

Accessible web copy of the adopted text of Resolution No. 452, adopted July 30, 2026, by a 5-0 vote as recorded in the Board's approved meeting minutes. 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

Plumas County, California

RESOLUTION NO. 452

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT ADOPTING A PRELIMINARY BUDGET FOR FISCAL YEAR 2026-2027 AND AUTHORIZING EXPENDITURES PENDING FINAL BUDGET ADOPTION

WHEREAS, Chester Public Utility District ("District") is a public utility district duly organized and validly existing under California Public Utilities Code Section 15501 et seq., and the Board of Directors ("Board") is required to adopt a budget authorizing expenditures prior to disbursement of District funds; and

WHEREAS, the District's fiscal year runs from July 1 through June 30, and Fiscal Year 2026-2027 commenced July 1, 2026; and

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

WHEREAS, District staff has prepared a Preliminary Budget for Fiscal Year 2026-2027 ("Preliminary 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; and

WHEREAS, the Preliminary Budget is based on financial data from the District's MIP Fund Accounting system, the District's Adopted Fiscal Year 2025-26 Budget, and the PACE Engineering 2026 Utility Rate Study dated April 20, 2026; and

WHEREAS, following the Proposition 218 rate hearing held June 25, 2026, the Board adopted new water and sewer service charge rates effective July 1, 2026, and the Preliminary Budget incorporates those adopted rates; and

WHEREAS, the District's Fiscal Year 2025-26 year-end actual financial results are being finalized in connection with the District's annual independent audit, and a Final Budget for Fiscal Year 2026-2027 incorporating final Fiscal Year 2025-26 actuals and any other material changes will be presented to the Board for adoption no later than September 30, 2026, consistent with Policy 3020 (Budget Preparation and Administration); and

WHEREAS, adopting a Preliminary Budget at this time establishes budget appropriation authority for Fiscal Year 2026-2027 pending adoption of the Final Budget, ensuring continued fiscal accountability and transparency; and

WHEREAS, the Board has reviewed the Preliminary 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 the Chester Public Utility District as follows:

Section 1. Findings Incorporated. The Board of Directors hereby finds and determines that the foregoing recitals are true and correct and are incorporated into this Resolution by this reference.

Section 2. Adoption of Preliminary Budget. The Board of Directors hereby adopts the Preliminary 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 July 1, 2026.

Section 3. General Manager Expenditure Authority. The General Manager is authorized to make expenditures and incur obligations from and after July 1, 2026, at or below the amounts set forth in the Preliminary Budget, in the ordinary course of District operations, pending adoption of the Final Budget. The General Manager is further authorized to incur expenditures exceeding any individual budgeted line item, provided that total fund expenditures (excluding grant-funded expenditures) do not exceed total non-grant fund appropriations by more than ten percent (10%). The General Manager shall report to the Board at the next regular meeting any instance in which total fund expenditures are projected to exceed budgeted non-grant appropriations by five percent (5%) or more. This authority does not apply to grant-funded line items, which remain subject to the terms and conditions of the applicable grant agreements.

Section 4. Rate Basis. The service charge revenue projections contained in the Preliminary Budget reflect the water and sewer rates adopted by the Board following the Proposition 218 rate hearing held June 25, 2026, effective July 1, 2026.

Section 5. Relationship to Resolution No. 448. Adoption of this Preliminary Budget supersedes the interim continued-operations authorization granted under Resolution No. 448, consistent with Section 1 thereof. Budget appropriation authority for Fiscal Year 2026-2027 shall be governed by this Preliminary Budget until the Board adopts the Final Budget.

Section 6. Final Budget. District staff is directed to prepare a Final Budget for Fiscal Year 2026-2027 incorporating (a) final Fiscal Year 2025-26 actual financial data, (b) the completed independent audit for Fiscal Year 2024-25, and (c) any material changes in District obligations or revenues, and to present the Final Budget to the Board for adoption no later than September 30, 2026, consistent with Policy 3020.

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

Signature Page for Resolution 452

PASSED, APPROVED AND ADOPTED this 30th day of July 2026, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Stephen Graffweg, Board Chair

Date

Kelly Sanders, Board Clerk (Attest)

Date

Exhibit A: CPUD Preliminary Budget for Fiscal Year 2026-2027 (Water Fund, Wastewater Fund, Fire Fund) — to be attached by District staff