

Accessible web copy of the adopted text of Resolution No. 460, adopted September 22, 2026, by a 5-0 vote as shown in the draft minutes of that meeting (pending Board approval). The signed copy is pending and will replace this version when it is filed; blank signature and vote lines below reflect the unsigned file copy. Exhibit A, the FY 2026-27 Final Budget, is posted on the District's Budget page.

CHESTER PUBLIC UTILITY DISTRICT

251 Chester Airport Road | Chester, CA 96020 | (530) 258-2171

BOARD OF DIRECTORS

RESOLUTION NO. 460

A RESOLUTION OF THE BOARD OF DIRECTORS OF CHESTER PUBLIC UTILITY DISTRICT ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2026-2027 AND SUPERSEDING RESOLUTION NOS. 445 AND 452

WHEREAS, Chester Public Utility District (“District”) is a public utility district duly organized and existing under the laws of the State of California, including California Public Utilities Code section 15501 et seq.;

WHEREAS, the Board of Directors of the District (“Board”) is required to adopt a budget authorizing expenditures prior to disbursement of District funds, and the District’s fiscal year commenced July 1, 2026;

WHEREAS, on June 23, 2026, the Board adopted Resolution No. 448, authorizing continued District operations at Fiscal Year 2025-26 appropriation levels pending adoption of a Preliminary Budget for Fiscal Year 2026-2027;

WHEREAS, on June 23, 2026, the Board adopted Resolution No. 445, adopting a Preliminary Budget for Fiscal Year 2026-2027 and authorizing expenditures pending adoption of a Final Budget, which Preliminary Budget was prepared before the District’s Proposition 218 rate hearing and was based on eleven (11) months of actual financial data;

WHEREAS, on June 25, 2026, following a duly noticed Proposition 218 hearing, the Board adopted Resolution No. 446, establishing water and sewer utility rates effective for all service rendered on or after July 1, 2026 and superseding all prior rate resolutions, and the rates so adopted are incorporated into the Final Budget;

WHEREAS, on July 28, 2026, the Board adopted Resolution No. 452, adopting a revised Preliminary Budget for Fiscal Year 2026-2027 that incorporated the outcome of the Proposition 218 rate hearing, superseding the interim authorization granted under Resolution No. 448, and directing District staff at Section 6 thereof to prepare a Final Budget and to present it to the Board for adoption;

WHEREAS, full-year Fiscal Year 2025-26 actual financial data from the District’s MIP Fund Accounting system is now available and has been incorporated into the Final Budget, together with the District’s updated capital asset and depreciation schedule and current CalPERS employer contribution amounts;

WHEREAS, the Final Budget also reflects material changes in District obligations arising since adoption of the Preliminary Budget, including the emergency water storage tank rehabilitation contract authorized by Resolution No. 456;

WHEREAS, District staff has prepared a Final Budget for Fiscal Year 2026-2027 (“Final Budget”) encompassing the Water Fund, Wastewater Fund, and Fire Fund, as set forth in the document attached hereto as Exhibit A and incorporated herein by this reference;

WHEREAS, the Final Budget document also presents a five-year financial projection for Fiscal Years 2026-27 through 2030-31, which projection is provided for planning purposes only, is based on staff estimates, and is received by the Board as information and is not adopted as an appropriation for any fiscal year other than Fiscal Year 2026-2027;

WHEREAS, the Board has reviewed the Final Budget and finds it consistent with the District’s operational needs, regulatory obligations, and long-term financial sustainability;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Chester Public Utility District as follows:

Section 1. Findings. The recitals set forth above are true and correct and are incorporated herein as findings of the Board.

Section 2. Adoption of Final Budget. The Board hereby adopts the Final Budget for Fiscal Year 2026-2027, as set forth in Exhibit A attached hereto, for the Water Fund, Wastewater Fund, and Fire Fund of the District, effective for the fiscal year commencing July 1, 2026.

Section 3. Superseding Prior Resolutions. The Final Budget adopted by this Resolution supersedes and replaces, in their entirety, the Preliminary Budget adopted by Resolution No. 445 and the revised Preliminary Budget adopted by Resolution No. 452. Resolutions Nos. 445 and 452 are hereby superseded. Any condition or direction set forth in Section 6 of Resolution No. 452 respecting the content or timing of the Final Budget, including any direction that the Final Budget incorporate a completed independent audit, is superseded by this Resolution and is of no further force or effect. The Final Budget adopted herein is the District’s annual budget for Fiscal Year 2026-2027 for all purposes.

Section 4. Ratification. All expenditures made and obligations incurred by the District on and after July 1, 2026 under the authority of Resolution No. 448, Resolution No. 445, or Resolution No. 452 are hereby ratified and confirmed.

Section 5. General Manager Expenditure Authority. The General Manager is authorized to make expenditures and incur obligations at or below the amounts set forth in the Final Budget, in the ordinary course of District operations, subject to the per-transaction limit on the General Manager’s authority established by District Policy 3020.80 and District Policy 6000.20 and to all other applicable District policies. Nothing in this Resolution increases that per-transaction limit.

Section 6. Position Classifications. Adoption of the Final Budget does not establish any employee classification. Amounts appropriated in the Final Budget for a classification that the Board has not established by separate action may not be expended, and no person may be appointed to such a classification, until the Board has established the classification and its compensation. This Section does not limit expenditures for classifications already established.

Section 7. Reallocation Among Line Items and Contingency Authority. Within a fund, the General Manager may incur expenditures exceeding an individual budgeted line item without further Board action, provided that (a) total expenditures for that fund, excluding grant-funded expenditures, do not exceed that fund’s total non-grant appropriations by more than ten percent (10%), and (b) the per-transaction limit

described in Section 5 is observed. This Section does not apply to grant-funded line items, which remain subject to the terms and conditions of the applicable grant agreements.

Section 8. Amendment. Any increase in a fund’s total appropriations beyond the contingency authority provided in Section 7, and any other amendment of the Final Budget during the fiscal year, requires action of this Board by resolution in accordance with District Policy 3020.110. District staff shall present any proposed amendment to the Board for consideration at a regular meeting or a properly noticed special meeting.

Section 9. Implementation. The General Manager is authorized and directed to take all actions necessary and appropriate to implement this Resolution.

Section 10. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Board of Directors of Chester Public Utility District at a regular meeting of the Board held on September 22, 2026. The Board Clerk called the roll, and each Director voted as recorded below:

DIRECTOR	AYE	NO	ABSTAIN	ABSENT
Stephen Graffweg (Chair)				
Kimberly Green				
Justin Bottini				
Rick Paulsen				
Tami Tharpe				

TOTAL — AYES: _____ NOES: _____ ABSTAIN: _____ ABSENT: _____

Stephen Graffweg, Board Chair

Chester Public Utility District

ATTEST:

Kelly Sanders, Board Clerk

Chester Public Utility District

Exhibit A: CPUD FY 2026-2027 Final Budget — Water Fund, Wastewater Fund, Fire Fund, Assumptions & Methodology, and Redline vs Preliminary Budget.