CHESTER PUBLIC UTILITY DISTRICT

Strategic Plan

Fiscal Years 2026-27 through 2030-31

Discussion Draft

For the Board of Directors Workshop · Tuesday, November 17, 2026

Water · Wastewater · Solid Waste · Streetlights

251 Chester Airport Road, Chester, California 96020 · (530) 258-2171 · chesterpud.org

Not adopted. Not District policy. Every goal, date, and word is a proposal for the Board to consider.

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About this draft

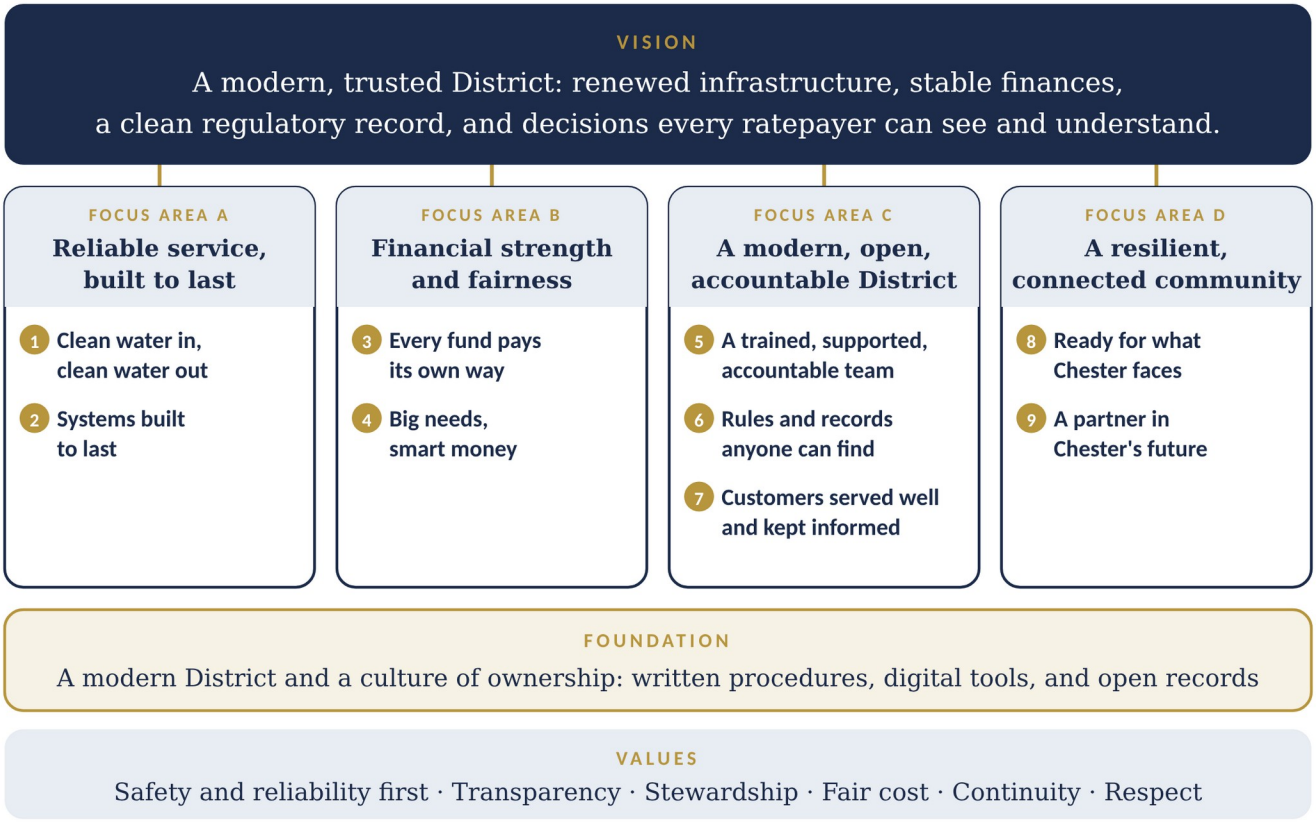
This is the District's first strategic plan. The General Manager prepared a starting draft, and staff rebuilt it from District records for the Board's first workshop on November 17, 2026. Read it alongside the Workshop Guide and Worksheet, which explains how the day will run and what directors are asked to decide.

OVERVIEW

At a glance

This is the District's first strategic plan. It starts with the future: the forces that will shape what Chester needs from the District over the next five years. It answers them with nine goals in four focus areas for fiscal years 2026-27 through 2030-31, built on a foundation of modernization and a culture of ownership, and on the District's values. Every goal, date, and word in this draft is a proposal the Board can change. The picture below shows what the plan would look like on one page if the Board adopts the proposed goals as written. It will be redrawn after November 17 to match what the Board decides.

A PICTURE OF THE PROPOSAL, NOT THE DECISION



The mission statement is the Board's first decision on November 17. The three choices are in the Mission, vision, and values section.

GETTING STARTED

How to read this plan

This draft is a starting point, not a finished plan. It reads in the same order as the Workshop Guide: what is coming, who we are and where we are going, where the District stands today, what it commits to, and how it will get there. On November 17 the Board decides what stays, what goes, and what is missing. Staff then revises the plan and brings it back for public comment and adoption.

About the District

What the District does	Drinking water, sewer collection and treatment, garbage and recycling (through a franchise with Waste Management), and the streetlights in Chester.
Who it serves	About 2,100 residents in Chester and the Lake Almanor Basin, Plumas County, with roughly 1,300 water customers and 1,100 sewer customers.
How it is governed	A five-member Board of Directors elected by the community, under the California Public Utilities District Act (Public Utilities Code section 15501 and following).
How it is run	A General Manager and a small staff of certified operators and office staff, from the District office at 251 Chester Airport Road.
What it owns	Four wells, two water storage tanks, the water mains, the sewer mains and four lift stations, the wastewater treatment ponds, and two buildings.

Words this plan uses

Mission	What the District does today, and for whom. It changes rarely.
Vision	Where the District will be in five years if the plan works. It is the finish line the goals aim for.
Values	How the District behaves along the way. They are the test for every decision, large or small.
Focus areas	The four big themes the goals are grouped under.
Goals	The results the District commits to by 2031.
Actions	The specific steps, year by year, that reach each goal.

What each section is for

Section	What it tells you	What the Board does with it
Section 1: Chester in 2031	The forces that will shape the next five years, and which goals answer each one	HOMEWORK. Read, then answer Worksheet Step 1.
Section 2: Mission, vision, and values	The three versions of the mission, a proposed vision, and proposed values	HOMEWORK. Read, then answer Worksheet Step 1.
Section 3: The District today	A one-page snapshot of strengths and gaps; area-by-area details are in Appendix A	HOMEWORK. Read, then answer Worksheet Step 2.
Section 4: Proposed focus areas and goals	Four proposed focus areas and nine proposed goals, each with the result it would commit to and the decision staff needs	HOMEWORK: read it. AT THE TABLE: Worksheet Step 3, conversation 3.
Section 5: Dates we don't control	Deadlines set by the State, grant agreements, federal rules, and contracts	AT THE TABLE: Worksheet Step 4, conversation 4.
Section 6: Big-ticket needs	The large costs ahead and how each is funded	AT THE TABLE: Worksheet Step 4, conversation 4.
Section 7: How we'll track progress	What the Board will see, and when	AT THE TABLE: the Recap.
Appendix A: Where we stand	What the District has done since 2025 and what still needs work, in 18 areas	HOMEWORK. Skim it for Worksheet Step 2.

BEFORE YOU READ SECTION 1

Why Section 1 matters

CHESTER IN 2031

Section 1 looks five years ahead. It lists ten forces, from State rules to the age of the pipes to who will be working here, that will shape what Chester needs from the District whether or not the District plans for them.

WHY THIS MATTERS TO THE BOARD

A strategic plan is the Board's answer to one question: what is coming, and what will we do about it before it arrives? Without this section, the goals are a to-do list. With it, every goal can be traced back to a reason, and the Board can ask of any future proposal, "which of these forces does this answer?" That is the difference between a Board that reacts and a Board that leads.

QUESTIONS TO HOLD IN MIND WHILE YOU READ

1. Which of these forces will matter most to the customers you hear from?
2. Is there a force missing, something you see coming that staff has not listed?
3. Which one keeps you up at night, and which one do you think is overstated?
4. Five years from now, what would you want a customer to say the District saw coming and handled?

ON NOVEMBER 17 This section and Section 2 are the basis for Worksheet Step 1, which you answer at home, and for conversation 1 on November 17.

SECTION 1

Chester in 2031

A strategic plan starts with the future, not the fix-it list. These are the forces that will shape what Chester needs from the District over the next five years. Every goal in this plan answers at least one of them.

What's coming	What it means for Chester	Answered by goal
Systems wearing out at the same time	The sewer system dates from the 1950s and the water system from the 1960s. Pipes, meters, wells, and controls are reaching the end of their lives together, with roughly $60 million in sewer pipe and water main needs beyond the funded treatment plant.	1, 2, 4
Stricter State rules	A renewed wastewater permit, State drought rules for small water systems, a backflow program, and sewer plan audits add work and reporting every year.	1
A small community carrying big costs	About 2,100 residents share the cost of every repair and project. Every dollar grants don't cover lands on a bill, so fairness and affordability matter as much as the work itself.	3, 4
Less outside money	State funding caps are tightening, and federal earmark requests were denied. Districts compete harder for every grant dollar.	4
People and know-how	A small staff carries the work. Certified operators are hard to recruit in a rural area, and when someone leaves, what they know can leave with them.	5
Snow, wildfire, drought, and outages	Chester lives with hard winters, wildfire risk, and power outages, and the water and sewer systems have to keep working through all of them.	8
Technology and security	Digital meters, remote monitoring, and online service are now standard, and water systems are targets for cyberattacks.	2, 5, 7
A changing community and the lake	County growth and housing decisions, homes on septic near the lake, and protecting Lake Almanor will shape what the District must provide.	9
Partners and neighbors	Peninsula Fire, neighboring districts, and regional agencies share Chester's future. Working together can cost less than working alone.	9
Trust earned in the open	Ratepayers expect to see how decisions are made and how their money is spent, and to hear from the District before something goes wrong.	6, 7

BEFORE YOU READ SECTION 2

Why Section 2 matters

MISSION, VISION, AND VALUES

Section 2 holds three short statements. A mission says what the District does and for whom, today. A vision says what the District wants to be true by 2031. Values say how the District behaves when it decides, especially when two good things conflict and there is only money for one.

WHY THIS MATTERS TO THE BOARD

These three statements are the part of a plan most often skipped, and the part that does the most work. The mission is the test for whether something is the District's job. The vision is the test for whether the next five budgets were spent on the right things. The values are the test the Board applies when a decision is hard, and the standard the public can hold the Board and staff to. Every goal in Section 4 was written to serve the vision and to pass the values. If the Board changes these statements, the goals should change with them. That is why they come first.

A FIRST FOR THE DISTRICT

The District has never adopted a strategic plan; this Board is the first to take it on. Without a plan, decisions get made one at a time, with no agreed picture of where the District is headed.

QUESTIONS TO HOLD IN MIND WHILE YOU READ

1. If a customer asked you what the District is for, what would you say in one sentence? Does any version of the mission say that?
2. Read the proposed vision. Is that the District you want to be on the Board of in 2031? What is missing?
3. Which value would you reach for first when a decision is hard? Is there one you would drop?
4. Are you comfortable with the public measuring the Board against these words? If not, what would need to change?

ON NOVEMBER 17 Mission, vision, and values are Decision 1 and conversation 1. Worksheet Step 1 is where you record your answers before the meeting.

SECTION 2

Mission, vision, and values

The Board adopted the current mission statement (Version B) by motion on September 10, 2025. It describes how the District behaves but never names a service the District provides. The Board decides whether to keep it, revise it, or replace it with the proposed Version C.

Version A Older policy manual statement (replaced)

"Chester Public Utility District strives to provide safe and reliable public services including: fast and efficient fire and emergency medical response to all emergencies; reliable delivery of safe drinking water in sufficient quantities; collection, treatment, and disposal of waste water; fast and efficient response to water and waste water service emergencies; administration of quality solid waste, recycle and streetlight services. We manage district resources in an open, responsible and environmentally sound manner while maintaining fiscal responsibility."

Lists fire and emergency medical service first. The District no longer provides fire service.

Version B Adopted September 10, 2025 (current mission)

"Chester Public Utility District is dedicated to fostering transparency, accountability, fiscal responsibility, and ethical governance, while safeguarding natural resources and delivering essential services with efficiency, respect, and integrity."

Strong on how the District behaves. Does not say what the District does.

Version C Proposed

"Chester Public Utility District delivers safe, reliable water, wastewater, solid waste, and streetlight services to the Chester community, and manages the public's infrastructure and money openly, carefully, and fairly."

Names every service the District provides and how it behaves, in one sentence.

What each version covers

Does the statement name...	A	B	C (proposed)
Drinking water	**Yes**	—	**Yes**
Sewer (wastewater)	**Yes**	—	**Yes**
Solid waste and recycling	**Yes**	—	**Yes**
Streetlights	**Yes**	—	**Yes**
Fire and emergency medical (no longer provided)	**Yes**	—	—
How the District behaves	**Yes**	**Yes**	**Yes**

Proposed vision

> *"A modern, trusted District: renewed infrastructure, stable finances, a clean regulatory record, and decisions every ratepayer can see and understand."*

Proposed values

Safety and reliability first	Water quality and service come before convenience or cost.
Transparency	Decisions and records are documented and open.
Stewardship	Infrastructure and ratepayer money are managed carefully and spent where they do the most good.
Fair cost	Customers pay for the service they receive, no more.
Continuity	The work is written down, not kept in one person's head.
Respect	Staff, ratepayers, and the Board are dealt with directly and honestly.

A quick test: Would a ratepayer recognize the District in the mission? In 2031, could we tell whether we reached the vision? Can we name a recent decision where each value guided us?

BEFORE YOU READ SECTION 3

Why Section 3 matters

THE DISTRICT TODAY

Section 3 is a one-page snapshot of where the District stands in late 2026: what has been fixed since 2025 and what still needs work. Appendix A has the detail, area by area, in 18 areas.

WHY THIS MATTERS TO THE BOARD

A plan has to start from where the District actually is, not where anyone wishes it were. This is the hardest part of the plan to read and the most important to read honestly, because the gaps in it are the reasons the goals exist. It is also the record the Board will be measured against: in 2031 the question will be what changed from here. Read it as a starting line, not a report card on anyone.

QUESTIONS TO HOLD IN MIND WHILE YOU READ

1. Which of these gaps surprises you? Which did you already know about?
2. Where do you think the District is in better shape than this says? Worse?
3. Is there an area you would expect to see on this list that is not here?
4. Which gap, if it were fixed, would make the biggest difference to the customers you hear from?

ON NOVEMBER 17 Worksheet Step 2 asks how confident you are in each of the 18 areas and which three matter most. Conversation 2 sorts the Board's answers into what to focus on now.

SECTION 3

The District today

Here is where the District stands in late 2026, in brief. It is the starting line for the plan, not the plan itself. The details, area by area, are in Appendix A, and they are the basis for Step 2 of the Director Worksheet.

Operations Areas 1 to 6 in Appendix A

STRENGTHS

The 1968 tank repaired; the sewer system fully mapped and inspected; a State penalty order closed; a new treatment plant funded.

BIGGEST GAPS

The ponds can't meet the limits for releasing water to the lake; 1950s sewer pipes leak; meters are 20 to 60 years old; no work order system or written emergency procedures.

Finance Areas 7 to 10 in Appendix A

STRENGTHS

Accounts reorganized; a clean audit for FY 2024-25; new rates adopted in 2026; a $19.08 million plant grant with no repayment.

BIGGEST GAPS

Year-end closing of the books not yet in place; thin margins; no reserve targets in policy; the Fire fund still owes the sewer fund; outdated billing, accounting, and payroll systems.

Administration Areas 11 to 16 in Appendix A

STRENGTHS

Every policy reviewed, with final updates under way; minutes current; Board meetings redesigned; digital timecards and online forms in place.

BIGGEST GAPS

No master list of the rules in force; a District Code not updated in decades; decades of paper records; an outdated complaint process; procedures still being written.

Community Areas 17 and 18 in Appendix A

STRENGTHS

The garbage and recycling contract renewed through 2030; plant funding that will protect the lake.

BIGGEST GAPS

Little role in County planning; homes on septic near the lake; garbage contract amendments pending; streetlights with no dedicated funding.

BEFORE YOU READ SECTION 4

Why Section 4 matters

PROPOSED FOCUS AREAS AND GOALS

Section 4 is staff's proposal for what the District should commit to by 2031: nine goals in four focus areas. Each goal names the result it would commit to, the reason, where the work would get done, the actions by year, and one decision the Board needs to make on November 17.

WHY THIS MATTERS TO THE BOARD

Goals are where a plan stops being words and starts costing money and time. Once the Board adopts them, they become the yardstick: every budget, every grant application, every staff report can be checked against them, and the Board can ask of anything new, "which goal does this serve?" That is why these are proposals, and why the Board, not staff, decides them. A goal the Board does not own will not survive its first hard budget.

QUESTIONS TO HOLD IN MIND WHILE YOU READ

1. Read the result each goal commits to. Is that the right result, and is 2031 the right date?
2. If the District could only do three of these, which three?
3. Is anything here not the District's job? Is anything that is the District's job missing?
4. Nine goals for a small office: too many, too few, or about right?

ON NOVEMBER 17 Read this section at home. Worksheet Step 3 is filled in together at the table in conversation 3, and Step 4 in conversation 4.

SECTION 4

Proposed focus areas and goals

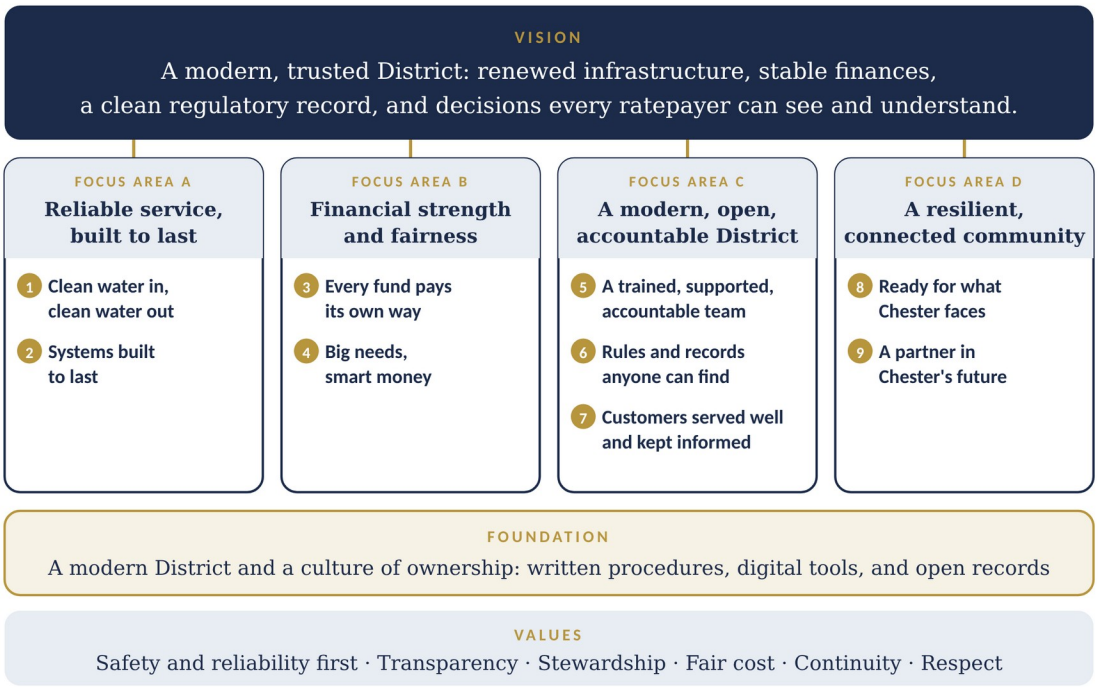
THESE ARE PROPOSALS

Everything in this section is a proposal. On November 17 the Board decides whether these are the right goals, in the right order, and how many there should be. Goals can be changed, combined, added, or dropped. Read this section at home; the Board works through it together at the meeting.

The plan proposes nine goals in four focus areas. Each focus area opens with where the District is headed. Each goal states the result the District commits to by 2031, starts with the decision staff needs from the Board on November 17, and lists the actions by year. The Board works through the goals using Step 3 of the Workshop Guide and Worksheet.

WHAT CAN REALISTICALLY GET DONE

This plan is more than staff can finish at once. It lists 49 actions for the first year, and the District has a small staff. After the workshop, every action gets a priority: 1 = must happen on time (law, safety, or a funding deadline); 2 = important, but can slip for a priority 1; 3 = can wait. The Board's choices on November 17 decide what moves first. Each goal will also come back with one or two plain measures, so the public can tell whether it is working.



PROPOSED FOCUS AREA A

Reliable service, built to last

Chester's water and sewer systems were built for the 1950s and 1960s. Over the next five years the District moves from patching problems to planning ahead: a new treatment plant that protects Lake Almanor, systems the District knows inside and out, and a plan to replace every major part before it fails.

WHY THIS IS HARD

Most of this work is required by permit, much of it depends on State funding the District doesn't control, and the old systems have to keep running every day while they are replaced.

Goals in this focus area

1	**Clean water in, clean water out** By 2031, the District meets every drinking water and discharge standard, and a new treatment plant protects Lake Almanor.
2	**Systems built to last** By 2031, every major part of the water and sewer systems is mapped, maintained on a schedule, and has a funded plan for replacement.

PROPOSED GOAL 1

Clean water in, clean water out

Proposed result by 2031: *By 2031, the District meets every drinking water and discharge standard, and a new treatment plant protects Lake Almanor.*

Worksheet Step 3. Related areas in Step 2: 1, 2, and 3

BOARD DECISION ON NOVEMBER 17

The State-required backflow program will mean a significant up-front cost for about 175 property owners. Should the District phase it in over several years, help with the cost, or require it as written?

Why it matters	Permits and drinking water rules protect public health and the lake, and keep the District out of penalties.
Where we are	The 2024 penalty order is closed. The wastewater permit renewal is pending, and the treatment ponds cannot yet meet the limits for releasing water to the lake. The backflow program is not yet adopted.
This year (through June 2027)	▪ Complete the wastewater permit renewal (State hearing February 11, 2027) ▪ Avoid a discharge violation at Lake Almanor this winter ▪ Complete the remaining Regional Water Board compliance steps ▪ Adopt and start the cross-connection (backflow) program ▪ Protect drinking water: flushing program, yearly chlorination, a new testing lab, and finding the cause of summer coliform results ▪ Rewrite the sewer system management plan to the State's current format and complete its first audit (period closes December 31, 2026; report due June 30, 2027) ▪ Update the chlorine Risk Management Plan and train with Peninsula Fire ▪ Confirm the District meets the State drought rules for small water suppliers
FY 2027-28 to 2028-29	▪ Survey customer connections for backflow hazards under the new program ▪ Keep the treatment plant project on its permit schedule
FY 2029-30 to 2030-31	▪ New treatment plant meets discharge limits
Every year	▪ Every State report filed on time ▪ Safety programs, training, and required employee notices kept current

PROPOSED GOAL 2

Systems built to last

Proposed result by 2031: *By 2031, every major part of the water and sewer systems is mapped, maintained on a schedule, and has a funded plan for replacement.*

Worksheet Step 3. Related areas in Step 2: 4 and 5

BOARD DECISION ON NOVEMBER 17

If the USDA loan and grant is delayed or falls short, should the District install the radio-read meters now with its own water fund money, or wait for USDA funding? Installing now draws down a water fund with thin margins; waiting delays more accurate readings.

Why it matters	Much of the system is 50 to 70 years old. Planned replacement costs less than emergency repair.
Where we are	The 1968 tank has been repaired, and the sewer system has been mapped and inspected by camera. Meters, the SCADA alarm system, and plow trucks are past their useful life, and there is no work order system or maintenance history.
This year (through June 2027)	▪ Fix the treatment plant flow meter and the lift station alarms ▪ Decide which type of radio-read water meter to install ▪ Measure sludge in the treatment ponds ▪ Choose a work order and maintenance tracking system ▪ Move the District office to 198 Main (by summer 2027) and decide the future of 251 Chester Airport Road ▪ Finish the inventory of District assets, deeds, and easements
FY 2027-28 to 2028-29	▪ Treatment plant construction underway, on schedule ▪ Install radio-read meters and well SCADA (USDA project, construction planned 2028) ▪ Replace the lift station SCADA controllers ▪ Use the $250,000 cybersecurity grant to protect the SCADA alarm system and office computers (grant period ends August 31, 2028) ▪ Complete the wastewater master plan and capital improvement plan (paid by the treatment plant grant) ▪ Start the water master plan and capital improvement plan
FY 2029-30 to 2030-31	▪ New treatment plant complete (by June 30, 2030) ▪ First phase of sewer pipe replacement, with funding found for the next phase ▪ Upgrade the older wells: motors, controls, and buildings ▪ Complete the water master plan and capital improvement plan ▪ Replace water mains, including mains too small for fire flow, as funding allows
Every year	▪ Follow the maintenance schedule for equipment and buildings ▪ Tank maintenance program

PROPOSED FOCUS AREA B

Financial strength and fairness

The District's finances were rebuilt in 2025 and 2026. The next five years are about staying strong: every fund paying its own way, reserves for the hard days, and big projects paid for in ways that are fair to the people of Chester, today and for the next generation.

WHY THIS IS HARD

Until the 2026 rates, the water and sewer funds spent more than they took in, so nothing could be set aside, and margins are still thin. The old Fire fund still owes money and carries retirement costs for former fire employees. Big projects depend on grants, and grant funding is shrinking. And outdated systems that don't share information make accurate reports slow, manual work.

Goals in this focus area

3	**Every fund pays its own way** By 2031, each fund covers its costs, holds reserves at the level the Board sets, and reports clearly enough for any ratepayer to follow.
4	**Big needs, smart money** By 2031, every big-ticket need has a funding plan, with grants first and the cost to ratepayers kept fair and predictable.

PROPOSED GOAL 3

Every fund pays its own way

Proposed result by 2031: *By 2031, each fund covers its costs, holds reserves at the level the Board sets, and reports clearly enough for any ratepayer to follow.*

Worksheet Step 3. Related areas in Step 2: 7, 8, and 10

BOARD DECISION ON NOVEMBER 17

How much reserve should each fund hold? Three months of operating costs, six months, or more.

Why it matters	Each fund has to cover its costs, set money aside, and pay for repairs, and the Board has to be able to trust the reports it votes on.
Where we are	The accounts have been reorganized and the FY 2024-25 audit was clean, but year-end closing of the books is not yet in place; setting it up is the first step toward on-time audits. New rates took effect in 2026, but sewer billing is running below the rate study while customer coding is fixed. The Fire fund still owes the sewer fund $215,869.
This year (through June 2027)	▪ Correct customer coding so sewer revenue reaches the rate study level ▪ Update the fire annexation resolution and correct the property tax records (by December 1, 2026), and prepare one written accounting of everything the Fire fund owes ▪ Adopt the FY 2027-28 budget, tied to this plan ▪ Finish the 1099 correction: penalty relief request and a written procedure ▪ Bring in rental income from 198 Main (the casita and garage) ▪ Choose replacement billing, accounting, and payroll systems (with Goal 7)
FY 2027-28 to 2028-29	▪ Set reserve targets in policy and fund them ▪ Repay the interfund loan on schedule (through 2029) ▪ Cell tower lease income begins ▪ Move to the new financial systems ▪ Plan for long-term retirement and retiree health obligations
FY 2029-30 to 2030-31	▪ Update water and sewer capacity fees based on the new master plans and capital improvement plans, so new connections pay their fair share of the system ▪ Start the next rate study early (rates due for review about 2031)
Every year	▪ Publish the annual capacity fee report within 180 days after the fiscal year ends ▪ Budget on time, with monthly budget-to-actual and investment reports ▪ On-time audit with no major findings; capital plan and financial policies reviewed with the budget

PROPOSED GOAL 4

Big needs, smart money

Proposed result by 2031: *By 2031, every big-ticket need has a funding plan, with grants first and the cost to ratepayers kept fair and predictable.*

Worksheet Step 3. Related areas in Step 2: 9

BOARD DECISION ON NOVEMBER 17

When grants fall short: borrow and repay through rates, or wait for grants?

Why it matters	Grants keep costs off ratepayers, but grant funding is shrinking and the needs are large.
Where we are	A $19.08 million plant grant is signed, a $10.9 million sewer pipe application is filed, and a $250,000 cybersecurity grant is awarded. The USDA application is in progress, and the federal earmark requests were denied. The sewer pipes need about $30 million and the water mains at least $100 million.
This year (through June 2027)	▪ Complete and resubmit the USDA loan and grant application ▪ Ask the State to raise the funding cap for sewer pipes ▪ Claim the remaining treatment plant planning grant funds (final claim March 31, 2027) ▪ Make sure no cost is paid by two grants, since SCADA appears in three funding sources ▪ Adopt a grant management policy
FY 2027-28 to 2028-29	▪ Submit the plant grant's final budget package (November 30, 2027) ▪ Apply for FEMA hazard mitigation funds ▪ A funding plan for each big-ticket need, built into the capital plan ▪ Show the Board how each funding choice would affect a typical monthly bill
FY 2029-30 to 2030-31	▪ Final plant grant claim (December 30, 2030) ▪ Funding for the next sewer phase and for water main replacement
Every year	▪ Grant tracker in every Board packet

PROPOSED FOCUS AREA C

A modern, open, accountable District

A small district can run like a well-run one. Over the next five years the District moves from paper and memory to digital tools and written procedures, builds a team that is trained, supported, and accountable, and makes its rules, records, and decisions easy for anyone to find.

WHY THIS IS HARD

A small office carries the same State reporting, records, and personnel rules as a much larger district. For years, policies weren't kept current, procedures weren't written down, and records went into paper binders. Teams isn't used to its full extent, field crews work on paper, and the billing software can't produce reliable reports.

Goals in this focus area

5	**A trained, supported, accountable team** By 2031, every job is written down, every employee has a meaningful yearly evaluation, and the District's know-how never walks out the door.
6	**Rules and records anyone can find** By 2031, one master list shows every policy, ordinance, and resolution in force, the policy manual is current and online, and the District's records are scanned and organized.
7	**Customers served well and kept informed** By 2031, bills are accurate and easy to pay, concerns are answered quickly, and ratepayers hear from the District regularly, not just when a bill is due.

PROPOSED GOAL 5

A trained, supported, accountable team

Proposed result by 2031: *By 2031, every job is written down, every employee has a meaningful yearly evaluation, and the District's know-how never walks out the door.*

Worksheet Step 3. Related areas in Step 2: 14 and 15

BOARD DECISION ON NOVEMBER 17

Should this goal also cover Board succession and new-director orientation? Yes or no.

Why it matters	A very small staff cannot depend on one person's memory, and people do their best work when expectations are clear and good work is recognized.
Where we are	A pay schedule and training plan are in place, digital timecards are in use, and written procedures are being built position by position. Teams is in place but underused, and field phones and digital forms are still being set up.
This year (through June 2027)	▪ Written procedures for every position ▪ Develop a meaningful employee evaluation process tied to job duties, written procedures, and the District's values (working with employee representatives where required) ▪ Put phones and digital forms to work in the field ▪ Use Teams to its full extent for shared files, calendars, and communication ▪ Close out the CalPERS employer audit
Timing set through negotiations	Labor agreement in place.
FY 2027-28 to 2028-29	▪ Rebuild the human resources policies as an employee handbook ▪ Succession plan for staff
Every year	▪ Yearly evaluations for every employee ▪ Operators keep the right certificates ▪ Board briefing or study session before major votes (rates, budgets, borrowing, and large projects)

PROPOSED GOAL 6

Rules and records anyone can find

Proposed result by 2031: *By 2031, one master list shows every policy, ordinance, and resolution in force, the policy manual is current and online, and the District's records are scanned and organized.*

Worksheet Step 3. Related areas in Step 2: 11

BOARD DECISION ON NOVEMBER 17

Which missing policies come first? Human resources, finance, or customer service.

Why it matters	The District can't follow rules it can't find. Good records protect the District, the Board, and the public, especially when people leave.
Where we are	Adopted policies have been reviewed, with legal review where needed, and updates are coming to the Board in batches. But there is no single list of what is adopted and in force, the District Code has not been updated in decades, some signed resolutions are missing, and decades of records sit in paper binders.
This year (through June 2027)	▪ Build the master list of policies, ordinances, and resolutions in force ▪ Adopt the updated policies in batches and post each one ▪ Finish cleaning up the resolution register and locate missing signed resolutions ▪ Start scanning and organizing the historical paper records, applying the records retention policy (Policy 2145)
FY 2027-28 to 2028-29	▪ Update the District Code and ordinances ▪ Add grant management and rate-setting procedure policies ▪ Finish scanning the historical records
Every year	▪ Review selected policies each January ▪ Track every Board action to completion ▪ Insurance certificates on file from tenants and contractors

PROPOSED GOAL 7

Customers served well and kept informed

Proposed result by 2031: *By 2031, bills are accurate and easy to pay, concerns are answered quickly, and ratepayers hear from the District regularly, not just when a bill is due.*

Worksheet Step 3. Related areas in Step 2: 12, 13, and 16

BOARD DECISION ON NOVEMBER 17

How should ratepayers hear from the District: a yearly mailed newsletter, a yearly community meeting, both, or online only?

Why it matters	The bill is many customers' only contact with the District. Today's billing, accounting, and payment systems are outdated, don't share information, and don't fit a modern District.
Where we are	Meters can't be read in winter, so winter bills are estimated until radio-read meters are installed. Customers can pay only through the online portal, bank autopay, check, or cash. Billing reports are unreliable. Ratepayers mostly hear from the District through bills and shutoff notices, and the complaint process is outdated.
This year (through June 2027)	▪ Rebuild the customer complaint process: how concerns are received, logged, answered, and reported to the Board ▪ Confirm every meter is billed and every customer is charged for the right connections ▪ Choose new billing, accounting, and payment systems that fit a modern District ▪ Add payment options, such as a card machine at the office ▪ Customer policies for payment plans and estimated reads ▪ Earn the Special District Leadership Foundation (SDLF) Transparency Certificate
FY 2027-28 to 2028-29	▪ Switch to the new systems and offer email bills ▪ Radio-read meters make every reading digital, year-round ▪ Measure water lost to leaks once the new meters are in ▪ Website fully accessible (federal deadline April 26, 2028)
FY 2029-30 to 2030-31	▪ Consider the SDLF District of Distinction
Every year	▪ Publish audit results and a plain-language financial summary on the website ▪ Report customer concerns and how they were resolved to the Board

PROPOSED FOCUS AREA D

A resilient, connected community

The District's work doesn't stop at the pipes. Over the next five years it gets ready for the emergencies Chester knows well, and it takes its place as a partner in the community's future: protecting Lake Almanor, planning for growth, and working with neighbors and partners.

WHY THIS IS HARD

Heavy snow, wildfire, drought, and power outages are part of life in Chester, and a small staff has little room for error when something fails at night. Beyond emergencies, decisions that shape the District's future, such as County growth plans, septic systems near the lake, and fire service, are made by others, and the District has had little voice in them.

Goals in this focus area

8	**Ready for what Chester faces** By 2031, written and practiced emergency plans and backup power keep water flowing and sewage contained through snow, fire, drought, and outages.
9	**A partner in Chester's future** By 2031, the District has a voice in County planning, a long-term plan for homes on septic near the lake, strong working ties with neighboring districts and Peninsula Fire, and a funding answer for the streetlights.

PROPOSED GOAL 8

Ready for what Chester faces

Proposed result by 2031: *By 2031, written and practiced emergency plans and backup power keep water flowing and sewage contained through snow, fire, drought, and outages.*

Worksheet Step 3. Related areas in Step 2: 6

BOARD DECISION ON NOVEMBER 17

How far should backup power go: every well and lift station, or the most critical sites first?

Why it matters	When something fails in winter or during a fire, written plans and backup power are what keep water flowing and sewage contained.
Where we are	A hazard mitigation plan is adopted and two mutual aid agreements are in place. Emergency procedures are not yet written.
This year (through June 2027)	▪ Keep snow removal working at every District site, including road access to the tanks ▪ Written procedures for outages, equipment failure, and a chlorine leak ▪ Review backup power at the wells, lift stations, and office ▪ Add backup internet at the office ▪ Join the California Water/Wastewater Agency Response Network (CalWARN), the statewide mutual aid network (free; State drought rules call for CalWARN or similar membership)
FY 2027-28 to 2028-29	▪ Apply for FEMA hazard mitigation funds for plan projects ▪ Complete an all-hazards vulnerability assessment and emergency response plan (recommended by the U.S. Environmental Protection Agency (EPA) for systems our size) ▪ Practice the emergency procedures with staff and partners
Every year	▪ Mutual aid agreements kept current ▪ Public outage and preparedness information

PROPOSED GOAL 9

A partner in Chester's future

Proposed result by 2031: *By 2031, the District has a voice in County planning, a long-term plan for homes on septic near the lake, strong working ties with neighboring districts and Peninsula Fire, and a funding answer for the streetlights.*

Worksheet Step 3. Related areas in Step 2: 17 and 18

BOARD DECISION ON NOVEMBER 17

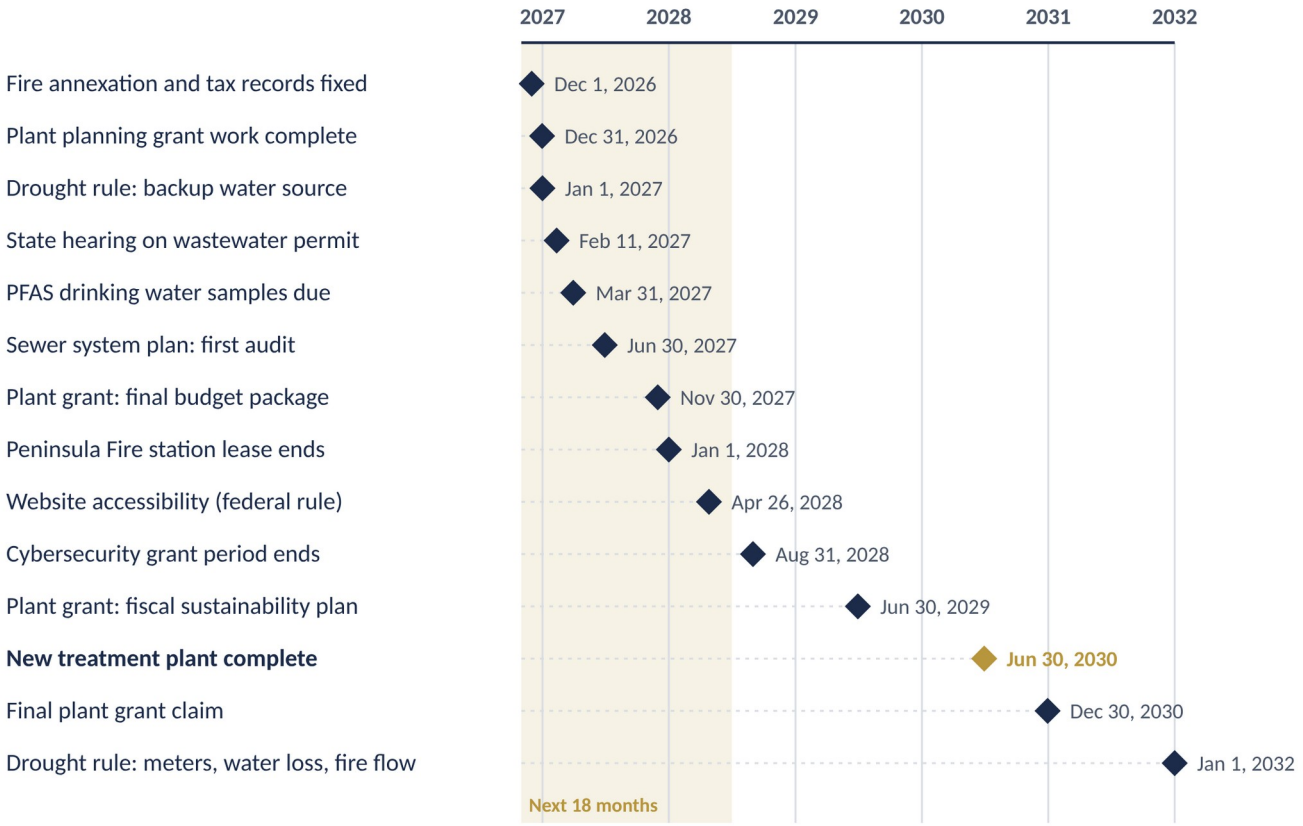
How active should the District be beyond its pipes: respond when asked, or take a seat at the table in County planning and regional partnerships?

Why it matters	Growth, the lake, and regional services will shape what the District must provide, and decisions made without the District can land on its ratepayers.
Where we are	The new plant is funded, which will protect the lake. But the District has little role in County planning, homes near the lake remain on septic, Peninsula Fire's lease of the Chester station ends January 1, 2028, and the streetlights have no dedicated funding.
This year (through June 2027)	▪ Decide how the streetlights will be paid for, and confirm which fund pays today ▪ Confirm the 1984 garbage ordinance still gives the District the authority it needs, and set a clear path for garbage and recycling complaints ▪ Name a contact for County planning and growth decisions ▪ Start talks with Peninsula Fire about the Chester station
FY 2027-28 to 2028-29	▪ Decide the future of the Chester fire station before the lease ends (January 1, 2028) ▪ Plan for homes on septic near the lake in the wastewater master plan ▪ Look for shared services with neighboring districts, such as equipment, training, or certified operators ▪ Public information on water conservation and protecting the lake
FY 2029-30 to 2030-31	▪ Prepare for the garbage contract renewal (current contract ends June 30, 2030)
Every year	▪ Mutual aid and partner agreements kept current ▪ Report to the Board on County planning decisions that affect the District

SECTION 5

Dates we don't control

These deadlines are set by the State, grant agreements, federal rules, and contracts, so they set the order of much of the work. Nine of the 14 fall in the next 18 months. Everything else in the plan, the Board can schedule.



The State drought rules for small water suppliers (Water Code section 10609.62) apply subject to available funding, and staff will confirm with district counsel how they apply to the District. Three other things are outside the District's control: when the State finishes the permit renewal, how much State funding the sewer pipes receive, and the timing of a labor agreement.

Sources: Water Code §10609.62; U.S. Department of Justice ADA Title II web rule (ada.gov); District grant agreements and State correspondence.

SECTION 6

Big-ticket needs

The treatment plant is paid for. The largest unfunded needs are the sewer pipes (about $30 million) and the water mains (at least $100 million). They become the capital improvement plan. Money should be set aside before assets wear out again: radio-read meters last about 20 years, SCADA controllers about 15.

Need	Where it stands	Rough cost	Funding
Wastewater treatment plant	Ponds cannot meet discharge limits	$19.08 million	**Funded:** State grant, no repayment; complete by June 30, 2030
Sewer pipes and manholes	About 90% of manholes from the 1950s; groundwater leaks in. Would reach about three-quarters of town	About $30 million (engineer's estimate)	**Partly applied for:** $10.9 million requested, not yet awarded
Water mains	Mostly 1967 asbestos-cement; some 4-inch mains too small for fire flow. Master plan will refine cost	At least $100 million (suggested by PACE Engineering)	**Not funded. Fire flow is a State requirement by 2032, subject to funding**
Meters, well SCADA, plow trucks, vacuum trailer, generators	Meters 20 to 60 years old; trucks aging	Being finalized	**Applied for:** USDA loan and grant
Lift station SCADA	Controllers outdated	Not yet estimated	**Not funded**
Wells 1, 2, and 3	Built 1968, 1968, and 1979	Not yet estimated	**Not funded; goes in the water capital plan**
Water tanks	Tank 1 repaired 2026 ($464,250); Tank 2 built 1995. Five-year maintenance program, reevaluated in year six	About $58,500 a year from FY 2027-28	**Budgeted**
Billing, accounting, and payroll systems	Outdated; don't share information	Not yet estimated	**Not funded**
198 Main (future District office)	Needs siding and flooring	Not yet estimated	**District funds**
Streetlights	About $30,800 a year in electricity	Ongoing	**No dedicated revenue since 2019**

SECTION 7

How we'll track progress

The plan stays alive by showing up in Board meetings and the budget, not on a shelf. These practices come from similar California districts and are sized for a small office.

Four working rules

1. **Every action has a priority.** 1 = must be done on time (law, safety, or a funding deadline); 2 = important, can slip for a priority 1; 3 = worth doing, can wait. (Olympic Valley Public Service District)
2. **Only the Board changes the plan.** Staff updates the status of each action; adding, changing, or dropping an action takes Board direction. (Olympic Valley)
3. **Every staff report names the goal it serves,** so the Board sees the plan at work at every meeting. (Bear Valley Community Services District)
4. **Progress is recorded in the plan itself.** Each year's accomplishments are added to the back of the plan, so the record stays in one place. (Twain Harte Community Services District)

What the Board will see, and when

Every month	Financial, budget-to-actual, and investment reports; grant tracker
Every quarter	One-page progress report from the General Manager
Each spring	Yearly work plan presented with the budget; the Board repeats its self-assessment and compares it with the year before
Each January	Review of policies due for review, including the AI Use Policy
2031	Full rewrite of the plan for the next five years

SECTION 8

Path to adoption

1. **Board workshop, November 17, 2026.** The Board gives direction; nothing is adopted.
2. **Staff revises the plan** based on the Board's direction and rewrites each action in SMART form: Specific, Measurable, Achievable, Relevant, and Time-bound.
3. **Draft posted for public comment,** with a short online survey on the District website asking ratepayers which goals matter most to them. The survey results come to the Board with the final draft.
4. **Board adopts the plan by resolution** and posts it on the District website.
5. **First quarterly progress report** after adoption.

The adopted plan will be a short, designed document with photos of Chester, a service area map, the mission, vision, and values, and one page per focus area. Detailed actions move to a yearly work plan, updated with the budget.

Discussion draft, not adopted and not District policy. Prepared from District records. Legal and regulatory references are informational only, not legal advice, and should be confirmed with district counsel before the District relies on them.

APPENDIX A

Where we stand, area by area

Since 2025 the District has rebuilt much of how it runs:

- **Operations:** emergency repair of the 1968 water tank, the first complete map and inspection of the sewer system, a State penalty order closed, and maintenance schedules and procedures being written.
- **Finance:** accounts reorganized, a clean audit for FY 2024-25, new rates, and a $19.08 million grant for a new treatment plant.
- **Administration:** every adopted policy reviewed, the resolution register rebuilt, every Board action tracked to completion, Board meetings redesigned, and digital timecards and online forms in place.
- **Community:** the garbage and recycling contract renewed through 2030.

The biggest open needs are the sewer system, aging meters and equipment, outdated policies and missing procedures, paper records, and outdated billing and accounting systems. The 18 areas below are numbered to match the Director Worksheet.

APPENDIX A · WHERE WE STAND

Operations

Operations is the work in the field: the wells, tanks, pipes, pumps, and treatment ponds that deliver water and carry wastewater away, 24 hours a day. Technical terms are explained in plain words.

1. Drinking water quality

DONE SINCE 2025	STILL NEEDS WORK
▪ Every drinking water sample in October 2026 came back clean. ▪ Water near the tanks was retested in May 2026 after high metal readings, and it passed. ▪ A new sampling tap at Well 2 lets staff test water right where it comes out of the ground. ▪ A review of every past test found no pesticides ever, and no PFAS (per- and polyfluoroalkyl substances, or "forever chemicals") in 2024 testing. ▪ Staff completed State sampling training in October 2026.	▪ Coliform bacteria, a warning sign rather than a direct health threat, showed up in some summer 2026 samples. No E. coli was found. The cause is still being tracked down. ▪ Chester's water is naturally corrosive, and most pipes are asbestos-cement from 1967, so pipes wear out faster. ▪ The State required a cross-connection (backflow) plan by July 1, 2025. It keeps water from customers' irrigation, boilers, and similar equipment from flowing back into the public system. The District's program is drafted but not yet adopted.

2. Enough water for the future

DONE SINCE 2025	STILL NEEDS WORK
▪ Four wells are in service. ▪ Mutual aid agreements with the Indian Valley and Westwood community services districts mean neighbors will send help and equipment in an emergency.	▪ There is no study of how much water Chester will need over the next 20 years, and whether the wells can supply it during a drought. ▪ The District needs to confirm it meets the State drought rules for small water systems: monitoring well levels, backup power, and a backup water source.

3. Sewer and the wastewater permit

DONE SINCE 2025	STILL NEEDS WORK
▪ The State's 2024 penalty order was closed October 7, 2025, after the District finished the required sewer repairs. The $33,000 penalty was permanently waived. ▪ The State inspected the treatment plant in October 2026 and found only minor items. ▪ The State's draft of the renewed discharge permit dropped a costly nitrogen limit. The District filed its comments November 5, 2026.	▪ The treatment ponds cannot clean wastewater well enough to meet the limits for releasing it into Lake Almanor. The District has not released any since 2023, which means holding it all winter, and a wet winter is forecast. ▪ The permit renewal is still pending with the State. ▪ The sewer system management plan, the State-required plan for preventing sewer overflows, is on file (certified March 9, 2026) but follows the State's older format and needs a full rewrite. The first audit period closes December 31, 2026, and the report is due June 30, 2027. ▪ Some steps remain under the Regional Water Board's orders.

4. Pipes, wells, tanks, and equipment

DONE SINCE 2025	STILL NEEDS WORK
▪ The 1968 water tank received an emergency repair in 2026. ▪ Every sewer line was mapped, manholes surveyed, pipes inspected by camera, and flows measured. It is the District's first complete picture of the sewer system. ▪ A skid steer with a snow blower was bought, and operators were trained. ▪ Surplus equipment, a backhoe and an old ambulance, was sold. ▪ Lift station pumps and generators were repaired. Lift stations pump sewage uphill where gravity can't move it.	▪ About 90% of the manholes date from the 1950s. Cracked pipes let groundwater and snowmelt leak in, so the plant has to hold and treat clean water it shouldn't have to. ▪ Water meters are 20 to 60 years old and read low, so some water is never billed. ▪ SCADA (supervisory control and data acquisition), the alarm and remote-control system that tells staff when a pump fails at 2 a.m., runs on outdated controllers. ▪ Plow trucks are aging, and there is no vacuum trailer to clear sewer clogs. ▪ There is no complete list of what the District owns, what condition it is in, and when it needs replacing.

5. Working efficiently

DONE SINCE 2025	STILL NEEDS WORK
▪ Staff have started writing a maintenance schedule and step-by-step procedures. ▪ Digital timecards replaced paper time sheets. ▪ Satellite internet now backs up the alarm system, after the October 16 outage left it offline. ▪ Phones and digital forms for field crews are being set up.	▪ There is no work order system. Repairs and maintenance are not logged in one place, so no one can see what has been done, what is due, or what each repair cost. ▪ There is no maintenance history for pumps, wells, and equipment, so failures get fixed after they happen instead of being prevented. ▪ Field crews still work from paper until the phones and digital forms are in use. ▪ Water lost to leaks can't be measured until meters are replaced, so the District doesn't know how much water it pumps but never bills. ▪ The treatment plant's flow meters date from 1981 and have no calibration record, Readings may not be taken consistently; staff will know more once new flow meters are installed. ▪ Energy and chemical use are not tracked, and no energy audit has been done, even though pumping is one of the District's biggest bills. ▪ There is no backup internet at the office.

6. Emergencies, winter, and backup power

DONE SINCE 2025	STILL NEEDS WORK
▪ The Local Hazard Mitigation Plan was adopted in May 2026. It makes the District eligible for Federal Emergency Management Agency (FEMA) funds for projects that reduce disaster risk. ▪ Two mutual aid agreements are in place, and one has already been used in 2026.	▪ There are no written emergency procedures for a power outage, a lift station failure, a well or tank out of service, or a chlorine leak. ▪ The chlorine Risk Management Plan, the State-required plan for the chlorine used to disinfect water, still names the former Chester Fire Department. ▪ Backup power at the wells, lift stations, and office needs a review. ▪ Winter road access to the tanks: the County plows only part of the road.

APPENDIX A · WHERE WE STAND

Finance

Finance is how the District pays for everything: rates, reserves, grants, the budget, and the reports that show where the money goes.

7. Rates and revenue

DONE SINCE 2025	STILL NEEDS WORK
▪ New rates were adopted June 25, 2026, through the Proposition 218 process, which gives every property owner the right to protest. Seven protests were received. ▪ The State Board of Equalization agreed to rebuild the District's property tax records for fiscal year 2027-28, correcting an error that had dropped the District from the tax rolls.	▪ Sewer billing is running below the rate study because some customers are coded wrong, including some homes on septic. It is being corrected. ▪ The water fund's margin is thin, so a bad year could put it back in the red. ▪ The fire annexation resolution and property tax records must be corrected by December 1, 2026. ▪ The next rate study should start early; rates are due for review about 2031.

8. Reserves, debt, and long-term obligations

DONE SINCE 2025	STILL NEEDS WORK
▪ The fiscal year (FY) 2026-27 budget sets money aside in reserves at the levels the rate study called for. ▪ The interfund loan from the sewer fund has a set repayment schedule through 2029.	▪ Reserve targets are not set in policy, so there is no rule for how much each fund should hold. ▪ The Fire fund, left from when the District provided fire service, owes the sewer fund $215,869 and still carries retirement costs for former fire employees. ▪ Retiree health benefits are paid as they come due, with no money set aside in advance. ▪ There is no single written accounting of everything the Fire fund owes.

9. Grants and outside funding

DONE SINCE 2025	STILL NEEDS WORK
▪ A $19.08 million grant for the new treatment plant, with no repayment. ▪ Two planning grants paid for the sewer mapping and treatment plant studies. ▪ A $10.9 million application for sewer pipes was filed, and a $250,000 cybersecurity grant was awarded with no District match. ▪ The Local Hazard Mitigation Plan makes the District eligible for FEMA funds. ▪ Grant trackers were rebuilt, with a monthly grant report.	▪ The sewer pipes need about $30 million; the application covers about a third, and the State may cap it lower. ▪ The U.S. Department of Agriculture (USDA) loan and grant application needs more documents before it is resubmitted. ▪ The federal earmark requests were denied. ▪ There is no grant management policy, and the alarm system (SCADA) appears in three funding sources, so costs must never be paid twice.

10. Budget, financial reports, and financial systems

DONE SINCE 2025	STILL NEEDS WORK
▪ The FY 2026-27 budget was adopted on time and amended as needed. ▪ The FY 2024-25 audit was accepted with a clean opinion, and a new auditor is in place. ▪ Financial statements were corrected and the accounts reorganized to government accounting standards. ▪ Prior years' 1099 tax forms were corrected and refiled.	▪ Year-end closing of the books is not yet in place; setting it up is the first step toward on-time audits. ▪ The billing, accounting, and payroll systems are outdated and don't share information, so accurate reports take heavy manual work. ▪ Monthly reports are hard for the Board to read at a glance. ▪ The 1099 correction still needs a penalty relief request and a written procedure.

APPENDIX A · WHERE WE STAND

Administration

Administration is the office work behind every service: policies, records, billing, customer concerns, staff, tools, and how the District communicates.

The honest picture: no one can produce a single list of which policies, ordinances, and resolutions are adopted and still in force. Many policies are outdated, misnumbered, or missing. The District Code has not been updated in decades and still carries outdated rules. Some signed resolutions can't be found. Until 2026, almost no written procedures existed, and decades of records sit in paper binders.

11. Rules and records

DONE SINCE 2025	STILL NEEDS WORK
▪ Every adopted policy was reviewed, with legal review where needed; the final updates are still being made. ▪ The resolution register was rebuilt. ▪ The artificial intelligence (AI) Use Policy was adopted and the Public Records Act policy updated. ▪ A calendar of every State and federal deadline was built. ▪ Board minutes are current. ▪ A records retention policy is in place (Policy 2145, adopted July 22, 2025).	▪ One master list of every policy, ordinance, and resolution, showing whether each is still in force. ▪ The final updates to the reviewed policies still need to be finished and brought to the Board for adoption. ▪ Many policies are outdated, misnumbered, or missing, including about 20 human resources policies. ▪ The District Code has not been updated in decades. ▪ Paper records still need to be sorted under the records retention policy, so the District knows what to keep, scan, or lawfully destroy.

12. Billing and customer service

DONE SINCE 2025	STILL NEEDS WORK
▪ Billing was checked against the new rates. ▪ Policies for leaks, billing adjustments, sewer adjustments, and winter meter reading were adopted. ▪ The shutoff policy is available in Spanish, Tagalog, and Vietnamese. ▪ Customers can pay through an online portal or by automatic payment from their bank.	▪ Meters can't be read in winter, so winter bills are estimated. Radio-read meters would make every reading digital. ▪ Payment options are limited to the online portal, bank autopay, check, or cash. There is no card machine at the office and no mobile payment apps. ▪ There is no email billing, and the billing software's reports are unreliable.

13. Customer concerns and complaints

DONE SINCE 2025	STILL NEEDS WORK
▪ Customers can submit requests and questions through online forms on the website.	▪ The District has a complaint process, but it is outdated and needs to be rebuilt: how concerns are received, logged, answered, and followed up. ▪ There is no regular report to the Board on what customers are raising, so patterns can't be seen. ▪ Garbage and recycling complaints need a clear path to Waste Management.

14. Staff and training

DONE SINCE 2025	STILL NEEDS WORK
▪ A pay schedule for non-represented positions was adopted, and new part-time job classifications were created. ▪ The human resources services contract was renewed. ▪ An operator training and certification plan is in place. ▪ The Board completed training on the Brown Act, ethics, and harassment prevention.	▪ A labor agreement with the employee bargaining unit. ▪ Written procedures for every position. Today much of the know-how lives in people's heads. ▪ A meaningful employee evaluation process tied to job duties and the District's values. ▪ Close out the California Public Employees' Retirement System (CalPERS) employer audit. ▪ A succession plan for staff and the Board.

15. Modern tools and a culture of ownership

DONE SINCE 2025	STILL NEEDS WORK
▪ Digital timecards replaced paper time sheets. ▪ Online forms are live on the website. ▪ A shared staff calendar and reorganized shared files are in use. ▪ An office procedures manual was started. ▪ Microsoft Teams is in place for files and meetings.	▪ Teams is not used to its full extent. ▪ Phones and digital forms for field crews are still being set up. ▪ Decades of records are in paper binders and must be scanned before anyone can search them. ▪ There is no work order system to log repairs and maintenance. ▪ The District is building a culture where work is written down and shared, so it never depends on one person's memory.

16. Public trust and partners

DONE SINCE 2025	STILL NEEDS WORK
▪ Board meetings were redesigned, with consistent agendas and written procedures for minutes. Meetings are recorded only to prepare accurate minutes. ▪ Every Board action is tracked to completion. ▪ A transparency page on the website posts training certificates and required reports. ▪ A public meeting was held on the USDA loan and grant application.	▪ Ratepayers mostly hear from the District through bills and shutoff notices. ▪ There is no newsletter, customer survey, or regular community meeting. ▪ The District has little presence at community events and little coordination with the County and local groups. ▪ Peninsula Fire's lease of the Chester station ends January 1, 2028.

APPENDIX A · WHERE WE STAND

Community

Community covers the District's role in Chester beyond the pipes: the lake, local growth, garbage service, and the streetlights.

17. Community and the lake

DONE SINCE 2025	STILL NEEDS WORK
▪ The new treatment plant is funded, which will better protect Lake Almanor. ▪ Beyond that, the District has done little in this area.	▪ The District has no seat at the table in County planning and growth decisions that will change future water and sewer demand. ▪ Homes near the lake are still on septic systems. Connecting them to sewer is a long-term need. ▪ There is no public outreach on water conservation or protecting the lake.

18. Solid waste and streetlights

DONE SINCE 2025	STILL NEEDS WORK
▪ The garbage and recycling contract with Waste Management was renewed through June 30, 2030. ▪ The Board adopted and confirmed the garbage rates; customers' bills did not change.	▪ The District pays about $30,800 a year for the electricity that runs Chester's streetlights, but no fee or tax has paid for it since 2019. Staff will confirm which fund is covering the cost. ▪ The garbage contract rests on a 1984 ordinance. Staff will confirm it still gives the District the authority it needs. ▪ Amendments to the garbage and recycling contract are coming and will need Board review and approval.

APPENDIX B

Glossary

Plain-language meanings for the terms used in this plan.

Backflow (cross-connection) program	State-required rules that keep water from a customer's irrigation, boiler, or fire system from flowing back into the public water system.
CalPERS	California Public Employees' Retirement System, the pension system for District employees.
Capacity fee	A one-time charge paid when a new connection is added, based on the cost of the water or sewer system capacity it uses.
Capital improvement plan	A 4- to 10-year schedule of the pipes, wells, tanks, and equipment to be replaced, with the cost and funding source for each.
Discharge permit	The State permit (NPDES permit) that sets the limits for releasing treated wastewater to Lake Almanor.
EPA and USDA	U.S. Environmental Protection Agency and U.S. Department of Agriculture. USDA Rural Development also makes loans and grants to small water systems.
FEMA	Federal Emergency Management Agency, which funds projects that reduce disaster risk.
Fire fund	The fund left from when the District provided fire service. It still carries old debts and retirement costs.
FY (fiscal year)	The District's budget year, July 1 through June 30.
Interfund loan	Money one District fund borrows from another; the Fire fund owes the sewer fund.
LAFCo	Plumas Local Agency Formation Commission, the County body that reviews special districts.
Lift station	A pump station that moves sewage uphill where gravity can't.
Master plan	An engineering study of a whole system (water or sewer) that sets out what to build and replace over 20 years.
PFAS	Per- and polyfluoroalkyl substances, often called "forever chemicals," now regulated in drinking water.
Proposition 218	The State constitutional rule for setting water and sewer rates: notice to every property owner and a protest hearing.
Radio-read meters	Water meters that send their readings by radio, so staff can read them from a vehicle in any season.
Rate study	An engineer's analysis of what rates must be to cover costs; the last one was in 2026.
Regional Water Board	Central Valley Regional Water Quality Control Board, the State agency that issues the discharge permit and enforces it.

Reserves	Money set aside for emergencies, replacements, and lean years.
Risk Management Plan	The State-required safety plan for the chlorine used to disinfect water.
SCADA	Supervisory control and data acquisition: the alarm and remote-control system at the wells, tanks, and lift stations.
SDLF	Special District Leadership Foundation, which certifies districts for transparency and good governance.
Sewer system management plan	The State-required plan for preventing and responding to sewer overflows.
SMART	A standard for writing actions: Specific, Measurable, Achievable, Relevant, and Time-bound.