CHESTER PUBLIC UTILITY DISTRICT

251 Chester Airport Road | Chester, CA 96020 | (530) 258-2171

BOARD OF DIRECTORS
RESOLUTION NO. 468

A RESOLUTION OF THE BOARD OF DIRECTORS OF CHESTER PUBLIC UTILITY DISTRICT AMENDING AND RESTATING RESOLUTION NO. 455 TO REFLECT THAT THE FFY 2024 STATE AND LOCAL CYBERSECURITY GRANT PROGRAM SUBAWARD #2024-0090 REQUIRES NO NON-FEDERAL COST SHARE, AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE RELATED GRANT DOCUMENTS

WHEREAS, the Chester Public Utility District ("District") owns and operates a water system, including supervisory control and data acquisition (SCADA) and information technology (IT) infrastructure, serving approximately 2,100 residents of the Lake Almanor Basin in Plumas County; and

WHEREAS, the State and Local Cybersecurity Grant Program ("SLCGP") was established under the federal Infrastructure Investment and Jobs Act of 2021 to fund cybersecurity improvements for state, local, and tribal governments, and is administered in California by the California Governor's Office of Emergency Services ("Cal OES") pursuant to California's approved statewide Cybersecurity Plan; and

WHEREAS, under the SLCGP, local governments receive 80% of California's federal allocation, with 25% of the state's total allocation reserved specifically for rural jurisdictions, and the District, with a service population under 2,100, qualifies as a rural jurisdiction; and

WHEREAS, on March 13, 2026, the District, acting through its General Manager as the District's authorized agent and point of contact, submitted a Notice of Interest, a completed Project Worksheet, and a cybersecurity posture maturity survey to Cal OES, proposing three linked cybersecurity projects as described in the Project Worksheet; and

WHEREAS, on August 4, 2026, Cal OES issued a Notification of Subrecipient Allocation, Subaward #2024-0090, approving the District's proposal in the full amount requested, a federal SLCGP award of $250,000, provided there are no successful appeals and pending completion and/or revision of all required application forms; and

WHEREAS, the Notification of Subrecipient Allocation establishes a subaward performance period of July 1, 2026 through August 31, 2028; requires the District's dated signature to be returned to the assigned Grants Analyst within twenty (20) calendar days of receipt; and subjects the subaward to 2 CFR Part 200, the FFY 2024 Notice of Funding Opportunity, the Preparedness Grants Manual, the California Supplement to the NOFO, the applicable Standard Assurances, and ongoing Financial and Performance Progress Reporting requirements for the duration of the subaward; and

WHEREAS, on October 13, 2026, Cal OES advised the District that the FFY 2024 SLCGP award no longer requires a non-federal cost share, and requested that Resolution No. 455 be revised accordingly; and

WHEREAS, the subaward is funded entirely by the FFY 2024 SLCGP federal award in the amount of $250,000, and the District will submit to Cal OES, for its approval, a revised Project Worksheet that fits the approved projects to the $250,000 award amount; and

WHEREAS, the Board has reviewed the terms of this subaward and finds that acceptance is in the best interest of the District and the ratepayers it serves, as the federal funding offsets planned capital and

operational expenditures on SCADA and IT security infrastructure that the District would otherwise need to fund from enterprise fund reserves or future rate revenue; and

WHEREAS, the Board desires to amend and restate Resolution No. 455 in its entirety to conform to Cal OES's request;

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. Amendment and Restatement of Resolution No. 455. Resolution No. 455, adopted August 7, 2026, is hereby amended and restated in its entirety as set forth in this Resolution and is superseded by it. All actions taken by the General Manager under Resolution No. 455 that are consistent with this Resolution are hereby ratified and confirmed.

Section 3. Acceptance of Subaward. The Board of Directors hereby accepts, on behalf of the District, the Federal Fiscal Year 2024 State and Local Cybersecurity Grant Program subaward from the California Governor's Office of Emergency Services, Subaward #2024-0090, in the amount of $250,000, as described in Cal OES's Notification of Subrecipient Allocation dated August 4, 2026, as modified by Cal OES on October 13, 2026 to remove the non-federal cost share, and any subsequent subaward documents issued by Cal OES, subject to all terms, conditions, and assurances set forth therein. The subaward is funded entirely by the FFY 2024 State and Local Cybersecurity Grant Program federal award; no non-federal cost share is required; and the total project cost is $250,000.

Section 4. Approved Projects. The Board approves implementation, within the subaward performance period of July 1, 2026 through August 31, 2028, of the cybersecurity projects funded under this subaward, as set forth in the District's Project Worksheet, as it may be revised and approved by Cal OES, and summarized below:

Project	**SLCGP Funds (100% Federal)**
Network Security Infrastructure Improvements (firewall upgrades, network segmentation, an industrial demilitarized zone (iDMZ), and monitoring)	$112,450
Secure Remote Access and Endpoint Security (workstation replacement, multi-factor authentication, secure remote access)	$79,800
Cybersecurity Governance and Workforce Preparedness (policies, vendor risk procedures, incident response plan, staff training and exercise)	$49,000
Management & Administration (up to 5% of federal award)	$8,750
Total Project Cost	**$250,000**

The amounts shown are budget estimates and may be reallocated among the approved projects with Cal OES approval. The District will complete the project scope approved by Cal OES for Subaward #2024-0090 at the $250,000 award amount.

Section 5. Authorization of Agent. The General Manager is hereby designated as the District's authorized agent and representative for all purposes of Subaward #2024-0090 under the Federal Fiscal Year 2024 State and Local Cybersecurity Grant Program, and is authorized and directed to:

(a) execute and return to Cal OES the Notification of Subrecipient Allocation, and execute any subrecipient agreement, assurance, certification, or other grant document required by Cal OES to accept and implement this subaward;

(b) submit all application forms, a revised Project Worksheet and any related budget or scope revisions for Cal OES approval, Financial Management Forms Workbook reimbursement requests, Financial and Performance Progress Reports, and other instruments required under the subaward or by Cal OES;

(c) obtain any additional written approval required by Cal OES prior to incurring costs for restricted activities under the subaward, including noncompetitive procurement and Environmental Planning and Historic Preservation review; and

(d) take all other actions necessary and appropriate to fulfill the District's obligations under Subaward #2024-0090.

Section 6. Compliance Commitment. The District hereby commits to comply with all terms, conditions, and requirements applicable to Subaward #2024-0090, including 2 CFR Part 200, the FFY 2024 Notice of Funding Opportunity, the Preparedness Grants Manual, the California Supplement to the NOFO, the applicable Standard Assurances, and all ongoing financial and performance reporting requirements set forth therein.

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

PASSED AND ADOPTED by the Board of Directors of the Chester Public Utility District at a regular meeting of the Board held on October 27, 2026. The Board Clerk called the roll, and each Director voted as recorded below:

DIRECTOR	AYE	NO	ABSTAIN	ABSENT
Stephen Graffweg (Chair)	X			
Kimberly Green	X			
Justin Bottini	X			
Rick Paulsen	X			
Tami Tharpe	X			

TOTAL — AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0

Stephen Graffweg, Board Chair
Chester Public Utility District

Date: October 27, 2026

ATTEST:

Kelly Sanders, Board Clerk
Chester Public Utility District
Date: October 27, 2026