



MINUTES

UNION PUBLIC UTILITY DISTRICT REGULAR BOARD MEETING

MAY 18, 2026

Directors Present: Bruce Tallakson, Vice-President
Tom Quincy, Secretary
Ralph Chick, Treasurer
Eric Bottomley, Director

Directors Absent: Greg Rasmussen, President

Staff Present: Jessica Self, General Manager
Joe Darby, Operations Manager
Lisa Biedinger, Customer Service Representative III
Kelsey McCormick, Customer Service Representative

Others Present: Frank Splendorio, Best, Best & Krieger LLP
Lutfi Kharuf, Best, Best, & Krieger LLP
Public at Large

ORDER OF BUSINESS

CALL TO ORDER/THE PLEDGE OF ALLEGIANCE

1. ROLL CALL

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

2. APPROVAL OF AGENDA

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

3. PUBLIC COMMENT:

Mr. Peirano requested that the Board consider moving its meetings to the evening.

4. CONSENT AGENDA:

- a. Approval of Minutes:
 - o April 14, 2026 – Special Board Meeting
 - o April 20, 2026 – Regular Board Meeting
- b. Expenditures – April 2026
- c. Fund Balance Report – April 2026
- d. Balance Sheet & Income Statement – April 2026
- e. YTD Budget to Actuals – April 2026
- f. Legal Fees Year-to-Date Review

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

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

5. NEW BUSINESS

- a. Discussion and Possible Action Regarding Approval of Existing Irrigation Service Transfer to New Property Owner
(Jessica Self, General Manager & Joe Darby, Operations Manager)

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

MINUTE ENTRY. MOTION TO APPROVE ITEM 5A, APPROVING THE TRANSFER OF TWO EXISTING IRRIGATION SERVICES TO NEW PROPERTY OWNERS, AS PRESENTED.

**b. Winners of the 2026 Trout in the Classroom Art Contest
(Jessica Self, General Manager)**

General Manager, Jessica Self presented the 2026 Trout in the Classroom program at Michelson Elementary School. The presentation highlighted student participation in raising trout from eggs to fry, learning about water quality and aquatic ecosystems, touring district facilities, and releasing trout into local waterways. The program was conducted in partnership with Michelson Elementary School, CDFW, Sacramento State University, Stewardship Through Education, and community volunteers. Jessica Self highlighted the Trout in the Classroom Art Contest, recognizing student artwork focused on trout, watersheds, and environmental stewardship. Winning entries were displayed as part of the program presentation.

c. Discussion and Possible Action Regarding Approval of the Final Memorandum of Understanding Between Union Public Utility District and SEIU

(Jessica Self, General Manager & Patrick Clark, District Negotiator)

RES 2026-008

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

RESO NO. 2026-008. APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE DISTRICT AND SEIU LOCAL 1021 REPRESENTING WATER DISTRIBUTION AND TREATMENT OPERATORS, AS PRESENTED.

6. UPDATES

Discussion and Potential Direction Regarding Utica Water & Power Authority

The Board discussed UWPA's proposed CIP funding, associated cost increases, and the potential impact on UPUD reserves and ratepayers. To summarize UPWA is currently proposing a \$515,000 budget shortfall, ultimately costing the two member agencies, UPUD and COA to split the cost. This is in addition to the already scheduled 10% increase in scheduled contribution. Adding this shortfall amount would result in a 72% increase (\$672,000 contribution per member agency) for each member to contribute in lieu of the already scheduled 10% increase (\$447,000 per member agency).

UPUD Board Directors expressed concerns about the scale of the proposed increase, reserve funding levels, and the need for stronger communication and collaborative budgeting practices among UWPA member agencies. Legal counsel provided an overview of potential regulatory and legal considerations.

Following discussion, direction was given to UPUD's UWPA representatives reflecting the District's position. The Board did not support the additional funding request for the current fiscal year, citing concerns that UWPA is still allocating over \$340,000 to their reserves while fully funding all CIP projects. The Board further emphasized the importance of UWPA using the upcoming fiscal year to identify alternative solutions and implement measures to prevent similar budget shortfalls in the future.

7. REPORTS

a. Operations Manager

The Operation's 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.

General Manager Self presented the following statement regarding UWPA funding, reserve impacts, ratepayer considerations, and long-term financial planning:

Thank you, Board Directors,

It is important to ground our discussions around history and shared expectations.

In 2024, Utica conducted and presented a five-year financial plan to the full Joint Powers Authority, clearly indicating that a 10% annual increase over five years would be sufficient to meet their operational and capital needs. That plan was based on a reasonable assumption of an average water year 2.5 for revenue generation.

Both UPUD and the City took that information seriously. We acted responsibly by incorporating those projected increases into our own five-year rate structures, ensuring that our agencies, and more importantly, our communities, would not face unexpected financial burdens.

Yet here we are, in the very first year of that rate structure, during a water year 3, and Utica is now requesting what amounts to a 73% increase. That disconnect is not just concerning, it demands careful scrutiny.

The additional \$515,000 unscheduled increase being requested of the member agencies is significant. It comes in lieu of the already planned 10% increase and includes funding for bonuses, cost-of-living adjustments, \$450,000 in capital improvement projects, and over \$344,000 being directed into their reserves for future use.

I want to be very clear: this is not about criticizing Utica as an agency. They are our partner and we need Utica to be successful. This is about financial stewardship, accountability, and ensuring that the decisions we make reflect the needs and realities of the community we serve.

At UPUD, we have spent years listening to our customers, understanding their priorities, and carefully balancing those needs against growing regulatory requirements. We have built a deliberate financial strategy. Implementing a five-year rate structure, responsibly issuing debt, updating our Master Plan and Capital Improvement Plan, and advocating at the legislative level to address statewide water affordability challenges.

Every decision we make is grounded in discipline and respect for the fact that nearly every dollar comes from our ratepayers.

At the same time, we have seen considerable leadership turnover among the City and Utica in recent years. The city has experienced five City Administrators in the last 24 months, while Utica has had three different GM's in the last 10 months. That level of change can make long-term planning difficult and can

result in decisions being made without the benefit of continuity, historical knowledge, and consistent executive leadership oversight or understanding.

The financial position we are seeing today suggests that there are deeper structural issues at play. Issues that cannot and should not be solved by short-term funding increases alone. I also need to clearly state our responsibility to our own district.

UPUD should not, and cannot, pull from our reserves this year to fund Utica. Doing so would introduce financial uncertainty into our own agency, undermining the stability we have worked diligently to build. It would very likely trigger the need for another Proposition 218 process, which comes at a substantial cost, exposes the District to potential litigation, and places additional financial stress on our organization, and ultimately our ratepayers. Not to mention the immense burden on our staff to undergo another 218.

We cannot responsibly put our agency or our community in that position. And let me be equally direct: pulling from our reserves to effectively pad another agency's reserves is unacceptable and irresponsible. That is not sound financial management, and it is not in the best interest of the public we serve.

Just as importantly, we must remember who we work for. We work for the community. Before any member agency commits substantial additional funding, there must be transparency and meaningful public engagement. That means clear communication, open dialogue, and opportunities, such as town halls for our ratepayers to understand the situation, ask questions, and provide input. These decisions should not occur in isolation from the people who will ultimately bear the cost.

We also have a responsibility to look inward and stand up for our own team. Our staff has worked tirelessly to build a stable, responsible financial foundation for this district. We should not put them, or this agency through the disruption and uncertainty of a third rate study in recent years.

This is not the time to simply contribute additional funds and hope for the best. This is the time to ask hard but necessary questions, to have honest and productive conversations, and to ensure that a responsible, strategic plan is in place.

Utica, like every other public agency, must live within its means. That may require difficult decisions. It may require prioritization and reductions. But those are necessary steps toward long-term stability. After 30 years of operation as a JPA, the challenges facing the Utica system: capital needs, regulatory obligations such as FERC requirements, aging infrastructure, and revenue variability are too significant to ignore. They must be addressed thoughtfully and comprehensively, not patched through short-term financial contributions.

Because ultimately, our community cannot subsidize uncertainty.

In closing, I will be very clear about my position: we should not pull from our reserves this year to fund Utica. We must protect the financial stability of UPUD, stand by the commitments we've made to our ratepayers, and insist on a transparent, sustainable path forward before any additional funding is considered.

I remain committed to working collaboratively toward a solution. But that solution must be responsible, transparent, and grounded in the best interests and ultimately, the affordability of the community we serve.

Thank you.
Jessica Self
General Manager, UPUD

c. Board

No Board Reports were presented.

8. **CLOSED SESSION:**

The Board recessed to Closed Session at 3:45 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 (Gov. Code § 54956.9(d)(2)):
One Potential Case
- c. Pursuant to Government Code § 54957(b)(1): Public Performance Evaluation -
Title: General Manager

9. **RETURN TO OPEN SESSION:** The meeting returned to open session at 5:02 PM

- a. Report on Closed Session

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

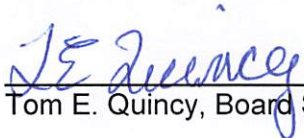
11. **NEXT BOARD MEETINGS & EVENTS**

- June 15, 2026 at 2:00 pm
- July 20, 2026 at 2:00 pm
- August 17, 2026 at 2:00 pm

12. **ADJOURNMENT**

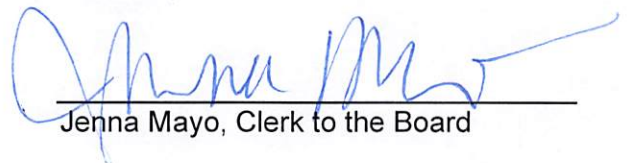
The meeting adjourned at 5:03 PM

Respectfully Submitted:



Tom E. Quincy, Board Secretary

ATTEST:



Jenna Mayo, Clerk to the Board