

Accessible web copy of the adopted text of Resolution No. 440, adopted December 16, 2025. The vote is recorded in the Board's minutes of that meeting. 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.

RESOLUTION NO. 440

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT (THE "DISTRICT") AUTHORIZING AN INTER-FUND LOAN AGREEMENT FROM THE SANITATION FUND OF THE DISTRICT TO THE FIRE FUND OF THE DISTRICT, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Chester Public Utility District (the "**District**") is a public utility district duly organized with validly existing under and by virtue of the Constitution and laws of the State of California; and

WHEREAS, the Fire Fund borrowed \$215,869.00 from the Sanitation Fund before October 1st, 2024.

WHEREAS, to accomplish and properly document the repayment of funds from the District's Sanitation Account to the District's Fire Account, the District has prepared for execution of an Inter-Fund Loan Agreement (the "**Inter-Fund Loan Agreement**").

WHEREAS, the District has duly considered the Inter-Fund Loan Agreement and wishes at this time to approve said transaction in the public interests of the District.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE CHESTER PUBLIC UTILITY DISTRICT AS FOLLOWS:

Section 1. Approval of the interfund loan agreement: The transactions occurred before approval occurred. The Interfund loan total is the result of processing multiple years' due to, due from accounts as of September 30th, 2024.

Section 2. Official Action: The Board Members and General Manager of the District are hereby authorized and directed, for and on behalf of, the District, to take any and all actions, which may be deemed necessary or advisable in order to consummate the Inter-Fund loan.

Section 3. Effective Date. This Resolution shall take effect January 1st, 2026.

PASSED, APPROVED AND ADOPTED this 16th day of December 2025, by the following vote:

AYES: Kimberly Green, Steve Graffweg and Steve Voboril

NOES: none

ABSENT: (2 Vacancies)

ABSTAIN: none

Board Chair _____ Date _____
Kimberly Green

ATTESTED: Clerk to the Board _____ Date _____
Cheryl Johnson

Adopted: 12-16-2025

INTER-FUND LOAN AGREEMENT
Chester Public Utility District

This Inter-Fund Loan Agreement ("**Agreement**") is entered into as of January 1st, 2026, between Chester Public Utility District - Fire Fund ("**Borrower**"), and Chester Public Utility District - Sanitation Fund ("**Lender**"), with reference to the following:

The Lender is requesting that the Borrower repay funds that were borrowed before October 1st, 2024.

Now, therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

1. Term loan: On or before January 1st, 2026, on Borrower's request, Borrower will enter into a loan with the principal sum of \$215,869.00. Loan shall be executed by Borrower, provided at three percent (3.0%) interest, beginning as **interest only** from January 1st, 2026, until April 30th, 2027. On May 1st, 2027, the **principle and interest** term begins at three percent (3%) and ends on April 30th, 2029. The first **Interest only** payment is due February 1st, 2026. The final **interest only** payment is due May 1st, 2027. The first **principle and interest** payment of \$9,278.31 is due June 1st, 2027. The final **principle and interest** payment of \$9,278.31 is due May 1st, 2029.

2. Representations and Warranties: Borrower represents and warrants to Lender that the following statements are true, correct, and complete as of closing:

(a) Borrower has the requisite power and authority to borrow the sums provided for in this Agreement, to execute and deliver this Agreement and any instrument or agreement required under this Agreement, and to perform and observe the terms and provisions of this Agreement and of all such other instruments and agreements.

(b) All action by Borrower and its designated officers necessary for the authorization, execution, delivery, and performance of this Agreement and any other instrument or agreement required under this Agreement, has been duly taken.

(c) The officers of Borrower executing this Agreement and any other instrument or agreement required under this Agreement have been duly appointed to such office and are fully authorized to execute the Agreement and any other instrument or agreement required under this Agreement.

(d) This Agreement has been duly executed and delivered by Borrower, and constitutes the legal, valid, and binding obligation of Borrower, enforceable against it in accordance with its terms, and other instrument or agreement required under this Agreement, when executed and delivered by Borrower, will similarly constitute the legal, valid, and binding obligation of Borrower, enforceable against it in accordance with its terms.

(e) All financial information and other data furnished by Borrower to Lender are complete and correct to the best of Borrower's ability.

2. Successors and Assigns: The provisions of this Agreement shall bind and inure to the benefit of the parties and their respective successors and assigns, provided that Borrower shall not assign this Agreement or any of the rights, duties, or obligations of Borrower under this Agreement without Lender's prior written consent.
3. Delay and waivers: No delay or omission to exercise any right, power, or remedy accruing to Lender on any breach or default of Borrower under this Agreement shall impair any right, power, or remedy of Lender, nor shall it be construed to be a waiver of any breach or default, or an acquiescence in breach or default, or waiver of or acquiescence in any similar breach or default occurring later; nor shall any waiver of any single breach or default be considered a waiver of any other prior or subsequent breach or default. Any waiver, permit, consent, or approval of any kind by Lender of any breach or default under this Agreement, or any waiver by Lender of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in that writing. All remedies, either under this Agreement or by law or otherwise afforded to Lender, shall be cumulative and not alternative.

Payments will occur from the Fire Fund account to the Sanitation Fund account at the location of:
Chester Public Utility District
251 Chester Airport Road
Chester, CA 96020

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement by their respective duly authorized officers on the day and year first above written.

Borrower: Chester Public Utility District: Fire Fund Lender: Chester Public Utility District: Sanitation Fund

By: _____ Date _____
Kimberly Green
Chester Public Utility District Board Chair

By: _____ Date _____
Bonnie Mullaney
Chester Public Utility District General Manager

Adopted: 12-16-2025
