

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CHESTER PUBLIC UTILITY DISTRICT DIRECTING STAFF
TO TAKE ACTIONS NECESSARY TO ISSUE DEBT FOR THE
PURPOSE OF REFUNDING A PORTION OF THE DISTRICT'S
UNFUNDED ACCRUED LIABILITY**

WHEREAS, the Chester Public Utility District (the "District") has previously adopted a retirement plan pursuant to the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law") and elected to become a contracting member of the California Public Employees' Retirement System ("PERS");

WHEREAS, the Retirement Law and the contract (the "PERS Contract") effective July 1, 1948, between the Board of Administration of PERS and the Board of Directors of the District (the "Board") obligate the District to (i) make contributions to PERS to fund pension benefits for certain District employees, (ii) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (iii) appropriate funds for the foregoing purposes;

WHEREAS, under the Retirement Law and the PERS Contract, the District incurred certain unfunded accrued liability in connection with its employees relating to the fire protections services provided by the District (the "Fire Liability");

WHEREAS, effective December 31, 2024, the fire protection services of the District will be terminated and transferred to Peninsula Fire Protection District;

WHEREAS, in connection with the transfer of the fire protection services to Peninsula Fire Protection District, the Plumas County Local Area Formation Commission and the County of Plumas held and agreed that the District would continue to be responsible for the Fire Liability, and that such Fire Liability could be paid from certain property and parcel taxes that the District had been receiving annually;

WHEREAS, this Board of Directors of the District desires to refund all or a portion of the Fire Liability through the issuance by the District of either bonds or loans (the "Bonds"), in the form of sewer revenue bonds or pension obligation bonds, on the basis of either a public sale or a private placement;

WHEREAS, in order to provide for the issuance of the Bonds, District staff, under the direction of the General Manager, and with the assistance of certain attorneys, consultants, and other third parties designated in Section 2 hereof, will proceed to evaluate the feasibility of and take actions needed to proceed with the refunding of the District's Fire Liability through issuance of the Bonds;

WHEREAS, prior to and as a condition to issuance of the Bonds, the Board of Directors of the District must authorize the issuance of the Bonds at a future public meeting; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CHESTER PUBLIC UTILITY DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

Section 1. The General Manager and his or her designees are hereby authorized and directed to work with the attorneys, consultants, and third parties designated in Section 2 below to take all actions necessary and appropriate to present the Bonds and related agreements, including a trust agreement, and other appropriate agreements, and a preliminary official statement, if applicable, to the Board of Directors of the District for approval at a future meeting.

Section 2. The Board of Directors hereby approves and appoints Stradling Yocca Carlson & Rauth LLP, as Bond, and Disclosure Counsel, if applicable, and Ridgeline Municipal Strategies, LLC, as Municipal Advisor, each to provide such services to the District as may be required to issue the Bonds. The Board of Directors hereby further appoints Oppenheimer & Co. Inc. to serve as Underwriter or Placement Agent in connection with the sale of the Bonds. The General Manager, and his or her designee, are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

Section 3. The Board of Directors hereby directs the General Manager to proceed with the process of obtaining one or more ratings for the Bonds, if the General Manager believes that such rating or ratings will benefit the District.

Section 4. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED, APPROVED AND ADOPTED this 6th day of November, 2024.

PRESIDENT OF THE BOARD

ATTEST:

SECRETARY OF THE BOARD