MINUTES

UNION PUBLIC UTILITY DISTRICT
REGULAR BOARD MEETING

JUNE 15, 2026

Directors Present:	Greg Rasmussen, President Bruce Tallakson, Vice-President Tom Quincy, Secretary Eric Bottomley, Director
Directors Absent:	Ralph Chick, Treasurer
Staff Present:	Jessica Self, General Manager Joe Darby, Operations Manager Jenna Mayo, Executive Administrative Coordinator Kelsey McCormick, Customer Service Representative
Others Present:	Frank Splendorio, Best, Best & Krieger LLP Catherine Hansford, Hansford Economic Consulting Public at Large

ORDER OF BUSINESS

CALL TO ORDER/THE PLEDGE OF ALLEGIANCE

1. ROLL CALL

Director Rasmussen called the Regular Board Meeting to order at 2:00 PM and led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

Motion: Director Tallakson
Second: Director Bottomley
Ayes: Directors Rasmussen, Tallakson, Quincy, and Bottomley

Nays: None
Absent: Director Chick
Abstained: None

CLOSED SESSION

3. **CLOSED SESSION**:

The Board recessed to Closed Session at 2:03 PM

a. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Gov. Code § 54956.9(d)(1)) Name of case: Michael Hatfield v. Union Public Utility District, Case No. 23CV46786

b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Significant exposure to litigation pursuant to Gov. Code § 54956.9(d)(2)): One Case

4. **RETURN TO OPEN SESSION:** The meeting returned to open session at 3:25 PM

a. Report on Closed Session

5. **REPORTABLE ACTION FROM CLOSED SESSION:** There was no reportable action.

6. **PUBLIC COMMENT:**

A member of the public read the following written statement on behalf of another member of the public. A written copy of the statement was submitted to the Board:

"As a UPUD customer I am concerned with the direction of Utica and the JPA. Our already strained district budgeted for the projected increase in UWPA fees without any indication there was an additional 450,000k plus needed moving forward this year. What many of us witnessed at the Utica meeting was pressure put on UPUD's two board members to make a decision on an additional increase in needed UWPA funds even with the serious concern of it draining UPUD's reserves moving forward.
There was tension thrown toward anyone challenging the increase and no room to postpone the decision leaving many customers not understanding what happened or the impact. Utica gave a presentation pointing fault at UPUD and their previous 218 with no ability for anyone to comment or even challenge the presentation and budget. I believe they knew UPUD's GM was not in attendance so it was easy to speak poorly UPUD. Utica's GM stated they are a non-profit numerous times (like that means anything today) and there is no choice but to fund what they are asking or the water will stop flowing. Utica's GM also stated a letter would have to be written to FERC detailing the lack of funds. It is my understanding Utica has to give board members time to address their own board before making that decision. Mr. Tallakson politely addressed UPUD's genuine concerns explaining the district is already strained and does not have a budget for the unprojected increase. There were at times unprofessional winks to board members and hostility toward the audience who was trying to understand the process. This does not encourage public attendance instead, shows lack of genuine concern for customers.
I believe Utica was aware UPUD's GM was not in attendance and used that to cause further strain between the Joint agreement. It is in our districts best interest to seriously consider looking into legally severing ties from the JPA.
The graphs from Utica's presentation on the Powerhouse was over 30 years. Things were drastically different then and so were the state and federal requirements. There needs to be a more realistic previous 5 year and projected 5 year moving forward. I believe that will show a much different financial picture. The electric industry has changed in 30 years and currently Hydro plants are very expensive to run. There is a huge financial burden with the Angels Powerhouse and Angels Pen Stock. The other is

Murphy's and the Murphy's Pen stock. I understood that Angels pen stock is at 30% and needs to be replaced at a $3 million cost. The Murphy's Powerhouse and Murphy's penstock is another financial burden after what happened at Colgate. If the FERC exemption is not approved, where will the $10 million come from?
Most of UPUD's customers do not understand the financial obligations with the Utica/JPA. They do however understand when their bill drastically increases. Many of us would like to see UPUD go back to the selling of Water and providing an affordable service to our already struggling community.
Murphy's Powerhouse is 73 years old. Angels Powerhouse is 86 years old. Taking water from the tunnel tap all the way down to the diversion off the Murphy's Creek and passing it on to the city of Angels can be an option. From there they can take it down to Ross reservoir into their treatment plant or with the possibility of UPUD sending it all the way down to Ross reservoir. The sphere of influence can be redrawn if needed up to the point where the diversion is on Murphy's Creek. UPUD could run it from the tunnel, tap all the way down to the diversion.
Extra water that UPUD owns can be sold to NCPA. Murphy's has existing water rights to supply its customers. Selling some of the water to NCPA will create revenue to put in our budget. Our district is unable to repair catastrophic infrastructure do to lack of funds. There are fire suppression systems in dire need of repair. UPUD needs to focus on our own stability and being solvent so we can provide a reliable service to our community for generations to come.
I'm calling on this board to make a long-term business decision to pull our district away from the JPA. I do not believe our board members from 30 years ago intended this JPA to operate as it has been doing or anticipated the hardships moving forward.
Our community is struggling especially the ones on social security. We have already been through a major increase in just the past few years and looking at moving out of the financial burden that has strained our district.
There's a good reason why PG&E got out of that system. They were looking and planning ahead. The financial liability through DSOD and FERC is astronomical especially for these small disadvantaged districts. If we do not look into other options for UPUD moving forward, there will be no district to manage in the future."

7. <u>CONSENT AGENDA:</u>

a. Approval of Minutes: May 18, 2026 – Regular Board Meeting

b. Fund Balance Report – May 2026

c. Balance Sheet & Income Statement – May 2026

d. YTD Budget to Actuals – May 2026

e. Legal Fees Year-to-Date Review

f. Readoption of Updated Memorandum of Understanding Between Union Public Utility District and SEIU **RES 2026-009**

Motion: Director Tallakson
Second: Director Bottomley

Ayes:	Directors Rasmussen, Tallakson, Quincy, and Bottomley
Nays:	None
Absent:	Director Chick
Abstained:	None

MINUTE ENTRY. MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED.

8. PUBLIC HEARING

At the request of the Board, Agenda Item 9.a., Discussion/Action Regarding Leak Adjustment, was taken out of order and heard prior to Item 8.a., Public Hearing.

a. Discussion/Action Regarding Adoption of Capacity and Connection Fees
(*Matt Ospital, District Engineer & Catherine Hansford, Hansford Economic Consulting)*

RES 2026-010

Motion:	Director Tallakson
Second:	Director Quincy
Ayes:	Directors Rasmussen, Tallakson, Quincy, and Bottomley
Nays:	None
Absent:	Director Chick
Abstained:	None

RESO NO. 2026-010. ADOPTION OF NEW CONNECTION & CAPACITY FEES FOR UPUD DOMESTIC AND RAW WATER SYSTEMS, AS PRESENTED.

b. Presentation Regarding Status of Vacancies & Recruitments and Retention Efforts – AB 2561
(*Jessica Self, General Manager*)

General Manager Jessica Self presented the annual report required under AB 2561 regarding the District's current vacancies, recruitment activities, and employee retention efforts. The presentation included an overview of the District's two vacant Water Operator positions, recruitment methods, hiring challenges associated with required certifications and competition from neighboring agencies, and the District's retention strategies, including competitive compensation and benefits, work-life balance, and employee recognition. The Board received the presentation, and the Chair opened the item for public comment as required by AB 2561 prior to the adoption of the FY 2026-2027 Budget.

9. NEW BUSINESS

This item was considered earlier in the meeting prior to Item 8.a., Public Hearing.

a. Discussion/Action Regarding Leak Adjustment
(Jenna Mayo, Executive Admin Coordinator & Joe Darby, Operations Manager)

Motion:	Director Tallakson
Second:	Director Quincy
Ayes:	Directors Rasmussen, Tallakson, Quincy, and Bottomley
Nays:	None
Absent:	Director Chick
Abstained:	None

MINUTE ENTRY. MOTION TO APPROVE ITEM 8A, APPROVING THE LEAK ADJUSTMENT, AS PRESENTED.

b. Discussion Regarding Legislative Affairs Update
(Jessica Self, General Manager)

General Manager Jessica Self provided a legislative affairs update, including a recap of the 2026 ACWA Spring Conference and participation in MCWRA Lobby Day, where meetings were held with state legislators and representatives to discuss water-related issues. She also provided updates on ACWA's Vision for Our Water Future initiative and reviewed pending legislation of interest to the District, including ACWA-sponsored SB 1153 relating to wildfire preparedness and emergency response planning and AB 2180 regarding Proposition 218 rate-setting procedures. The Board discussed the legislative updates and received the report.

c. Discussion/Action Regarding Personnel and Organizational Chart update
(Jessica Self, General Manager)

Motion:	Director Tallakson
Second:	Director Rasmussen
Ayes:	Directors Rasmussen, Tallakson, Quincy, and Bottomley
Nays:	None
Absent:	Director Chick
Abstained:	None

MINUTE ENTRY. MOTION TO APPROVE ITEM 8C, APPROVING PERSONNEL AND ORGANIZATIONAL CHART, AS PRESENTED.

d. Discussion/Action Regarding Adoption of FY26/27 Budget
(Jessica Self, General Manager) **RES 2026-011**

Motion:	Director Tallakson
Second:	Director Bottomley
Ayes:	Directors Rasmussen, Tallakson, Quincy, and Bottomley
Nays:	None
Absent:	Director Chick
Abstained:	None

RESO NO. 2026-011. ADOPTION OF FY26/27 BUDGET, AS PRESENTED.

10. <u>UPDATES</u>

Discussion and Potential Direction Regarding Utica Water & Power Authority

Director Rasmussen reported that the UWPA Board had adopted its budget and inquired whether the powerhouse was operational. Operations Manager Joe Darby confirmed that it was. Director Tallakson also reported that the budget had been approved at the most recent UWPA meeting and noted that both he and Director Bottomley voted against its adoption because they believed the proposed budget was too aggressive During public comment, Mike Peirano expressed concerns regarding the budget approval process and the manner in which the budget was advanced by UWPA management.

11. REPORTS

a. Operations Manager

The Operations Manager's report was presented to the Board by Operations Manager, Joe Darby.

b. General Manager

The General Manager's report was presented to the Board by General Manager, Jessica Self.

c. Board Updates

Director Bottomley suggested holding a staff summer gathering. Director Tallakson expressed his appreciation for District legal counsel, members of the public, General Manager Jessica Self, Operations Manager Joe Darby, and Hansford Economic Consultant Catherine Hansford for their continued efforts and contributions. Director Rasmussen thanked those who have been attending the UWPA meetings and acknowledged the challenges District staff have experienced related to recent communications, expressing his hope that the issues will be resolved.

12. NEXT BOARD MEETINGS & EVENTS

- July 20, 2026 at 2:00 pm
- August 17, 2026 at 2:00 pm
- September 21, 2026 at 2:00 pm

13. ADJOURNMENT

The meeting adjourned at 5:36 PM

Respectfully Submitted:

Thomas E Quincy

Tom E. Quincy, Board Secretary

ATTEST:

Jenna Mayo, Clerk to the Board