

Accessible web copy of the adopted text of Resolution No. 462, 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.

**CHESTER PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS**

RESOLUTION NO. 462

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC
UTILITY DISTRICT DISCONTINUING DISTRICT ABSORPTION OF THIRD-PARTY
ELECTRONIC PAYMENT PROCESSING COSTS; PROVIDING THAT THOSE
COSTS ARE BORNE BY THE CUSTOMER ELECTING THE PAYMENT METHOD;
PRESERVING PAYMENT METHODS AVAILABLE AT NO ADDITIONAL COST;
AND AUTHORIZING THE GENERAL MANAGER TO IMPLEMENT**

WHEREAS, the Chester Public Utility District (“District”) accepts payment of water and sewer bills by credit card, debit card, electronic check, and bank account transfer through Payment Service Network (“PSN”), the District’s online payment vendor, as a convenience to customers who choose those methods; and

WHEREAS, the cost of processing an electronic payment is set by the card networks, the payment processor, and the payment vendor, and is not established by the District; and

WHEREAS, the District presently absorbs those processing costs, paid from the Water and Wastewater enterprise funds, in an amount currently estimated at approximately \$7,900 per year; and

WHEREAS, that amount is not fixed: the cost of a card payment is charged as a percentage of the amount paid, so the District’s cost increases as the amounts billed to customers increase, and the cost of every electronic payment method increases as more customers pay electronically; and

WHEREAS, because the costs are absorbed by the District, they are borne by all ratepayers in the rates they pay for water and sewer service, without regard to the payment method each customer chooses, so that a customer who pays by cash, check, or money order bears a share of the cost of processing another customer’s electronic payment; and

WHEREAS, Government Code Section 6159 authorizes a public agency to accept payment by credit card, debit card, or electronic funds transfer, and subdivision (h)(1) of that section provides that a public agency “may impose a fee for the use of a credit or debit card or electronic funds transfer, not to exceed the costs incurred by the agency”; and

WHEREAS, Public Utilities Code Section 16467 provides that the Board shall fix such charges for commodities or service furnished by any revenue producing utility as will pay all of the expenses of the utility, and that each public utility owned and operated by a district shall be self-sustaining; and

WHEREAS, the cost addressed by this Resolution is attributable to the payment method a customer voluntarily elects and is not imposed as an incident of property ownership, and is therefore not a fee or charge as defined by Article XIII D of the California Constitution; and

WHEREAS, the Board intends that payment methods remain available to every customer at no additional cost, so that no customer is required to pay a processing cost in order to pay a District bill; and

WHEREAS, the Board considered this matter at its duly noticed regular meeting held September 22, 2026;

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

Section 1. Findings.

The Board finds the recitals set forth above to be true and correct and adopts them as findings of the Board.

Section 2. Discontinuance of District Absorption.

Effective on the date established under Section 7, the District shall no longer absorb the third-party processing costs attributable to payment of District bills by credit card, debit card, electronic check, savings account, or other bank account transfer.

Section 3. Costs Borne by the Customer Electing the Method.

The processing cost attributable to an electronic payment shall be borne by the customer who elects to make payment by that method. The amount shall be the cost charged by the card networks, the payment processor, and the payment vendor for that transaction, and shall not exceed the costs incurred by the District, consistent with Government Code Section 6159(h)(1). Where the payment vendor offers more than one fee structure, the General Manager shall select the one that most closely reflects the District's actual cost of the transaction. The District does not add any amount to the costs charged by the vendor, and this Resolution does not establish a charge for District services.

Section 4. Payment Methods Available at No Additional Cost.

Payment by cash, check, or money order delivered to the District office, deposited in the District payment drop box, or sent by mail shall remain available to every customer at no additional cost. No customer shall be required to elect a payment method that carries a processing cost in order to pay a District bill.

Section 5. Fixed Vendor Fees Remain a District Expense.

The fixed monthly gateway fee charged by the payment vendor is a cost of offering electronic payment at all. It is not attributable to any customer or to any payment method and remains an expense of the District.

Section 6. Implementation.

The General Manager is authorized to amend, reconfigure, or execute any amendment to the District's agreement with PSN, or with any successor payment vendor, as necessary to implement this Resolution. Where the vendor is able to assess and collect the processing cost directly from the paying customer at the time of the transaction, the General Manager shall implement that method in preference to a method under which the District collects and remits the cost.

Section 7. Effective Date of the Change.

The change in the allocation of processing costs shall take effect October 1, 2026, or as soon thereafter as the payment vendor is able to implement it. The General Manager is directed to complete the necessary arrangements with the vendor as promptly as practicable, and, if the change takes effect after October 1, 2026, to report the effective date to the Board at its next regular meeting.

Section 8. No Effect on Amounts Owed or on Billing Procedures.

This Resolution concerns the cost of a payment method only. It does not change the rates or charges for water or sewer service, the amount owed on any account, or the District's billing, adjustment, delinquency, or discontinuance provisions.

Section 9. Further Authority.

The General Manager is authorized to execute any and all additional documents, instruments, forms, and certificates, and to take any and all further actions, necessary or convenient to implement this Resolution and to carry out its intent. Any action heretofore taken consistent with this Resolution is ratified and approved.

Section 10. Effective Date.

This Resolution takes effect immediately upon adoption, so that the General Manager may proceed at once with the arrangements required by Section 6. The change in the allocation of processing costs takes effect as provided in Section 7.

**Chester Public Utility District
Adoption of Resolution Number 462**

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
Date: September 22, 2026

ATTEST:

Kelly Sanders, Board Clerk
Chester Public Utility District
Date: September 22, 2026