FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

Between Chester Public Utility District and Dynamic District Solutions, LLC

This First Amendment ("Amendment") to the Professional Services Agreement dated July 1, 2026 (the "Agreement") between the Chester Public Utility District ("District") and Dynamic District Solutions, LLC, acting through its Manager, Bonnie Mullaney ("General Manager"), is entered into as of the date of Board adoption below.

Recitals

A. The District and General Manager entered into the Agreement effective July 1, 2026, for a term through June 30, 2027.

B. Section 1 of the Agreement refers to "the General Manager job description, attached hereto as Exhibit A," but no Exhibit A was in fact attached or adopted at the time the Agreement was executed.

C. The parties wish to: (i) attach and adopt Exhibit A (Scope of Services) effective as of the Agreement's original effective date, and conform Section 1's reference to Exhibit A accordingly; (ii) amend Section 4 (Additional Benefits) to clarify that the General Manager's use of the District-provided vehicle is not compensation or a benefit and does not affect the General Manager's independent-contractor status, while retaining the District vehicle made available for District business; (iii) restate Section 7 (Indemnification, Insurance, and Bonding) to describe the District's defense and indemnification of General Manager as a contractual commitment approved by the Board, with standard exclusions and repayment terms, and to record the Board's determination under Public Utilities Code § 16112 regarding bonding of the General Manager position; and (iv) amend Section 8 (Independent Contractor) to require the General Manager's business entity to maintain professional liability (errors and omissions) insurance.

D. In restating Section 7, the Board finds and determines that: (i) the General Manager is an officer of the District under Public Utilities Code § 16111(d) and, under the Agreement and Exhibit A, carries out the District's core executive functions — directing staff, carrying out Board policy, signing on the District's behalf, and making the daily operational decisions the Board relies on; (ii) 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, so any liability General Manager faces under this Agreement arises from performing the District's work; (iii) 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, now and in the future; (iv) 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 (v) this protection is a contractual term only, is limited by the exclusions and repayment terms in Section 7, and does not change General Manager's status as an independent contractor under Section 8 of the Agreement.

Amendment

A. Exhibit A. The document titled "Exhibit A — Scope of Services," attached to this Amendment, is hereby incorporated into and made a part of the Agreement as Exhibit A, effective as of July 1, 2026.

B. Section 1 Amended — Reference to Exhibit A. In Section 1 of the Agreement (Duties), the phrase "the functions and duties specified in the General Manager job description, attached hereto as Exhibit A" is deleted and replaced with "the functions and duties specified in the Scope of Services, attached hereto as Exhibit A." The General Manager position description is separately maintained by the Board as Policy 2300 of the District's Manual of Policies and is not an exhibit to this Agreement. The remainder of Section 1 is unchanged.

C. Section 4 Amended. The last sentence of Section 4 of the Agreement (Additional Benefits — Travel Time) is deleted and replaced with the following; the remainder of Section 4, including the District-owned vehicle made available to General Manager for District business, is unchanged:

"General Manager's use of the vehicle is provided solely as a resource to perform the Services and shall not constitute compensation, a fringe benefit, or any other incident of employment by the District, and does not alter General Manager's status as an independent contractor under Section 8."

D. Section 7 Amended. Section 7 of the Agreement (Indemnification, Insurance, and Bonding) is deleted in its entirety and replaced with the following:

Section 7. Indemnification, Insurance, and Bonding

7.1 Defense and Indemnification by District. District shall defend, hold harmless, and indemnify Dynamic District Solutions, LLC and its Manager, Bonnie Mullaney (together, "Contractor"), against any tort or professional-liability claim, demand, or civil action arising out of an act or omission occurring within the scope of the Services and the General Manager's duties under this Agreement, including claims asserted after this Agreement ends that arise from acts or omissions during its term. This obligation is a contractual commitment approved by the District's Board of Directors.

7.2 Exclusions. District shall have no obligation under Section 7.1 to defend or indemnify Contractor: (a) in any criminal proceeding, or for any fine or penalty imposed in one; (b) for any act or omission outside the scope of the Services or the General Manager's duties; (c) where Contractor acted or failed to act because of actual fraud, corruption, or actual malice; (d) for any punitive or exemplary damages; or (e) in any claim or action brought by the District against Contractor, including any claim arising from Contractor's breach of this Agreement.

7.3 Conditions. Contractor shall give the District written notice of any claim or action within a reasonable time after receiving it, and shall cooperate reasonably and in good faith in its defense. District shall control the defense and select defense counsel. District may provide a defense under an express reservation of its rights under Section 7.2 and Section 7.4.

7.4 Repayment. If a court of competent jurisdiction, or the Board of Directors after giving Contractor notice and an opportunity to be heard, determines that a claim falls within an exclusion in Section 7.2, Contractor shall repay to the District all defense costs and any amounts

the District paid on Contractor's behalf for that claim. In addition, if the District provides Contractor any paid leave pending an investigation, any funds for Contractor's legal criminal defense, or any cash settlement upon termination, Contractor shall fully reimburse those amounts to the District if Bonnie Mullaney is convicted of a crime involving an abuse of her office or position.

7.5 Prior Conduct. District acknowledges and agrees that Contractor assumes no liability, and shall not be held responsible, for any act, omission, finding, or liability of the District, its Board, or any prior General Manager or other District officer or employee, arising from or relating to conduct occurring before the effective date of this Agreement.

7.6 Bonding. Pursuant to Public Utilities Code § 16112, the Board has determined not to prescribe a bond for the General Manager position at this time. This determination may be revisited by the Board at any time.

7.7 Survival. Sections 7.1 through 7.5 survive the expiration or termination of this Agreement as to acts or omissions occurring during its term.

E. Section 8 Amended — Insurance. In Section 8 of the Agreement (Independent Contractor), the sentence reading "Dynamic District Solutions, LLC shall maintain, at its own expense, professional liability (errors and omissions) insurance and general liability insurance in amounts customary for a general management consulting practice," is deleted and replaced with the following; all other provisions of Section 8, including its equipment provision referencing Section 4, are unchanged:

"Dynamic District Solutions, LLC shall maintain, at its own expense, professional liability (errors and omissions) insurance in amounts customary for a general management consulting practice. Upon request, General Manager shall provide District with certificates of insurance evidencing such coverage."

F. No Other Changes. Except as expressly amended herein, all other terms and conditions of the Agreement remain in full force and effect.

Signatures

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date of Board adoption set forth below.

Executed on October 27, 2026, in the County of Plumas.

Stephen Graffweg, Board Chair
Chester Public Utility District

Bonnie Mullaney, Manager
Dynamic District Solutions, LLC

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

EXHIBIT A

SCOPE OF SERVICES — General Manager Professional Services Agreement

This Exhibit A is attached to, and incorporated by reference into, the Professional Services Agreement between the Chester Public Utility District ("District") and Dynamic District Solutions, LLC ("Contractor"), effective July 1, 2026 (the "Agreement"). This Exhibit A describes the deliverables and outcomes Contractor, acting through its Manager, shall provide; it does not prescribe the hours, schedule, or specific methods by which Contractor performs the work, consistent with Section 1.D and Section 8 of the Agreement.

Contractor, acting through its Manager, Bonnie Mullaney, shall provide the following:

- A recommended annual budget for Board consideration, and implementation of the budget as adopted by the Board.
- A current financial summary presented to the Board at each regularly scheduled Board meeting.
- Recommendations to the Board on District policies and procedures for adoption.
- Negotiation and preparation, for Board approval, of memoranda of understanding, agreements, and contracts with government entities and private parties.
- Service as the District's primary point of contact with regulatory agencies, and coordination of the District's compliance with applicable federal, state, and local requirements.
- An annual report to the Board cataloging the year's accomplishments and challenges.
- Assistance to the Board in developing and updating the District's written strategic and capital expenditure plans.
- Administering the District's grant portfolio, including compliance with grant agreement terms, reporting deadlines, and reimbursement requests.
- Ensuring all legally mandated filings, reports, and permit renewals are submitted accurately and by their applicable deadlines.
- Serving as, or coordinating, the District's designated labor negotiator in employer-employee relations matters, consistent with the Meyers-Milias-Brown Act (Gov. Code § 3500 et seq.).
- Overseeing District personnel administration, including hiring, supervision, and performance management of staff, consistent with Board-adopted personnel policies.
- Overseeing implementation of the District's capital improvement projects, including coordination with engineers, contractors, and funding agencies.
- Overseeing District procurement and purchasing in accordance with Board-adopted purchasing policies.
- Overseeing the District's risk management program, including insurance coverage and workplace safety compliance.
- Direction of District staff and outside consultants reasonably necessary to deliver the foregoing.

Contractor determines the manner, means, sequencing, and scheduling by which these deliverables are achieved, consistent with the Agreement's independent contractor terms. Use of the District vehicle made available under Section 4 of the Agreement, as amended, is governed by that Section and does not constitute compensation or alter Contractor's independent-contractor status.

Acknowledgment of Incorporation

The undersigned confirm that this Exhibit A is the scope-of-services exhibit referenced in Section 1 of the Agreement, is attached to and incorporated into the Agreement as of its effective date, and supersedes any prior, unattached, or draft version of this Exhibit.

Stephen Graffweg, Board Chair — Chester Public Utility District

Bonnie Mullaney, Manager — Dynamic District Solutions, LLC

Date: 11-20-26