

Accessible web copy of the adopted text of Resolution No. 456, adopted August 14, 2026, by a vote of 4 ayes and 1 absent (Director Green) 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. A drafting note at the end of the file copy was removed from this web copy.

CHESTER PUBLIC UTILITY DISTRICT

RESOLUTION NO. 456

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT DECLARING AN EMERGENCY REGARDING THE OLD TANK UNDER PUBLIC CONTRACT CODE SECTION 22050; APPROVING AN EMERGENCY REPAIR CONTRACT WITHOUT COMPETITIVE BIDDING; ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS; AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE CONTRACT AND ISSUE A NOTICE TO PROCEED

WHEREAS, the Chester Public Utility District ("District") owns and operates two steel potable water storage tanks: a 635,000-gallon welded steel tank constructed in 1967 (the "Old Tank") and a 590,000-gallon welded steel tank constructed in 1995 (the "New Tank"), per the manufacturer tank-information records and Superior Tank Solutions' inspection reports on file with the District; and

WHEREAS, Superior Tank Solutions performed a preliminary inspection of the Old Tank on February 23, 2026, and found, among other things, significant metal loss and corrosion at the interior roof rafters in the atmospheric zone, coating failure described as "coming off in sheets," a sacrificial anode cathodic protection system with little remaining material, and exterior lead-based coating failing and flaking from the tank roof and base; and

WHEREAS, the inspection report states that "if corrosion of the rafters is allowed to continue, structural repairs or full rafter replacement may be required, significantly increasing rehabilitation costs"; and

WHEREAS, the Old Tank provides a substantial portion of the District's treated water storage capacity essential to public health, safety, and welfare; and

WHEREAS, the National Oceanic and Atmospheric Administration's Climate Prediction Center, in its El Niño/Southern Oscillation Diagnostic Discussion issued July 9, 2026, placed the Pacific Ocean in an El Niño Advisory, reported the Niño-3.4 index at +1.2°C, and forecast an 81% chance the event reaches "very strong" strength between October and December 2026 — a category that would rank among the largest El Niño events on record — with a 97% chance El Niño conditions persist through early spring 2027; and

WHEREAS, climate scientist Daniel Swain independently reported, on June 11, 2026, approximately 88% odds of at least "strong" and over 60% odds of "very strong" El Niño intensity by autumn/winter 2026, together with substantially increased odds of extreme precipitation, flooding, and coastal storm impacts statewide, consistent with NOAA's forecast; and District staff became aware, on August 6, 2026, of public reporting on a Plumas-area town hall at which Dr. Swain further warned of the possibility of a historically severe winter storm season, with elevated risk of significant snowfall in the District's service area beginning as early as November 2026; and

WHEREAS, Superior Tank Solutions, Inc., the contractor identified to perform this emergency repair work, has confirmed a projected start date of September 7, 2026, and has committed to mobilize no later than September 30, 2026, provided this Agreement is executed no later than August 24, 2026, and estimates a repair duration of four to six weeks, placing likely completion between approximately October 13 and October 27, 2026 — before the District's average first-snowfall date, but with limited margin to absorb any delay in mobilization, execution of the Agreement after August 24, 2026, or unforeseen structural findings; and

WHEREAS, the District's own consultants previously identified October 2026 as the target date for completion of Old Tank rehabilitation work, independent of this forecast, reflecting the District's pre-existing recognition of a narrow weather-driven completion window; and

WHEREAS, the Board finds that the two-step prequalification and formal competitive bidding process required for public works contracts of this size under District Policy 6000 and the Uniform Public Construction Cost Accounting Act cannot reasonably be completed, together with the necessary repair work itself, before the onset of winter weather; and

WHEREAS, Public Contract Code Section 22050 authorizes a public agency, by a four-fifths vote of its governing body, to repair a public facility and procure necessary services without competitive bidding, upon a finding, based on substantial

evidence set forth in the minutes, that the emergency will not permit the delay resulting from competitive bidding and that the action is necessary to respond to the emergency; and

WHEREAS, the Board has received and considered the Board Report dated August 14, 2026, together with the inspection report, engineering information, and forecast information referenced therein, and finds that this evidence constitutes substantial evidence supporting the findings required by Public Contract Code Section 22050; and

WHEREAS, this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to 14 California Code of Regulations Section 15269(b), as an emergency repair to a publicly owned service facility necessary to maintain service essential to the public health, safety, or welfare;

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

Section 1. Emergency Finding. The Board finds, based on substantial evidence set forth in the record and summarized in the Board Report dated August 14, 2026, that an emergency exists with respect to the Old Tank; that this emergency will not permit the delay resulting from a competitive solicitation for bids; and that the actions authorized below are necessary to respond to the emergency.

Section 2. Authorization to Proceed Without Competitive Bidding. Pursuant to Public Contract Code Section 22050(a), the Board authorizes the repair of the Old Tank, and the procurement of necessary equipment, services, and supplies for that purpose, without competitive bidding.

Section 3. Approval of Agreement; Authorization to Execute. The Board has reviewed the proposed Emergency Repair Contract between the District and Superior Tank Solutions, Inc. for the repair of the Old Tank, and hereby approves that Agreement and authorizes the General Manager to execute it on the District's behalf without competitive bidding, in a total amount not to exceed **\$429,250** (consisting of the \$425,000 repair scope plus a net \$4,250 for the payment bond required under Civil Code Section 9550 and the performance bond the District has elected to require as a condition of the Agreement; the actual combined cost of both bonds is \$8,500, of which Superior Tank Solutions, Inc. has agreed to absorb \$4,250, so the net bond cost passed through to the District remains \$4,250), funded from water enterprise fund reserves. The General Manager is further authorized to issue a Notice to Proceed upon confirmation that the Contractor holds current and required licenses and Department of Industrial Relations registration, and has provided satisfactory evidence of insurance, the payment bond required by Civil Code Section 9550, the performance bond, and a written Cal/OSHA lead compliance plan. The General Manager is authorized to make non-substantive conforming changes to the Agreement after adoption of this Resolution — including inserting the Contractor's mailing address and bond instrument numbers once issued — without further Board action, provided the total amount does not exceed \$429,250 and no such change is material or adverse to the District. The General Manager shall report to the Board on execution of the Agreement and any such conforming changes at the Board's next regular or special meeting.

Section 4. CEQA Findings. The Board finds that the emergency repair work authorized by this Resolution is exempt from CEQA pursuant to 14 California Code of Regulations Section 15269(b). Staff is directed to file a Notice of Exemption with the Plumas County Clerk consistent with this finding.

Section 5. Continuing Review. Pursuant to Public Contract Code Section 22050(c), the Board shall review this emergency action at every regularly scheduled meeting following adoption of this Resolution, until the emergency action is terminated, and at each such meeting shall determine, by a four-fifths vote, whether there is a continuing need to proceed without competitive bidding. The District shall terminate this emergency action at the earliest date that conditions warrant, so that any remaining work may be completed through competitive bidding. Staff is directed to place a standing item on the agenda of each regular Board meeting for this purpose until the action is terminated.

Section 6. Compliance With Other Applicable Law. Nothing in this Resolution relieves the contractor performing work under this authorization from compliance with applicable prevailing wage law (Labor Code Section 1720 et seq.), Department of Industrial Relations registration and certified payroll requirements (Labor Code Sections 1725.5 and 1771.4), Cal/OSHA lead-in-construction requirements (29 C.F.R. Section 1926.62), and applicable hazardous waste handling and disposal requirements.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption.

Chester Public Utility District Signature Page

PASSED AND ADOPTED by the Board of Directors of the Chester Public Utility District at a special meeting held on August 14, 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Stephen Graffweg, Board Chair

Date: _____

ATTEST:

Kelly Sanders, Board Clerk (Attest)

Date: _____