



SPECIAL BOARD MEETING MINUTES

3:00 p.m., Wednesday, May 20, 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 3:00 p.m.

2. Roll Call

- Directors Present
 - Director Schirato
 - Director Broglio
 - Director Bottomley
 - Director Tallakson
 - Director Conrado
- Utica Staff Present
 - Erik Holt, General Manager
 - Stacie Walker, Clerk of the Board
 - Frank Fields, O&M Superintendent
 - Kyle Rasmussen, Conveyance Supervisor
 - Brandi Sparks, Administrative Compliance Specialist
- Others Present
 - Mike Hodson, City of Angels, City Manager

- Mike Perano, UPUD Customer
- Julie Hollars, UPUD Customer
- Gail Bunge, UPUD Customer

3. Approval of the Agenda

Motion: Director Tallakson made a motion to approve the agenda

Second: Director Bottomley

Board Discussion: None

Public Comment: None

Vote: 5-0-0

Ayes: Director Schriato, Director Tallakson, Director Bottomley, Director Broglio, Director Conrado

Noes: None

Abstain: None

Absent: None

4. Public Comment

- None

5. Regular Agenda

- A. Discussion/Action regarding the Adoption of the Fiscal Year 2026-2027 Budget
(Erik Holt, General Manager) **Resolution 2026-05**

- Mr. Holt provided a presentation regarding the budget development process, historical funding, current financial conditions, and long-term infrastructure needs. He noted that the only recommended change to the preliminary budget was removal of the \$25,000 Darby Knob feasibility study, reducing the projected deficit to \$490,526.86.

Mr. Holt reviewed UWPA's historical financial structure, including the role of hydropower revenues, member agency contributions, and the impact of water year variability on revenue. He emphasized that the hydroelectric facilities are long-term assets requiring ongoing maintenance and investment.

Mr. Holt reviewed the upcoming Capital Improvement Projects, including infrastructure needs and the Angels Penstock. Director Bottomley asked about the status of the penstock assessment. Kyle Rasmussen, Conveyance Supervisor, explained that the penstock was installed in 1940 and that the required assessment process began in 2017. He noted that the initial assessment was not fully funded, resulting in a partial assessment and the need for additional investigation. Mr. Rasmussen stated that a subsequent assessment by GEI identified that approximately one-third of the penstock may require replacement. Mr. Holt stated that UWPA understands the condition of the asset but continues to evaluate repair options.

Mr. Holt addressed public concerns regarding the proposed funding request from JPA Member Agencies and stated that recent information had created confusion regarding the nature of the funding obligation. He clarified that the proposed contribution is an interagency funding obligation, and not a direct 73% increase to customer utility rates. Mr. Holt stated that transparency and public trust were priorities and reviewed prior funding studies and the history of the five-year funding agreement, which has not been executed.

Mr. Holt discussed current financial conditions, including the Murphys Powerhouse outage and associated repair costs, and explained that deferred maintenance has contributed to current infrastructure challenges. He reviewed reserve levels and noted that Utica plans to use some reserves to cover the cost of repairs to Murphys Powerhouse, noting that other reserves are funded to support dam safety and expensive regulatory requirements.

Mr. Holt reiterated that UWPA is a separate public agency and discussed the risks associated with operating at minimum funding levels, emphasizing the need to maintain critical infrastructure and dam safety.

Board Discussion

The Board discussed the budget, long-term infrastructure needs, funding strategies, and coordination between UWPA and its member agencies.

Director Bottomley expressed support for evaluating long-term financing options for major infrastructure projects rather than continuing to address significant needs incrementally. He emphasized the importance of long-term planning and communication between agency leadership and Boards.

Discussion occurred regarding public communication of the proposed funding request. Mr. Holt clarified that the request represented an interagency contribution obligation and not a direct customer rate increase. The Board discussed the importance of clear communication regarding UWPA funding needs and financial obligations.

The Board discussed historical funding levels and prior rate studies, noting that studies over the past decade have identified the need for increased funding for UWPA operations and infrastructure needs.

The Board discussed the role of member agency General Managers in the UWPA budget process. Directors expressed differing perspectives regarding the appropriate level of member agency involvement and coordination in UWPA budget development.

Mr. Holt explained UWPA's long-term funding approach, including the role of the JPA structure in providing sustainable funding for UWPA operations and infrastructure. He discussed the need for member agencies to fund approved UWPA budgets and address budget shortfalls in accordance with the JPA agreement. Mr. Holt also explained a new approach for critical infrastructure

projects, utilizing reserves for projects during lower water years when revenue generation is reduced. He noted that even during high revenue water years, UWPA continues to operate with a deficit and emphasized the need to address deferred maintenance and critical infrastructure needs.

The Board discussed potential financing options, including long-term loans, for future capital projects. It was noted that while financing options may be evaluated for future infrastructure needs, they would not address the immediate budget-year funding requirement. The Board discussed the need to proceed with the current budget process while continuing to evaluate long-term funding strategies within the existing JPA framework.

Public Comment

The Chair opened the meeting for public comment. Comments were limited to three minutes per speaker.

Joe Darby provided comments as a representative of Union Public Utility District and as a ratepayer. Mr. Darby discussed the status of UPUD's Utica reserve funds and stated that fluctuations in the reserve account are impacted by customer delinquencies, timing of quarterly contributions, and outstanding customer payments. He explained that UWPA contributions and interest are deposited into the account, and funds are drawn as needed. Mr. Darby stated that additional information regarding the account is available through UPUD staff. Mr. Darby also commented as a resident and ratepayer, expressing concern regarding the funding of UWPA reserves. He questioned the need for funding reserves while member agency reserves are being utilized to fund the budget.

Julie Hollars expressed concerns regarding potential litigation costs at UPUD, future financial obligations, and the impact on ratepayers. She stated concerns regarding affordability, irrigation rates, and the community's ability to absorb increased costs. Ms. Hollars encouraged the agencies to work together and maintain civility while addressing the issues.

Mike Hodson commented on his experience working with Mr. Holt and stated that he had received additional information regarding UWPA operations and infrastructure. Mr. Hodson expressed concern regarding the consequences of deferred maintenance and potential impacts if critical infrastructure issues are not addressed.

Mike Perrano expressed concern regarding the use of UPUD reserves and potential future financial obligations, including possible litigation costs and uncertainty regarding regulatory outcomes. He questioned how future costs would be addressed if reserves were reduced.

Board and Staff Response Following Public Comment

Following public comment, Mr. Holt and the Board addressed questions and concerns raised by the speakers regarding litigation, reserves, funding obligations, and the budget.

Mr. Holt clarified that UWPA is not a party to the referenced litigation and explained that UWPA reserves are intended to support UWPA operations and infrastructure needs. He stated that reducing funding to a level that prevents UWPA from operating or maintaining staffing would create significant operational challenges. Mr. Holt emphasized the need for the JPA to adopt a balanced budget within the required timeframe.

Discussion occurred regarding the use of UWPA reserves, potential litigation costs, and member agency obligations. Director Conrado stated that, based on legal guidance received, UWPA reserves would not be used for litigation-related expenses. Mr. Darby clarified his understanding that litigation-related costs would not be paid by UPUD's Utica Reserve.

Director Broglio asked whether member agency reserve funds could be used to address the current budget shortfall and discussed the need for direction regarding the immediate funding requirement. Director Bottomley stated he was not in a position to make that decision independently. The Board discussed the need to proceed with the budget process and determine appropriate funding actions.

Motion: Director Broglio made a motion to adopt the FY 2026-2027 budget at a \$490,526.86 deficit to be split in half by each member agency.

Second: Director Schirato

Board Discussion: The Board discussed concerns that the proposed deficit exceeded the amount available from UPUD's UWPA reserves. Following discussion, the Board considered reducing UWPA's budgeted reserve contribution by \$50,000 as a means of reducing the immediate funding requirement.

MOTION WAS WITHDRAWN

The Board continued discussing funding availability at each member agency.

Motion: Director Broglio made a motion to adopt Resolution 2026-05, adopting the Fiscal Year 2026-2027

Second: Director Schirato

Board Discussion: None

Poll the Board:

Director Schirato – Aye

Director Broglio – Aye

Director Bottomley – No

Director Tallakson – No

Director Conrado – Aye

Vote: 3-2-0

6. Upcoming Board Meetings and Calendar Events

- Regular Board Meeting, Tuesday, May 26, 2026, at 5:30 p.m.

- The Board noted potential attendance conflicts
- Regular Board Meeting, Tuesday, June 23, 2026, at 5:30 p.m.
- Regular Board Meeting, Tuesday, July 28, 2026, at 5:30 p.m.

7. Adjournment

Motion: Director Tallakson made a motion to adjourn the meeting at 4:39 p.m.

Second: Director Broglio

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 4:39 p.m.

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.

Approved at the June 23, 2026, Regular Meeting:



Caroline Schirato (Jul 2, 2026 16:07:42 PDT)

Caroline Schirato, Board Chair

Attest:



Stacie Walker, Clerk of the Board

05 - Special May 20 Meeting Minutes

Final Audit Report

2026-07-02

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"05 - Special May 20 Meeting Minutes" History

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