CHESTER PUBLIC UTILITY DISTRICT

Board of Directors — Regular Meeting

MINUTES

May 26, 2026 — 251 Chester Airport Rd., Chester, CA 96020

DRAFT — not official until approved by the Board

1. Call to Order

The regular meeting was called to order at 4:00 p.m. by President Stephen Graffweg.

Pledge of Allegiance

Led by President Graffweg.

Roll Call

Present: Directors Stephen Graffweg, Rick Paulsen, Tami Tharpe, and Justin Bottini.

Absent: Director Kimberly Green.

Staff present: three staff, including General Manager Bonnie Mullaney. A quorum was present.

Mission Statement

The chair recited the District's mission statement.

2. Agenda Approval

The agenda was approved as presented, with no changes.

Motion by Director Tharpe, seconded by Director Paulsen, to approve the agenda as presented. **Vote:** 4 ayes, 1 absent (Green). Approved.

3. Closed Session

The Board recessed to closed session at 4:04 p.m. to consider the following. Closed-session discussion is not recorded in these minutes; reportable action is announced under Item 4 (Gov. Code §54957.1).

A. Labor Negotiations — Gov. Code §54957.6

Conference with labor negotiators (General Manager Bonnie Mullaney and Prentice Long PC) regarding Stationary Engineers Local 39, 2025–2028 MOU and salary schedule.

B. Anticipated Litigation — Gov. Code §54956.9

Conference with legal counsel — anticipated litigation (two potential cases).

C. Public Employee Performance Evaluation — Gov. Code §54957 (General Manager)

Annual performance evaluation of the General Manager.

4. Board Report on Closed Session

The Board reconvened to open session at 5:00 p.m. The chair reported that the Board gave direction to staff and received information. No reportable action was taken.

5. Public Comment: Non-Agenda Items

No members of the public were present; no public comment was offered.

7. Meeting Minutes — April 20, 2026

Item 7 was taken up out of order while the Board waited for the auditor to connect for Item 6.

Motion by Director Tharpe, seconded by Director Paulsen, to take Item 7 out of order. **Vote:** Approved.

The General Manager confirmed no changes to the minutes of April 20, 2026. The Board approved the minutes as presented.

Motion to approve the minutes of April 20, 2026 as presented. **Vote:** 3 ayes, 1 abstention (Bottini, who was absent from the April 20 meeting), 1 absent (Green). Approved.

6. FY 2024–2025 Independent Audit Report

Ron Dennis of RT Dennis Accountancy presented the draft FY 2024–25 audit and reported a clean (unmodified) opinion — that the financial statements are free from material misstatement. Discussion covered the types of audit opinion; a deficit in the Fire fund net position driven largely by pension and OPEB obligations, with positive net position in the other funds; and an overall positive change in cash flow. Director Tharpe asked about an approximately $163,000 difference in the Fire fund net position from the June 2025 statement; the auditor expressed confidence and recommended aligning the beginning balances with the audit. Discussion also touched on PERS/Medicare, OPEB actuarial assumptions and mortality tables, and potential market effects on liabilities.

Motion by Director Paulsen, seconded by Director Tharpe, to accept the Fiscal Year 2024–2025 audit report titled "Draft 3" as the final audit report. **Vote:** 4 ayes, 1 absent (Green). Approved.

8. Financials

The General Manager presented the financial reports. Director Tharpe asked about the emergency reserve on page 3; Director Paulsen noted property-tax penalty treatment; and the Board discussed GASB 37 standards, monthly accrual of revenue and expenses, and the need to keep fiscal years separate. The reports were approved as a group on the General Manager's recommendation.

Motion by Director Paulsen, seconded by Director Bottini, to approve the February 2026, March 2026, and April 2026 financial reports; the June 2025 and FY 2024–25 financial reports; and to review and re-approve the July 2025–January 2026 financial reports. (Check register, deposit report, position cost report, and investment statement do not require approval.) **Vote:** 4 ayes, 1 absent (Green). Approved.

9. Reports to the Board

The Board received the General Manager's report and the operations report, which are included in the agenda packet. No action was taken.

10. Grant Updates

No grant updates this month. No action.

11. CPUD Education & Training

A brief training and education update was provided. No action.

12. Local Union Representatives

Nothing was presented at this time.

13. Policy #6050 — Billing Adjustments

The Board discussed the billing-adjustments policy, including credit for tenants, and set the adjustment threshold at $500.00 for both water and sewer.

Motion by Director Tharpe, seconded by Director Paulsen, to approve Policy #6050 with a $500.00 adjustment limit. **Vote:** 4 ayes, 1 absent (Green). Approved.

14. Policy #6060 and Resolution #443 — AI Use

The Board discussed Policy #6060 and Resolution #443 governing the District's use of AI, including organizing work and saving time, annual review of the policy, and use in preparing minutes.

Motion by Director Paulsen, seconded by Director Bottini, to approve Policy #6060 and Resolution #443. **Vote:** 4 ayes, 1 absent (Green). Approved.

15. Letter to BOS and Grand Jury — 2025 Grand Jury Report

The Board discussed a board member's request to send a letter to the Board of Supervisors and the Grand Jury asking why the 2025 Grand Jury report concerning CPUD was not released, noting the District Attorney had indicated nothing further would be released. The Board directed that a letter be prepared, to be signed by each board member.

Motion by Director Tharpe, seconded by Director Paulsen, to send the letter. **Vote:** 4 ayes, 1 absent (Green). Approved.

16. Appoint GM as District Negotiator — Sale of 251 Chester Airport Rd.

The Board discussed appointing the General Manager as District negotiator for the potential sale of the District-owned building at 251 Chester Airport Road, noting counsel's recommendation to use a negotiator, that the matter concerns the building (not land), and that an appraisal would be a starting point.

Motion by Director Paulsen, seconded by Director Bottini, to appoint the General Manager as District negotiator for the potential sale. **Vote:** 4 ayes, 1 absent (Green). Approved.

17. Correspondence

None.

18. Comments

Directors: none.

Staff: brief closing remarks.

19. Adjournment

There being no further business, the meeting was adjourned at 6:37 p.m.

Motion by Director Paulsen, seconded by Director Tharpe, to adjourn. **Vote:** Approved.

CERTIFICATION

Approved by the Board of Directors at its meeting of [date].

Kry Sanders

Board Secretary / Clerk

President of the Board