CHESTER PUBLIC UTILITY DISTRICT

RESOLUTION NO. 459

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT ADOPTING AN AMENDED AND RESTATED GENERAL MANAGER POSITION DESCRIPTION (POLICY 2300) AND A NEW WORKER CLASSIFICATION DETERMINATION POLICY (POLICY 2310), APPROVING A FIRST AMENDMENT TO THE GENERAL MANAGER PROFESSIONAL SERVICES AGREEMENT, AND RESCINDING PRIOR VERSIONS OF THE GENERAL MANAGER POSITION DESCRIPTION

WHEREAS, the District's Manual of Policies has, at various times, included a position description for the General Manager, identified as Policy 2300, with the District's records indicating the position description was most recently amended on February 15, 2022; and the Board has since located Resolution No. 377, adopted January 12, 2016, by which the Board formally adopted a General Manager job description dated December 14, 2015, which at that time included oversight of Fire and Emergency Medical Services, a function the District no longer performs following the transfer of fire services in December 2024; and

WHEREAS, the District's records do not conclusively establish whether the February 15, 2022 version of Policy 2300 was itself formally adopted by the Board as a Board policy, as distinct from an internally updated staff job description, and the Board wishes to remove any doubt by formally readopting the General Manager position description, at its existing Policy 2300 number, as set forth herein; and

WHEREAS, District staff maintain a Policy & Governance Registry, compiled beginning July 1, 2026 as an internal administrative tracking tool that has not itself been adopted by the Board, which reserves Policy Number 2310 within the 2000-series (Personnel/Human Resources) block for a new worker classification determination policy, to sit alongside the General Manager position description retained at its existing Policy 2300 number; and

WHEREAS, the Board has reviewed an updated General Manager position description, attached hereto as Exhibit A, which describes the position, its general responsibilities, and its qualifications in terms that do not depend on whether the position is filled by a District employee or under a professional services agreement, which identifies the General Manager as an officer of the District under Public Utilities Code § 16111(d), and which cross-references Policy 2310 (defined below) for the standard governing that determination; and

WHEREAS, in the course of preparing the General Manager's current professional services agreement for routine submission to the California Public Employees' Retirement System (CalPERS), District staff discovered that Exhibit A (Scope of Services), referenced in Section 1 of that agreement, had never been drafted or attached, prompting a broader review of the agreement and the position description it relies upon; and

WHEREAS, that broader review identified that the District's current General Manager professional services agreement, and the position description it replaces, do not adequately address the legal standards that determine whether the General Manager, or any other person engaged on a non-employee basis, is properly classified as a District employee or an

independent contractor for purposes of CalPERS, the Employment Development Department (EDD), and other applicable law; and

WHEREAS, in connection with this review, the Board has reviewed the provision of the General Manager's professional services agreement making a District-owned vehicle available for use in conducting District business, and has determined to retain that provision, with Section 4 of the agreement amended only to clarify that the General Manager's use of the vehicle is not compensation or a benefit and does not affect the General Manager's independent-contractor status, as set forth in the First Amendment approved concurrently herewith; and

WHEREAS, the Board has considered how Section 7 of the agreement should address defense and indemnification of the General Manager, and, after receiving the recommendation of District Counsel, finds and determines that: (a) the General Manager carries out the District's core executive functions as an officer of the District under Public Utilities Code § 16111(d), including directing staff, carrying out Board policy, signing on the District's behalf, and making the daily operational decisions the Board relies on; (b) persons serving as general manager of a public agency are routinely named in claims and lawsuits because of the position itself, even when they act properly and at the Board's direction; (c) providing defense and indemnification for whoever fills the top executive role is common public-agency practice and is necessary for the District to attract and retain a qualified General Manager; (d) Government Code §§ 825 and 810.2 neither require nor prohibit the District from providing this protection to a contractor, so it is a discretionary policy choice of the Board; and (e) the protection is a contractual term only, is limited by the exclusions and repayment terms in restated Section 7, and does not change the General Manager's status as an independent contractor under Section 8 of the agreement; and

WHEREAS, the Board has also determined, as set forth in the First Amendment approved concurrently herewith, to amend Section 8 of the agreement (Independent Contractor) to require the General Manager's business entity to maintain professional liability (errors and omissions) insurance at its own expense; and

WHEREAS, pursuant to Public Utilities Code § 16112, the Board has considered whether to prescribe a bond for the General Manager position and has determined not to prescribe a bond at this time, as reflected in the First Amendment approved concurrently herewith, a determination the Board may revisit at any time; and

WHEREAS, because the General Manager's current engagement with Dynamic District Solutions, LLC began July 1, 2026, before adoption of Policy 2310, the Board wishes to direct that the determination checklist required by Policy 2310 be completed for that engagement within 30 days of this Resolution, by a District staff member other than the General Manager (as designated by the Board Chair) and the Board Clerk, as a documentation and compliance measure that does not itself alter the terms of the existing agreement; and

WHEREAS, the Board has reviewed a proposed new policy, attached hereto as Exhibit B, entitled "Worker Classification — Employee vs. Independent Contractor Determination," establishing a standard procedure, legal framework, and determination checklist for such determinations, to be numbered Policy 2310; and

WHEREAS, adoption of both policies at the same time, together with the First Amendment to the General Manager's professional services agreement, will ensure the updated General Manager position description, the District's worker classification procedure, and the corrected agreement terms take effect together and are applied consistently to the General Manager position and any future non-employee engagements;

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

Section 1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2. Rescission of Prior Position Description. Any and all prior versions of the General Manager position description previously adopted or referenced under Policy 2300, including, without limitation, the version most recently documented as amended February 15, 2022, and any earlier version adopted or referenced by Resolution No. 377 (2016), are hereby rescinded and superseded in their entirety, to the extent they were ever adopted as Board policy, and are replaced by the amended and restated Policy 2300 adopted in Section 3 below.

Section 3. Adoption of Policy 2300 — General Manager Position Description (Amended and Restated). The General Manager position description attached hereto as Exhibit A is hereby adopted as the amended and restated Policy 2300 of the District's Manual of Policies, effective immediately, and supersedes and replaces the rescinded prior versions described in Section 2.

Section 4. Adoption of Policy 2310 — Worker Classification Determination. The policy attached hereto as Exhibit B, including its determination checklist, is hereby adopted as Policy 2310 of the District's Manual of Policies, effective immediately.

Section 5. Approval of First Amendment to Professional Services Agreement. The First Amendment to the Professional Services Agreement between the District and Dynamic District Solutions, LLC, attached hereto as Exhibit C, is hereby approved, and the Board Chair is authorized to execute it. The First Amendment: (a) attaches Exhibit A (Scope of Services) to that Agreement and conforms the Section 1 reference to Exhibit A accordingly (the position description remaining separately maintained as Policy 2300); (b) amends Section 4 (Additional Benefits) to clarify that the General Manager's use of the retained District vehicle is not compensation and does not affect her independent-contractor status; (c) restates Section 7 (Indemnification, Insurance, and Bonding) to provide the District's defense and indemnification of the General Manager as a contractual commitment approved by the Board, subject to stated exclusions, conditions, and repayment terms, without citation to Government Code § 53243.1, and reflects the Board's determination under Public Utilities Code § 16112 not to prescribe a bond at this time; and (d) amends Section 8 (Independent Contractor) to require professional liability (errors and omissions) insurance.

Section 6. Staff Direction. District staff are directed to: (a) update the District's Policy Table of Contents and Policy & Governance Registry to reflect the amendment and restatement of Policy 2300 and the adoption of Policy 2310; (b) file this Resolution, both attached policies, and the executed First Amendment with the District's official records; (c) attach Resolution No. 377 (2016), now located, to the official record; and (d) complete the Policy 2310 determination

checklist for the General Manager's current engagement within 30 days of this Resolution, through a District staff member other than the General Manager (as designated by the Board Chair) and the Board Clerk, consistent with Policy 2310 Section 5.

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

PASSED AND ADOPTED by the Board of Directors of Chester Public Utility District at a regular meeting of the Board held on October 27, 2026, by the following roll call vote:

Stephen Graffweg, Board Chair
Chester Public Utility District

ATTEST:

Kelly Sanders, Board Clerk
Chester Public Utility District

APPROVED AS TO FORM:

Approved as to form on October 22, 2026.
Margaret Long, District Counsel
Prentice | Long, PC

Attachments: Exhibit A — Policy 2300 (General Manager Position Description, Amended and Restated); Exhibit B — Policy 2310 (Worker Classification Determination); Exhibit C — First Amendment to Professional Services Agreement (with its own Exhibit A, Scope of Services). Note: the Resolution's Exhibit A (Policy 2300) and the First Amendment's Exhibit A (Scope of Services) are different documents.

ROLL CALL VOTE

Director	AYE	NO	ABSTAIN	ABSENT
Director Graffweg (Chair)	☒	☐	☐	☐
Director Green	☒	☐	☐	☐
Director Bottini	☒	☐	☐	☐
Director Paulsen	☒	☐	☐	☐
Director Tharpe	☒	☐	☐	☐
TOTAL	5	0	0	0