be used for any water system infrastructure project that the receiving water system desires. The purpose of this incentive is to encourage larger water systems to support their community through consolidation and regionalization projects. Additionally, Section 116684 of the California Health and Safety Code, titled "Consolidation Liability Exemptions," provides liability protections to receiving water systems related to the past practices of the subsumed water system. These liability protections apply to both mandatory and voluntary consolidations. More information about consolidation incentives can be found on the Water Partnership Toolbox webpage.

## What about our Loss of Local Control of our Water?

Many owners of small water systems feel that giving up their water systems means giving up control of a life-sustaining resource. Few people worry about the loss of local control of their wastewater systems, telephone service, and electrical services in the same way as they worry about giving up control of their water. At the same time, the burden of water costs is commonly overlooked. According to the Pacific Institute, "water utilities are more than twice as capital-intensive as electricity and nearly three times as capital-intensive as natural gas." Yet, water typically is one of the lowest cost utility services. This is because often small systems pay low water rates because they are not planning and saving for future, and sometimes even current, infrastructure needs. The true cost of the water being provided is not being accounted for, resulting in unsustainable water systems. When replacement of infrastructure is needed, small water systems do not have the customer base to spread out the costs, nor the staff, financial reserves, and/or credit histories to obtain large infrastructure loans. Therefore, consolidating or regionalizing water systems can be an opportunity for people to work together with their community in an organized way for the mutual benefit of all.

For some systems this concern may be so great that starting with local resource sharing and building relationships rather than immediately working toward consolidation or regionalization will be a more acceptable approach. The savings realized from local cost sharing can then be put toward reserves or needed infrastructure improvements.

## What are the True Costs of Being a Public Water System?

Applicants to become a public water system often expect the cost of a well, distribution system, and occasional monitoring to be all that it takes to be a public water system. The amount of work and financial commitment to be a sustainable public water system should not be understated. A document titled, "What



The State Water Board strongly supports voluntary sharing of local resources, consolidation and regionalization. Local, proactive approaches to public water system sustainability will provide the best outcomes. However, when public water systems are failing to meet water quality standards and/or have inadequate water supply, the State Water Board may order mandatory consolidations in some circumstances, in accordance with Sections 116680-116686 of the California Health and Safety Code. Please see the following link to learn more information about mandatory consolidation: [Mandatory Consolidation or Extension of Service for Disadvantaged Communities](#).

## Consolidation Verses Annexation

In drinking water terminology, consolidation and annexation have different meanings. Consolidation is the joining of two public water systems. Annexation is a legal process where boundaries are expanded to include nearby areas not already incorporated into a municipality. When an area is annexed, it is eligible to receive services from the municipality such as water and sewer service, full-time police and fire protection. Depending on the governance type of the water system, a formal annexation process may or may not be required for consolidation. The annexation process or government reorganization process is typically under the jurisdiction of each county's Local Area Formation Commission (LAFCO). LAFCO has jurisdiction over the boundaries of counties, cities and most special districts.

For assistance on water partnerships and consolidations, contact our coordinators:

### Contact Us

- Michelle Frederick, P.E., Northern California  
(831) 655-6948
- Caitlin Juarez, Southern California  
(559)447-3395

(Page last updated 1/28/19)

UTICA WATER AND POWER AUTHORITY

Resolution No. 19-03

RESOLUTION OF THE BOARD OF DIRECTORS OF  
UTICA WATER AND POWER AUTHORITY  
TO PROPOSE FEASIBILITY STUDIES FOR THE POTENTIAL OF HIGHWAY 4 CORRIDOR  
CONSOLIDATION OR REGIONALIZATION

WHEREAS, the Utica Water and Power Authority (“UWPA”) is a joint powers authority comprised of the City of Angels Camp and the Union Public Utility District (“UPUD”); and

WHEREAS, the Utica Water and Power Authority owns and operates the water conveyance system that delivers the sole source of water to its member entities and to irrigators throughout the system. UWPA’s water conveyance system is directly connected to water systems owned and managed by the Calaveras County Water District, UPUD, and the City of Angels Camp; and

WHEREAS, small public water and wastewater systems are often less resilient to natural disasters, such as drought and fire, have more difficulty adjusting to regulatory burdens, and may struggle to fund infrastructure maintenance and replacement due to lack of resources; and

WHEREAS, there could be fiscal advantages to combining facilities, engineering, and management to increase efficiency and achieve economies of scale in the communities that UWPA serves; and

WHEREAS, there may be state financing incentives available for feasibility studies of water system partnerships or voluntary consolidations of the several water and wastewater systems; and

WHEREAS, the Utica Water and Power Authority seeks to explore options for possible voluntarily restructuring that would enable water and wastewater agencies along Highway 4 in Calaveras County to better serve their communities. UWPA would like to include the City of Angels Camp, UPUD, Murphys Sanitary District, and the Calaveras County Water District in this effort and possibly pursue funding for a feasibility study; and

NOW, THEREFORE, BE IT RESOLVED that the Utica Water and Power Authority invites the above mentioned agencies to authorize preliminary staff-level discussions to jointly develop a process that would enable consideration of these options.

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 26th of February, 2019, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

20