

Chester Public Utility District

Accessible text version of the signed resolution. Handwritten signatures are shown as /s/. The signed original is on file and available from the District office, (530) 258-2171.

Resolution No. 448

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT
AUTHORIZING CONTINUED DISTRICT OPERATIONS AT FISCAL YEAR 2025-26 BUDGET
APPROPRIATION LEVELS PENDING ADOPTION OF THE FISCAL YEAR 2026-27 PRELIMINARY
BUDGET

Recitals

WHEREAS, the Chester Public Utility District (the "District") operates on a fiscal year running from July 1 through June 30; and

WHEREAS, District Policy 3020 (Budget Preparation and Administration) requires the General Manager to present a Preliminary Budget to the Board of Directors at its regular meeting in June of each year, and the Board to adopt a Final Budget no later than September 30 of each fiscal year; and

WHEREAS, the Preliminary Budget for Fiscal Year 2026-27 may not be adopted prior to July 1, 2026, due to the timing of the District's Proposition 218 rate hearing scheduled for June 25, 2026, the need to incorporate final rate revenues into the budget, and the Board's review and approval process; and

WHEREAS, in order to maintain uninterrupted District operations — including water treatment and distribution, wastewater collection and treatment, and all other District services — it is necessary to authorize the General Manager to continue making expenditures on or after July 1, 2026, until the Final Budget is adopted; and

WHEREAS, the Board finds that authorizing continued operations at Fiscal Year 2025-26 adopted budget appropriation levels is necessary and appropriate to serve the health, safety, and welfare of District ratepayers pending adoption of the Final Budget for Fiscal Year 2026-27.

Now, Therefore, Be It Resolved

by the Board of Directors of the Chester Public Utility District as follows:

Section 1. Continued Operations Authorized. Effective July 1, 2026, the General Manager is authorized and directed to continue all District operations and to incur expenditures at the same per-month rate of appropriation established under the District's Fiscal Year 2025-26 adopted budget, until such time as the Board adopts the Preliminary Budget for Fiscal Year 2026-27.

Section 2. Scope of Authorization. This authorization covers all operating expenditures necessary to maintain continuous service, including but not limited to payroll, utilities, chemicals,

contracted services, debt service obligations, regulatory compliance activities, and grant-funded expenditures. This authorization does not expand appropriations beyond the Fiscal Year 2025-26 adopted budget levels without additional Board action.

Section 3. Capital and Non-Recurring Expenditures. Expenditures for capital projects, non-recurring purchases, or items not included in the Fiscal Year 2025-26 adopted budget shall require specific Board authorization prior to commitment, consistent with Policy 3020 and applicable purchasing thresholds.

Section 4. Deadline for Final Budget Adoption. The General Manager shall present the Final Budget for Fiscal Year 2026-27 to the Board for adoption no later than September 30, 2026, consistent with Policy 3020. If adoption is delayed beyond September 30, 2026, the Board shall act by separate resolution to extend this authorization.

Section 5. Reporting. The General Manager shall provide the Board with a monthly status update on District expenditures relative to Fiscal Year 2025-26 budget appropriation levels for each month this continued operations authorization is in effect.

Section 6. Effect. Upon adoption of the Final Budget for Fiscal Year 2026-27 by the Board, this continued operations authorization shall automatically terminate and be superseded by the appropriations set forth in the Final Budget.

Section 7. Effective Date. This Resolution shall take effect upon adoption and shall be operative beginning July 1, 2026.

PASSED AND ADOPTED by the Board of Directors of the Chester Public Utility District at a duly noticed regular meeting of the Board held on June 23rd, 2026, by the following vote:

AYES: Stephen Graffweg, Teresa Tharpe, Kim Green, Justin Bottini, Rick Paulsen

NOES: None

ABSTAIN: None

ABSENT: None

/s/ Board Chair, Stephen Graffweg, Board of Directors, Chester Public Utility District. Date: 6-24-2026

ATTEST: /s/ Interim Board Clerk, Kelly Sanders, Staff, Chester Public Utility District. Date: 6-23-2026