

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, April 9, 2026
7:30 p.m.
Westborough Water District Office
2263 Westborough Boulevard, South San Francisco

1. ROLL CALL:

2. PLEDGE OF ALLEGIANCE:

3. CONSENT CALENDAR:

All items listed under the Consent Calendar are approved by a single motion of the Board. A Board member may request removal of any item for discussion and separate action:

A. Approval of Minutes:

1. Regular Meeting of March 12, 2026.

B. Accountant's Report for Period Ending February 28, 2026.

C. Investment Report for Period Ending March 31, 2026.

D. Claims Register for March 31, 2026.

4. PUBLIC COMMENT:

Members of the public are invited to participate during the public comment period or when an item on the agenda is introduced. Anyone wishing to speak should, after the recognition, give their name and address, speak clearly, and direct their remarks only to the Board. Please limit your remarks to no more than five (5) minutes. Items not on the agenda may be referred to Staff for consideration at a later date.

5. BUSINESS (OLD): None

6. BUSINESS (NEW):

REGULAR MEETING OF THE BOARD OF DIRECTORS

April 9, 2026

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- A. PUBLIC HEARING: Consideration of Ordinance No. 78, Amendment to Policy for Directors' Compensation and Expense Reimbursement.
 - B. Review/Approve June 30, 2025, Audit Report (presented via Zoom).
 - C. LAFCo Special District Regular Member Election 2026: Submit Written Nominations for the Regular LAFCo Member and Authorization to Transmit the LAFCo Special District Member Ballot by Electronic Mail.
 - D. Consideration to Set a Public Hearing to Approve the Updated UWMP for June 11, 2026.
- 7. WRITTEN COMMUNICATIONS: None**
- 8. ATTORNEY'S REPORT:**
- 9. GENERAL MANAGER'S REPORT:**
- A. Engineer's Report (Pakpour).
 - 1. Skyline No. 3 Retrofit Project - Progress Payment No. 6 and Update.
 - 2. Appian-280 Easement Sanitary Sewer Improvements – Brief Update.
 - 3. Standard Specifications – Brief Update.
 - B. Report on District's Water Conservation for March 2026.
 - C. Report of SamTrans Bus Hitting Fire Hydrant at 3500 Callan Boulevard.
- 10. ITEMS FROM BOARD OF DIRECTORS:**
- A. Report on SMC CSDA Meeting of March 9, 2016 (Chambers).
 - B. Report on BAWSCA Meeting of March 19, 2026 (Chambers).
- 11. CLOSED SESSION: None**
- 12. ADJOURNMENT:**

REGULAR MEETING OF THE BOARD OF DIRECTORS

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Upon request, the Westborough Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the auxiliary aid or service at least 3 days before the meeting. Request should be sent to Westborough Water District at 2263 Westborough Boulevard, South San Francisco, CA 94080, or email wwd@westboroughwater.org. Availability of Public Records: all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Acts, that are distributed to a majority of the legislative body will be available for public inspection at 2263 Westborough Boulevard, South San Francisco, CA 94080, at the same time that the public records are distributed or made available to the legislative body.

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

Thursday, March 12, 2026

The meeting was called to order at 7:30 p.m.

1. ROLL CALL:

Directors Present: Don Amuzie
Tom Chambers
Janet Medina
Julie Richards
Perry Bautista

Staff Present: Michael Conneran, Attorney
Carlos Arias, Field Supervisor
Wendy Bellinger, Office Supervisor
Brandon Laurie, Engineer
Patricia Mairena, General Manager

Visitors Present: None.

2. PLEDGE OF ALLEGIANCE: Led by Director Medina.

3. CONSENT CALENDAR:

President Bautista asked the Board if there was any discussion; otherwise, he would entertain a motion to accept the consent calendar.

Director Chambers moved to approve the Consent Calendar as written, seconded by Director Amuzie.

The motion was carried unanimously.

4. PUBLIC COMMENT: None

5. **BUSINESS (OLD):** None

6. **BUSINESS (NEW):**

A. **Consideration to Adopt Ordinance No. 77, Backflow And Cross-Connection Control.**

General Manager Mairena reminded the Board that the District had contracted with Backflow Prevention to review the Cross Connection Control Plan (CCCP) that was recently prepared by another contractor. Backflow Prevention had determined that there were some areas of the plan that needed revisions, as well as an updated ordinance.

General Manager Mairena stated that the updated ordinance document had been forwarded to Attorney Conneran for his review, and the final draft was in their board packet. Attorney Conneran told the Board that he had proofread the document, put it into the District's format, and mentioned that the current ordinance was very old and he recommended approval.

General Manager Mairena told the Board that Ben Bennett from Backflow Prevention was knowledgeable in his field and very well recognized, and he was surprised that the ordinance had not been updated when the CCCP was prepared. General Manager Mairena mentioned that if the Board adopted this ordinance, she would then send a copy to Mr. Bennett, who would then file an updated CCCP with the State.

Director Chambers moved to Adopt Ordinance No. 77, Backflow and Cross-Connection Control, seconded by Director Medina.

Roll Call

Director Amuzie	Aye
Director Chambers	Aye
Director Medina	Aye
Director Richards	Aye
President Bautista	Aye

The motion was carried unanimously.

B. **Review/Approve Agreement with Launch Consulting for Risk and Resilience Assessment Update for the Water System.**

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General Manager Mairena mentioned that she was unaware of the upcoming renewal deadline for the Risk and Resilience Assessment (RRA) Update, which happens every five years along with the Emergency Response Plan (ERP); however, the ERP does not currently need updating because of recent revisions made. General Manager Mairena also mentioned that as part of the RRA Update, there is a new section on Cyber Security that would need to be included.

General Manager Mairena stated that she believed Launch was the best company for this project, since they had previously worked as a subcontractor on the RRA, and they were already familiar with the District's assets.

General Manager Mairena told the Board that the Scope of Work was in their packet along with an agreement she had asked Attorney Conneran to prepare, and the total cost for the project would be \$24,850. General Manager Mairena stated that her recommendation was to approve this agreement, since the filing date was June 30, 2026.

Attorney Conneran mentioned that the Scope of Work looks good to him, plus the addition of Cyber Security training was an important thing.

Director Amuzie moved to approve the Agreement with Launch Consulting for Risk and Resilience Assessment Update for the Water System, seconded by Director Chambers.

C. Review/Approve District Newsletter.

General Manager Mairena reported that she had met with the Public Relations Committee and the draft in front of them was the result of that meeting. General Manager Mairena mentioned that this newsletter would be emphasizing emergency preparedness and proceeded to review the newsletter contents with the Board.

Director Chambers moved to approve the District Newsletter as written, seconded by Director Amuzie.

D. Provide Direction to Staff Regarding of Potential Increase in Directors' Compensation and Schedule Public Hearing.

Attorney Conneran reviewed the procedure for increasing the Directors' Compensation at the request of the Board. Attorney Conneran explained that a Notice of Public Hearing would be required followed by adoption by ordinance and commented on the process for calculating the percentage increases.

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President Bautista asked General Manager Mairena if she had been able to obtain directors' compensation information from neighboring agencies. Director Chambers stated that he had BAWSCA's survey data and commented on their process for increasing their director's compensation and their decision to review their compensation every five years.

There was a discussion on compensation increase amounts and whether the directors could be compensated for training sessions which have increased according to the new legislation passed. Attorney Conneran commented on increasing the compensation so as to offset the reimbursement of the internet bill, since that was an area of concern to him due to reporting issues. General Manager Mairena asked if the policy regarding compensating for training sessions could also be reviewed. Attorney Conneran stated that the entire policy would be reviewed.

The Board suggested that compensation should be revised to \$175 for the first meeting of the month and \$125 for any additional meetings. Director Chambers suggested that the changes should become effective with the new fiscal year. Attorney Conneran mentioned that the increase would not take effect until 60 days after adoption of the ordinance, so July 1, 2026, would be fine.

There was additional discussion about taxes actually reducing the total compensation instead of increasing it. The Board then suggested that compensation should be revised to \$200 for the first meeting of the month and \$125 for any additional meetings.

President Bautista asked if there was any additional information needed by Staff, General Manager Mairena replied that she had everything needed, and that Staff would come back next month with an updated policy and ordinance. Attorney Conneran commented on the publishing of the public notice and its schedule.

E. Consideration to Approve Resolution 692 in Support of the Nomination of John Weed for ACWA/JPIA California Water Insurance Board.

General Manager Mairena stated that this request had been sent to the District's JPIA director, Don Amuzie, and recalled to the Board that the District had received this type of request in the past. Attorney Conneran commented that it was not just support, but because of their bylaws, they needed at least two agencies' nominations.

General Manager Mairena mentioned that Attorney Conneran had prepared the resolution on their board packets, which was similar to the ones approved in the past. President Bautista and Directors Chamber and Amuzie commented on Mr. Weed's work ethic.

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Director Chambers moved to approve Resolution 692 in Support of the Nomination of John Weed for ACWA/JPIA California Water Insurance Board, seconded by Director Medina.

Roll Call

Director Amuzie	Aye
Director Chambers	Aye
Director Medina	Aye
Director Richards	Aye
President Bautista	Aye

The motion was carried unanimously.

F. Consideration to Approve Letter Authorizing Support of SB 1001 – Cal OES Proposal to Establish a Standardized Identification Card Program for Essential Utility Workers Who May Need Access to Emergency Areas to Maintain or Restore Critical Infrastructure.

General Manager Mairena mentioned that this request had also been sent to the District’s JPIA director, Don Amuzie. Director Amuzie replied that JPIA was looking for support.

Director Chambers asked if public officials were not supposed to lobby. Attorney Conneran replied that public officials were allowed to express support.

President Bautista asked if these IDs would be comparable to the one that was issued by the District to him about five years ago. General Manager Mairena replied that these would be similar, but standard IDs issued by Cal OES (Office of Emergency Services), valid for five years. Attorney Conneran mentioned that first responders may be in different jurisdiction, so having a standard ID, especially for first responders, makes sense.

Director Chambers moved to approve President Bautista to sign a Letter Authorizing Support of SB 1001 – Cal OES Proposal to Establish a Standardized Identification Card Program or Essential Utility Workers Who May Need Access to Emergency Areas to Maintain or Restore Critical Infrastructure, seconded by Director Amuzie.

The motion was carried unanimously.

7. WRITTEN COMMUNICATIONS: None

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8. ATTORNEY'S REPORT:

Attorney Conneran reported that there was a decision made back in December related to tiered water rates in the *Dreher vs. the City of L.A. Department of Water and Power*, case which approved tiered rates and the methodology used to set them. Attorney Conneran mentioned that in an issue relevant to the District, this case approved the application of the claiming requirement that was included in the District's last rate notice, stating that any challenges need to be made before a certain date, thereby putting people on notice that any challenge must be made in a timely fashion. Attorney Conneran also mentioned that coming back years later to make a challenge was now prohibited if the procedure is followed.

9. GENERAL MANAGER'S REPORT:

A. Engineer's Report (Pakpour).

1. Skyline Tank No. 3 Retrofit Project - Progress Payment No. 5 and Update.

Engineer Laurie stated that Euro Style Management (ESM) had completed quite a bit of work during the month of February, including all the structural work inside the tank, bringing it to code, and had begun sandblasting inside the tank. Engineer Laurie commented that due to the substantial rain, ESM had been unable to pour the foundation concrete, which was now anticipated to be done in March as well as finalizing the sandblasting inside the tank, and the welding.

Engineer Laurie mentioned that things should start picking up in the next month and a half as their progress payment showed that the project was only 59% completed. Once the coating and the foundation concrete were completed by the end of March, the job would reflect more progress than was shown now.

Engineer Laurie reported that the pending three change orders had not changed, and he hoped to include them with the next board packet. Engineer Laurie mentioned that the labor was a bid item, but the materials would need to be paid for via a change order.

Engineer Laurie displayed various pictures of the work being done for the project, provided descriptions, and the Board asked questions.

Engineer Laurie stated that with the next order, there will be an extension of time on them due to rainy days which caused a delay with concrete pouring.

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2. Appian-280 Easement Sanitary Sewer Improvements – Brief Update.

Engineer Laurie reported that they had met with the contractor this week on constructability of the line being installed and there were no issues reported.

Engineer Laurie stated that they expected to submit a 65% design by next week.

3. Standard Specifications – Brief Update.

Engineer Laurie stated that they are working diligently on updating the Specifications and the reason they had not completed them yet was that they were extracting all the material information that was in the written part of the Specifications and putting it into a single document, so to make it easier for those using the Specifications to find and locate parts that may be needed for installation.

Engineer Laurie mentioned that he wanted to report that they will soon start on the design for Skyline Tank No. 2 project, which is similar to Skyline Tank No. 3 with structural retrofit and recoating.

Engineer Laurie asked if the Board had any questions.

B. Report on District's Water Conservation for February 2026.

General Manager Mairena displayed the monthly comparison chart of water use and reported that water consumption for February 2026 was slightly higher but not by much, in comparison to the same period for FY 2020-2021, the last year with average usage before the last drought. General Manager Mairena mentioned that the GPCPD (gallons per capita per day) was also pretty low. General Manager Mairena reminded the Board that customers were currently conserving water for the January - February sewer measurement period.

C. Report of SamTrans Bus Hitting Fire Hydrant at 3500 Callan Boulevard.

General Manager Mairena reviewed her written report with the Board on an incident that occurred on February 18, 2026, in which an empty SamTrans bus experiencing mechanical failure crashed into the 3500 Callan Blvd. building, and in the process sheared one of the District's fire hydrants, and that Field Supervisor Arias, who was on call, had responded.

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General Manager Mairena displayed pictures of the incident and Field Supervisor Arias provided an overview of the events and of the shut-off and restoration of water service activities. Field Supervisor Arias stated that the building had been red tagged.

Engineer Laurie stated that the new fire hydrants have check valves that help prevent water loss, but this must have been an older hydrant. General Manager Mairena mentioned that staff was trying to figure out the water loss. Engineer Laurie replied to use tank water levels to determine it.

General Manager Mairena told the Board that staff had attempted to install a new hydrant but due to its location and type of installation that needed concrete, she had instructed Field Supervisor Arias to have SF Underground do to the repairs. General Manager Mairena said that she hoped SamTrans would be paying for the repairs and that she was still calculating all the losses including water loss, staff time, repairs by the contractor, and parts, currently amounting to \$6,115.14.

General Manager Mairena reported that she had reached out to SamTrans to open up a claim, and she had also submitted a report to JPIA to see if they could assist with the collection of the losses. General Manager Mairena also reported that she had attempted to get a copy of the incident report from the SMC Sheriff's Department but was told that the report was not yet ready for release.

General Manager Mairena asked if there were any questions and told the Board she will be reporting on this matter again.

D. Report on District's Upgrade of its Customer Connect Notification.

General Manager Mairena reported that she had been notified that the current News Flash System being used by the District to notify enrolled customers of any emergencies would be phased out and she was provided with a couple of options for its replacement. General Manager Mairena told the Board that she had chosen TextMyGov as the best replacement.

General Manager Mairena reviewed the cost associated with the program and mentioned that several years back, prior to News Flash, the District had used another company that charged approximately \$5,000 per year and was difficult to use because staff had to provide them with a spreadsheet with all the phone numbers for all customers. With this system migrating the current customers who have already signed up for News Flash, customers would be able to sign up on their own. General Manager Mairena added that the District will be running a campaign encouraging customers to sign up for the new system.

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Thursday, March 12, 2026

General Manager Mairena reviewed the cost of the program with the Board and explained that the first year would be more expensive, or \$5,250 due to setup fees, but the following two years the cost would drop to \$3,500 per year. General Manager Mairena asked if there were any questions; otherwise, she would proceed to exercise her authority and sign the agreement for the new program.

President Bautista thanked General Manager Mairena.

- 10. **ITEMS FROM BOARD OF DIRECTORS:** None
- 11. **CLOSED SESSION:** None
- 12. **ADJOURNMENT:**
Without objection, President Bautista adjourned the meeting.
Time 8:38 p.m.

Secretary

President

Date

Westborough Water District

Financial Statements
With Accountant's Compilation Report
February 28, 2026



Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Ste. 5
Morgan Hill, CA 95037

Westborough Water District

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Accountant's Compilation Report

To the Board of Directors
Westborough Water District
City of South San Francisco, CA

Management is responsible for the accompanying financial statements of the business-type activities of the Westborough Water District, CA (the "District"), as of and for the eight months ended February 28, 2026, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information on pages 7 through 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. However, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

A statement of cash flows for the eight months ended February 28, 2026, has not been presented. Accounting principles generally accepted in the United States of America require that a statement of cash flows be presented when financial statements purport to present financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.



Chavan and Associates, LLP
Certified Public Accountants

We are not independent with respect to the District as of and for the eight months ended February 28, 2026, because we performed certain accounting services that impaired our independence. We were engaged to compile monthly summary reports of the District's transactions instead of a full set of financial statements. As such, we are required by the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants to disclose that the accompanying financial statements exclude the minimum required disclosures and statement of cash flows. This does not impact the credibility and accuracy of the information included in the accompanying financial statements.

C & A LLP

April 6, 2026
Morgan Hill, California

Westborough Water District
Statement of Net Position
February 28, 2026

ASSETS

Current Assets:

Cash (Including \$5,678,739 in Time Deposits)	\$	6,442,407
Receivables		
Water		858,288
Sewer		292,890
Other		137,066
Prepaid Expenses and Other		47,608
Inventory		233,686
Total Current Assets		8,011,945

Non-Current Assets:

Lease Receivable		182,131
Utility Plant in Service (Note 5):		
Land		182,633
Work in Progress		2,492,781
Water Facility		8,231,334
Building		1,503,835
Joint-Use Facilities		94,907
Meters		1,148,858
Office Furniture and Equipment		161,676
Maintenance Facility		478,623
Sewer Facility		3,629,557
Total Utility Plant in Service (Capital Assets)		17,924,204
Less Accumulated Depreciation		(7,799,318)
Utility Plant in Service-Net Accumulated Depreciation		10,124,886
Total Non-Current Assets		10,307,017

Total Assets	\$	18,318,962
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DEFERRED OUTFLOWS

Deferred Pension Outflows	\$	640,031
Deferred OPEB Outflows		173,441
Total Deferred Outflows	\$	813,472

(continued)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Net Position
February 28, 2026

LIABILITIES

Current Liabilities:

Accounts Payable (Note 2)	\$	864,207
Customers' Deposits		418,670
Unearned Revenue		20,263
Total Current Liabilities		1,303,140

Long-term Liabilities:

Accrued Vacation		124,575
Net Pension Liability		1,254,767
Net OPEB Obligation		267,500
Total Long-term Liabilities		1,646,842

Total Liabilities	\$	2,949,982
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DEFERRED INFLOWS

Deferred Lease Inflows	\$	145,111
Deferred Pension Inflows		148,489
Deferred OPEB Inflows		138,665

Total Deferred Inflows	\$	432,265
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NET POSITION

Net Investment in Capital Assets	\$	10,124,886
Restricted for Capital Facilities		347,103

Unrestricted:

Reserved for Contingencies		278,273
Reserved for Capital Expenditures		1,916,100
Non-spendable Inventory and Prepaids		281,294
Unappropriated		2,802,531

Total Net Position	\$	15,750,187
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(concluded)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Activities
For the Eight Months Ended February 28, 2026

Operating Revenue:	
Water Sales (Note 3)	\$ 3,611,298
Sewer Svc. and Transfer Charges	2,509,403
Misc. Operations	16,815
Total Operating Revenue	<u>6,137,516</u>
Operating Expense:	
Water Expenditures	2,051,807
Sanitary Sewer Expenditures	2,176,408
Admin. and General Expenditures	929,699
Depreciation	228,864
Total Operating Expenses	<u>5,386,778</u>
Operating Income (Loss)	750,738
Non-operating Income (Expense):	
Property Taxes	520,855
Investment Interest	188,544
Other	22,218
Total Non-operating Income (Expense)	<u>731,617</u>
Change in Net Position	1,482,355
Net Position - Beginning	<u>14,267,832</u>
Net Position - Ending	<u>\$ 15,750,187</u>

See accompanying notes and accountant's compilation report

Westborough Water District
Selected Information - Substantially All Disclosures Required by
Generally Accepted Accounting Principles are Not Included
February 28, 2026

NOTE 1 - There was no Bad Debt expense during the month.

NOTE 2 - Accounts payable at February 28, 2026, includes \$541,889 of accrued treatment and disposal expense.

NOTE 3 - Estimated operating revenues are used in preparing the financial statements for the months of January, March, May, July, September and November because actual figures are not available until one and one-half months after the close of these months.

NOTE 4 - Accounts receivable are reported net an allowance for uncollectible accounts of \$(1,575) to account for uncollectible water receivables for the period.

NOTE 5 - Changes in utility plant in-service for the eight months ended February 28, 2026, were as follows:

Beginning Balance	\$	17,523,572
Engineering		-
Surveying		-
Contractors		-
Other Fixed Assets		400,632
Ending Balance	\$	17,924,204

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the Eight Months Ended February 28, 2026

	February	Year to Date	2025-26 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Operating Revenue:						
Water Sales (Note 3)	\$ 385,479	\$ 3,611,298	\$ 5,449,170	66.27%	-0.39%	\$ (21,482)
Water Misc. Operations	2,789	16,815	20,000	84.08%	17.41%	3,482
Total Water Operating Revenue	388,268	3,628,113	5,469,170	66.34%	-0.33%	(18,000)
Sewer Svc. and Transfer Charges	312,564	2,509,403	3,765,946	66.63%	-0.03%	(1,228)
Total Sewer Operating Revenue	312,564	2,509,403	3,765,946	66.63%	-0.03%	(1,228)
Total Operating Revenue	700,832	6,137,516	9,235,116	66.46%	-0.21%	(19,228)
Operating Expense:						
Water Expenditures	256,526	2,051,807	3,252,093	63.09%	3.57%	116,255
Admin. and General Expenditures	76,291	752,096	1,134,854	66.27%	0.39%	4,473
Depreciation	22,795	182,231	295,165	61.74%	4.93%	14,546
Total Water Operating Expenses	355,612	2,986,134	4,682,112	63.78%	2.89%	135,274
Sanitary Sewer Expenditures	264,427	2,176,408	3,253,405	66.90%	-0.23%	(7,471)
Admin. and General Expenditures	18,270	177,603	354,954	50.04%	16.63%	59,033
Depreciation	5,884	46,633	70,575	66.08%	0.59%	417
Total Sewer Operating Expenses	288,581	2,400,644	3,678,934	65.25%	1.41%	51,979
Total Operating Expenses	644,193	5,386,778	8,361,046	64.43%	2.24%	187,253
Operating Income (Loss)	56,639	750,738	874,070	85.89%	19.22%	168,025
Non-operating Income (Expense):						
Water Property Taxes & Assessments	1,830	322,272	517,611	62.26%	-4.41%	(22,802)
Water Investment Interest	8,263	79,235	49,648	159.59%	92.93%	46,136
Other Non-operating Water Income (Expense)	2,772	22,218	34,080	65.19%	-1.47%	(502)
Total Water Non-Operating Income (Expenses)	12,865	423,725	601,339	70.46%	3.80%	22,832
Sewer Property Taxes & Assessments	61,251	198,583	221,833	89.52%	22.85%	50,694
Sewer Investment Interest	11,735	109,309	74,471	146.78%	80.11%	59,662
Total Sewer Non-Operating Income (Expenses)	72,986	307,892	296,304	103.91%	37.24%	110,356
Total Non-operating Income (Expense)	85,851	731,617	897,643	81.50%	14.84%	133,188
Net Income (Loss)	\$ 142,490	\$ 1,482,355	\$ 1,771,713	83.67%	17.00%	\$ 301,213

Westborough Water District
Water Fund Schedule of Income and Expense - Budget to Actual
For the Eight Months Ended February 28, 2026

	February	Year to Date	2025-26 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Water Operating Revenue:						
Water Sales (Note 3)	\$ 385,479	\$ 3,611,298	\$ 5,449,170	66.27%	-0.39%	\$ (21,482)
Misc. Operations	2,789	16,815	20,000	84.08%	17.41%	3,482
Total Operating Revenue	388,268	3,628,113	5,469,170	66.34%	-0.33%	(18,000)
Water Operating Expense:						
Salaries	33,226	284,475	435,382	65.34%	1.33%	5,780
Salaries Overtime	871	5,678	11,000	51.62%	15.05%	1,655
Benefits	8,531	99,608	158,416	62.88%	3.79%	6,003
OPEB Prefunding	-	-	3,140	0.00%	66.66%	2,093
Payroll Taxes	2,625	20,453	41,069	49.80%	16.86%	6,926
Technical Communications	824	7,325	12,325	59.43%	7.24%	892
Utilities	12,415	123,161	200,088	61.55%	5.11%	10,231
Supplies and Small Tools	1,455	6,867	15,450	44.45%	22.22%	3,433
Maintenance of Sytem	2,077	29,921	66,715	44.85%	21.82%	14,556
Special Services	49,525	118,088	181,823	64.95%	1.72%	3,127
Vehicle Expense	816	8,928	35,865	24.89%	41.77%	14,982
Water Purchases	144,161	1,347,303	2,090,820	64.44%	2.23%	46,577
Admin. and General Expenditures						
Salaries	40,659	355,011	501,193	70.83%	-4.17%	(20,882)
Salaries-Temporary	-	-	2,120	0.00%	66.65%	1,413
Salaries-Overtime	-	-	2,120	0.00%	66.65%	1,413
Employee Benefits	14,327	172,307	206,489	83.45%	-16.78%	(34,648)
Payroll Taxes	3,051	19,642	46,149	42.56%	24.10%	11,124
OPEB	-	-	4,752	0.00%	66.67%	3,168
Office Supplies and Postage	1,247	7,115	9,910	71.80%	-5.13%	(508)
Memberships	195	34,873	53,128	65.64%	1.03%	546
Utilities	114	640	1,492	42.90%	23.79%	355
Telephone	456	2,568	3,808	67.44%	-0.76%	(29)
Water Conservation	70	858	5,600	15.32%	51.34%	2,875
Building & Grounds Maintenance	287	6,647	12,649	52.55%	14.12%	1,786
Parking Rentals	315	2,520	3,969	63.49%	3.17%	126
Directors Fees	350	3,100	7,900	39.24%	27.43%	2,167
Engineering Services	3,759	18,384	50,619	36.32%	30.35%	15,362
Accounting	2,697	21,641	33,395	64.80%	1.86%	622
Legal	1,449	14,167	16,400	86.38%	-19.72%	(3,234)
Billing	650	17,502	43,285	40.43%	26.23%	11,355
Communications	195	11,271	23,184	48.62%	18.05%	4,185
Insurance	3,541	35,055	56,954	61.55%	5.12%	2,914
Bad Debts (Note 1)	-	20	1,000	2.00%	64.70%	647
Travel	-	3,342	15,815	21.13%	45.53%	7,201
Miscellaneous	52	9,620	10,118	95.08%	-28.41%	(2,875)
Banking and Cr. Card Fees	2,877	15,813	22,805	69.34%	-2.67%	(610)
Total Admin. and General Expenditures	76,291	752,096	1,134,854	66.27%	0.39%	4,473
Depreciation Expense	22,795	182,231	295,165	61.74%	4.93%	14,546
Total Water Operating Expense	355,612	2,986,134	4,682,112	63.78%	2.89%	135,274
Water Operating Income (Loss)	32,656	641,979	787,058	81.57%	14.90%	117,274
Water Non-operating Income (Expense):						
Property Taxes	1,830	322,272	517,611	62.26%	-4.41%	(22,802)
Investment Interest	8,263	79,235	49,648	159.59%	92.93%	46,136
Other Non-Operating Water Income (Expense)	2,772	22,218	34,080	65.19%	-1.47%	(502)
Total Non-operating Income (Expense)	12,865	423,725	601,339	70.46%	3.80%	22,832
Net Income (Loss)	\$ 45,521	\$ 1,065,704	\$ 1,388,397	76.76%	10.09%	\$ 140,106

Westborough Water District
Sewer Fund Schedule of Income and Expense - Budget to Actual
For the Eight Months Ended February 28, 2026

	February	Year to Date	2025-26 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Sanitary Sewer Operating Revenue:						
Sewer Svc. and Transfer Charges	\$ 312,564	\$ 2,509,403	\$ 3,765,946	66.63%	-0.03%	\$ (1,228)
Total Operating Revenue	312,564	2,509,403	3,765,946	66.63%	-0.03%	(1,228)
Sanitary Sewer Operating Expense:						
Treatment & Disposal	249,492	1,995,941	2,993,912	66.67%	0.00%	-
Utilities	10,530	99,036	162,547	60.93%	5.74%	9,329
Repair of Pipelines	-	-	5,000	0.00%	66.66%	3,333
Repair of Pumps	-	-	21,000	0.00%	66.67%	14,000
Miscellaneous Sewer Expenses	4,405	81,431	70,946	114.78%	-48.11%	(34,133)
Admin. and General Expenditure						
Salaries	6,907	50,649	104,138	48.64%	18.03%	18,776
Employee Benefits	824	20,234	45,530	44.44%	22.22%	10,119
Payroll Taxes	652	2,806	10,120	27.73%	38.94%	3,941
OPEB Prefunding	-	-	489	0.00%	66.67%	326
Office Supplies and Postage	535	3,059	4,247	72.03%	-5.37%	(228)
Memberships	-	-	492	0.00%	66.67%	328
Telephone	195	1,100	1,632	67.40%	-0.74%	(12)
Water Conservation	30	368	2,400	15.33%	51.33%	1,232
Building & Grounds Maintenance	58	955	2,489	38.37%	28.28%	704
Parking Rentals	135	1,080	1,701	63.49%	3.17%	54
Directors Fees	350	2,700	4,400	61.36%	5.30%	233
Engineering Services	740	3,412	19,250	17.72%	48.94%	9,421
Accounting	2,697	21,641	33,395	64.80%	1.86%	622
Legal	726	9,858	16,400	60.11%	6.55%	1,075
Billing	273	8,989	18,551	48.46%	18.21%	3,378
Communications	195	10,604	24,853	42.67%	24.00%	5,965
Insurance	3,542	35,055	56,954	61.55%	5.12%	2,914
Bad Debts (Note 1)	-	20	1,000	2.00%	64.70%	647
Miscellaneous	90	3,295	4,379	75.25%	-8.52%	(373)
Banking and Cr. Card Fees	321	1,778	2,534	70.17%	-3.51%	(89)
Total Admin. and General Expenditures	18,270	177,603	354,954	50.04%	16.63%	59,033
Depreciation Expense	5,884	46,633	70,575	66.08%	0.59%	417
Total Sanitary Sewer Operating Expense	288,581	2,400,644	3,678,934	65.25%	1.41%	51,979
Sanitary Sewer Operating Income (Loss)	23,983	108,759	87,012	124.99%	58.33%	50,751
Sanitary Sewer Non-operating Income (Expense):						
Property Taxes	61,251	198,583	221,833	89.52%	22.85%	50,694
Investment Interest	11,735	109,309	74,471	146.78%	80.11%	59,662
Total Non-operating Income (Expense)	72,986	307,892	296,304	103.91%	37.24%	110,356
Net Income (Loss)	\$ 96,969	\$ 416,651	\$ 383,316	108.70%	42.03%	\$ 161,107

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MARCH 31, 2026

LOCAL AGENCY INVESTMENT FUND
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
		Beginning Balance	\$5,536,341.66
		<i>No Transactions</i>	\$5,536,341.66
		Ending Balance	\$5,536,341.66

Total Investments Last Report Period = \$5,536,341.66
Total Investments at End of Report Period = \$5,536,341.66

Effective Interest Rate: 3.871%
(as of 02/26)

Approved by:



Patricia Mairena
General Manager

PM/pm

The investments of the Westborough Water District as of this date are in compliance with the District's Statement of Investment Policy as adopted by the Board on February 8, 1996. The District has a sufficient cash position to meet its expenditure requirements for the next six months.

California State Treasurer **Fiona Ma, CPA**



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

April 02, 2026

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

WESTBOROUGH WATER DISTRICT

GENERAL MANAGER
P.O.BOX 2747
SOUTH SAN FRANCISCO, CA 94083-2747

[Tran Type Definitions](#)

Account Number: 90-41-004

March 2026 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	5,536,341.66
Total Withdrawal:	0.00	Ending Balance:	5,536,341.66

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MARCH 31, 2026

MULTI-BANK SECURITIES, INC.
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginning Balance			\$142,888.46
03/31/26	\$ (41.47)	Change in Account Value	\$142,846.99
Ending Balance			\$142,846.99

Total Investments Last Report Period = \$142,888.46
Total Investments at End of Report Period = \$142,846.99

Effective Interest Rate: 3.700%
(to maturity - 10/08/26)

Approved by:



Patricia Mairena
General Manager

PM/pm

The investments of the Westborough Water District as of this date are in compliance with the District's Statement of Investment Policy as adopted by the Board on February 8, 1996. The District has a sufficient cash position to meet its expenditure requirements for the next six months.

Scan for
 Online Access



March 1, 2026 - March 31, 2026
 Account Number: RMB-023565

WESTBOROUGH WATER DISTRICT
 PO BOX 2747
 S SAN FRAN CA 94083-2747

Your Account Executive:
 PAUL REHMUS
 (800) 967-4513

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$142,888.46
Net Change in Portfolio¹	-41.47
ENDING ACCOUNT VALUE	\$142,846.99
Estimated Annual Income	\$5,291.00

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

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Asset Summary

Percent	Asset Type	Last Period	This Period
100%	Fixed Income/Debt Securities	142,888.46	142,846.99
100%	Account Total	\$142,888.46	\$142,846.99

Please review your allocation periodically with your Account Executive.
 Your Account is 100% invested in Fixed Income/Debt Securities.

Client Service Information

Your Account Executive: MBP
 PAUL REHMUS
 MULTI-BANK SECURITIES
 1000 TOWN CENTER, STE 2300
 SOUTHFIELD MI 48075-1239

Contact Information
Business: (800) 967-4513
E-Mail: customerservice@mbssecurities.com

Client Service Information
Service Hours: Weekdays 09:00 a.m. - 05:00 p.m. (EST)
Client Service Telephone Number: (800) 967-9045
Web Site: WWW.MBSSECURITIES.COM

Your Account Information

INVESTMENT OBJECTIVE

Investment Objective: NONE SPECIFIED

Please discuss your investment objective with your Account Executive.

TAX LOT DEFAULT DISPOSITION METHOD

Default Method for Mutual Funds: First In First Out
 Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out
 Default Method for all Other Securities: First In First Out

BOND AMORTIZATION ELECTIONS

Amortize premium on taxable bonds based on Constant Yield Method: Yes
 Accrual market discount method for all other bond types: Constant Yield Method
 Include market discount in income annually: No

ELECTRONIC DELIVERY

You have **not** enrolled any documents for electronic delivery. The following documents are available for electronic delivery:

Statements and Reports	Notifications	Tax Documents
Trade Confirmations	Prospectus	Proxy/Shareholder Communications

Please log in to your account or contact your Account Executive to make any changes to your electronic delivery preferences.

Portfolio Holdings

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME/DEBT SECURITIES 100.00% of Portfolio (In Maturity Date Sequence)						
Certificates of Deposit						
VALLEY NATL BK PASSAIC N J CTF DEP 3.700% 10/08/26 B/E DTD 10/08/24 ACT/365 1ST CPN DTE 04/08/25 Security Identifier: 919853PF2	143,000.0000	99.8930	142,846.99	2,522.28	5,291.00	3.70%
Total Certificates of Deposit	143,000.0000		\$142,846.99	\$2,522.28	\$5,291.00	
TOTAL FIXED INCOME/DEBT SECURITIES	143,000.0000		\$142,846.99	\$2,522.28	\$5,291.00	
Total Portfolio Holdings			Market Value \$142,846.99	Accrued Interest \$2,522.28	Estimated Annual Income \$5,291.00	

Portfolio Holdings Disclosures

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

Portfolio Holdings Disclosures (continued)**Estimated Annual Figures**

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.bny.com/pershing/us/en/disclosures.html for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

Certificates of Deposit

Certificates of Deposit acquired through the Certificate of Deposit Account Registry Service ("CDARS") and held in your brokerage account are subject to Securities Investor Protection Corporation (SIPC) coverage. Please see additional information about SIPC under Important Information and Disclosures on this statement.

Please be advised that the secondary market for CDs is generally illiquid; the actual value of CDs may be different from their purchase price; and a significant loss of principal could result if your CDs are sold prior to maturity. In the event that the CDs listed above do not indicate a market valuation, an accurate market value could not be determined. In the event that a price is listed above for your CDs, Pershing has obtained a price from sources deemed to be reliable or has priced your CDs using a matrix formula. Prices are estimates and the actual value you may obtain for your CD may be different if you elect to sell your CD in the secondary market.

Foreign Currency Transactions

Pershing will execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your shares held on margin may be reduced by the amount of shares on loan. The Proxy Voting Instruction Form sent to you may reflect a smaller number of shares entitled to vote than

Portfolio Holdings Disclosures (continued)

Proxy Vote (continued)

the number of shares in your margin account.

Variable Rate Securities

Interest rate data for certain complex and/or variable rate securities is provided to Pershing by third-party data service providers pursuant to contractual arrangements. Although we seek to use reliable sources of information, the accuracy, reliability, timeliness, and completeness of interest rate data may vary sometimes, particularly for complex and/or variable rate securities and those with limited or no secondary market. As a result, we can offer no assurance as to the accuracy, reliability, timeliness, or completeness of interest rate data for such securities. Pershing may also occasionally make interest rate updates and adjustments based on its reasonable efforts to obtain accurate, reliable, timely, and/or complete interest rate data from other data sources, but we can similarly provide no assurance that those rates or adjustments will be accurate, reliable, timely, or complete.

When updated interest rate data is received from a third-party data service provider or adjusted by Pershing, the updated data will be reflected in various sources where interest rate data is used or viewed, including both paper and electronic communications and data sources. Prior use or communication of interest rate-related data will not be revised. Since variable interest rates may be subject to change at any time and are only as accurate as the data received from third-party data service providers or otherwise obtained by Pershing, interest rate data should not be relied on for making investment, trading, or tax decisions. All interest rate data and other information derived from and/or calculated using interest rates are not warranted as to accuracy, reliability, timeliness, or completeness and are subject to change without notice. Pershing disclaims any responsibility or liability to the fullest extent permitted by applicable law for any loss or damage arising from any reliance on or use of the interest rate data or other information derived from and/or calculated using interest rates in any way. You should request a current valuation for your securities from your financial adviser or broker prior to making a financial decision or placing an order or requesting a transaction in these securities.

Structured Products

Structured products in this section are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity (a redemption could affect the yield represented); early redemption fees or other applicable fees; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with a comparable maturity; unique tax implications; concentration risk of owning the related security; limited or no secondary market; restrictions on transferability; conflicts of interest; and limits on participation in appreciation of underlying asset(s). To review a complete list of risks, please refer to the offering documents for the structured product. For more information about the risks specific to your structured products, you should contact your financial institution or advisor. Certain structured products are designed to make periodic distributions to you and any such structured product distributions you receive will be listed in the Transactions section of your statement. Structured product distributions may be listed there as "Bond Interest Received"; however, this description is not intended to reflect a determination as to either the asset classification of the product or the U.S. tax treatment of such distributions.

Messages

Although a money market mutual fund (money fund) seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money fund. The money fund's sponsor has no legal obligation to provide financial support to a money fund, and you should not expect that the sponsor will provide financial support to a money fund at any time. Although no money fund's board has current intentions to impose a fee upon the sale of shares, each board reserves the ability to impose liquidity fees if it determines it's in the best interest of the fund. Pursuant to SEC Rule 10b-10(b)(1) confirmations are not sent for purchases into money funds processed on the sweep platform. Pursuant to applicable regulation, account statements will be produced monthly or quarterly. Federal Deposit Insurance Corporation (FDIC) eligible bank deposit sweep products automatically deposit any available cash into FDIC member banks where those balances are eligible for pass through FDIC insurance coverage on swept balances. Balances in FDIC member banks in bank deposit sweep products are not protected by Securities Investor Protection Corporation (SIPC). Shares of a money fund or the balance of a bank deposit product held in your brokerage account may be liquidated upon request with the proceeds credited to your brokerage account. Please see the money fund's prospectus or the bank deposit product's disclosure document or contact your advisor for additional information.

PERSHING LLC (BNY PERSHING) ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

Messages (continued)

BNY Pershing, as the custodian for your accounts, is required to disclose certain information to you on an annual basis. This document contains those disclosures.

ACCOUNT-RELATED ACTIVITY DISCLOSURES

FEDERAL AND STATE TAX WITHHOLDING FOR RETIREMENT ACCOUNTS

You may, at any time, by contacting your firm, designate or change the federal and state income tax withholding election for distributions from your individual retirement account, 403(b)(7) custodial account or qualified retirement plan. If you do not have enough federal or state income tax withheld, you may be responsible for payment of estimated taxes. Penalties and interest may also apply.

SPECIAL NOTE FOR NON-U.S. ACCOUNTS

With respect to assets custodied by BNY Pershing on your behalf, income and capital gains or distributions to you from your account may be taxable in your home jurisdiction and/or country of tax residence. Please consult your tax advisor for the appropriate tax treatment of your transactions.

NEGATIVE INTEREST RATES

In response to certain extraordinary economic conditions, some foreign countries have implemented a negative interest rate policy to stabilize their economies. Under such a policy, a central bank charges banks a fee to hold reserves, and, as a result, the banks then charge depositors a fee to maintain their deposits. Historically, the U.S. has not adopted policies resulting in negative interest rates, and there is no indication that the Federal Reserve Board plans to adopt such a policy in the future. If, however, such a policy is adopted in the U.S., banks may begin to charge fees to maintain deposits, which could result in fees being applied to certain balances such as those held through products like bank deposit sweep products. In such an event, a fee could be charged for maintaining deposits in certain scenarios.

TRADING ACTIVITY DISCLOSURES

PAYMENT FOR ORDER FLOW PRACTICES

BNY Pershing sends equity orders to exchanges or broker-dealers for execution. Some of these market centers provide payments to BNY Pershing or charge access fees depending upon the characteristics of the order and execution. Orders executed on one or more exchange(s) will either earn a rebate or be assessed an access fee based on each exchange's published fee schedule, which can typically be found on each exchange's web site. Exchange listed equity orders routed to an over the counter (OTC) market maker typically earn a cash payment per share for or per executed order with certain exclusions for OTC securities. The details of these payments and fees are available upon written request. BNY Pershing receives payments for directing U.S. exchange listed options order flow to broker-dealers using Smart Order Routing technology, which allows BNY Pershing to access price improvement auctions on the various options exchanges. Generally, BNY Pershing receives a per-option contract cash payment. This disclosure only applies to orders routed to BNY Pershing, for further routing and handling, by your firm. For a list of organizations that pay BNY Pershing for nondirected order flow, please visit www.orderroutingdisclosure.com. BNY Pershing executes certain equity orders with a fractional share component as principal. All orders with a fractional share component will be treated as "Not Held", which allows BNY Pershing to execute the order without being held to the current national best bid and offer.

BEST EXECUTION

BNY Pershing selects certain market centers for routing non-directed orders that provide automated execution of substantially all electronically transmitted orders in exchange-listed

3.C.8

Messages (continued)

equity securities and/or price improvement opportunities in exchange listed and certain OTC equity securities. In the case of U.S. listed options BNY Pershing selects certain wholesale brokers for routing non directed orders that provide access to option exchange price improvement auctions. The designated market centers and wholesale brokers to which orders are routed are selected based on the following:

- The consistent high quality of their executions in one or more market segments;
- Their ability to provide opportunities for executions at prices superior to the national best bid and offer (NBBO);
- Service, technology reliability, accessibility, speed of execution; and
- Cost and counterparty credit worthiness

BNY Pershing regularly reviews reports for execution quality and other factors. BNY Pershing routes orders to their hosted room, BNYX. BNYX is managed by IntelligentCross. All orders are traded at the midpoint and monitored by the Client Execution Quality team for Best Execution. Additional fees may be included in foreign market transactions. Additional fees for benchmark strategies in Exchange Traded Products (ETPs) may be included. Details on additional fees will be furnished upon request.

PERSHING LLC (BNY PERSHING) ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

BNY Pershing, as the custodian for your accounts, is required to disclose certain information to you on an annual basis. This document contains those disclosures.

ACCOUNT-RELATED ACTIVITY DISCLOSURES

MARGIN DISCLOSURE

Securities held in your margin account will be used as collateral for margin loans made to you. Some firms increase the rate of interest BNY Pershing charges on margin loans and in those cases, BNY Pershing and your firm share in the interest you pay. If the securities in your margin account decline in value, your financial organization or BNY Pershing can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts held with BNY Pershing to maintain the required equity in the margin account. It is important that you fully understand the risks involved in purchasing securities on margin. These risks include:

- You may lose more funds or securities than you deposited in your margin account;
- Your financial organization or BNY Pershing may force the sale of securities or other assets in your account(s);
- Your financial organization or BNY Pershing can sell your securities or other assets in your account(s) without contacting you;
- You are not entitled to choose which securities or other assets in your account(s) are to be liquidated or sold to meet a margin call;
- Your financial organization or BNY Pershing can increase its maintenance margin requirements at any time without advance written notice to you; and
- You are not entitled to an extension of time on a margin call.

Your Margin Agreement with BNY Pershing and your firm outlines your important obligations. The Margin Agreement is a legally binding contract, and it cannot be modified by conduct. The failure on the part of BNY Pershing or your firm at any time to enforce its rights under the Margin Agreement will not, in any way, be deemed to waive, modify or relax any of the rights granted to BNY Pershing or your firm to deal with the collateral on all loans advanced to you.

COVERED AGENCY TRANSACTIONS

Covered Agency Transactions include (1) To Be Announced Transactions, inclusive of adjustable-rate mortgage transactions, (2) Specified Pool Transactions and (3) transactions in Collateralized Mortgage Obligations (CMO), issued in conformity with a program of an agency or Government-Sponsored Enterprise, with a forward settlement date. If your financial Institution transacts in one of these securities with a Non-Netting FICC member, BNY Pershing, a BNY company is not a party to these transactions and cannot guarantee settlement. If your financial institution were to encounter financial difficulty prior to the security converting to an industry (street) CUSIP BNY Pershing will not be obligated to clear and settle those transactions.

Messages (continued)**SUBSTITUTE PAYMENT REIMBURSEMENT**

As permitted under your Margin Agreement, BNY Pershing may lend securities in your account when there is a debit balance. You are not entitled to receive a dividend when your securities are on loan over an ex-dividend date. BNY Pershing may issue a substitute payment in lieu of the dividend and compensate you for the tax difference. A substitute payment received in lieu of a dividend may be eligible for a reimbursement to your account only if the account is open on the reimbursement date. Please note that these reimbursements are: (1) credited at BNY Pershing's discretion; (2) subject to change; and (3) may be eliminated without advance notification. BNY Pershing suggests that you contact your tax advisor to discuss the treatment of substitute payments.

SUBSTITUTE PAYMENT ON MUNICIPAL BOND INTEREST

Due to operational or other technical issues that BNY Pershing, or your introducing firm may be experiencing, one or more of the municipal securities reflected in your account may not be in BNY Pershing's possession and or control. If the municipal security is not in BNY Pershing's possession and/or control by the next regularly scheduled interest payment, a taxable substitute payment in lieu of tax-exempt municipal bond interest may have been paid. BNY Pershing suggests that you contact your tax advisor to discuss the treatment of substitute payments.

CASH BALANCE/"FLOAT" DISCLOSURE

BNY Pershing obtains a financial benefit attributable to the cash balances in any account (including Employee Retirement Income Security Act accounts that are held by BNY Pershing) for the exclusive benefit of clients. BNY Pershing routinely performs required regulatory calculations which results in an amount of client cash balances being segregated from firm cash in order to protect customer assets. BNY Pershing realizes a financial benefit from this segregated cash position, typically in the form of interest earned on such balances. These cash balances in client accounts typically result from: (1) cash awaiting investment; or (2) cash pending distribution. With respect to cash awaiting investment (e.g., new contributions), BNY Pershing obtains a financial benefit until the funds are automatically invested into a money market fund or bank deposit sweep product ("Sweep Product") or are used for other purposes, such as to purchase securities. If your account agreement provides for the automatic investment into a Sweep Product, such investment will take place on the day after the receipt of cash (and the financial benefit will be one day), unless timely instructions are received to manually purchase the Sweep Product on the same day that cash is received, which may be accommodated in certain cases. If your account agreement does not provide for automatic investment into a Sweep Product, no automatic investment will occur until the day after the appropriate instructions are added to your account by your firm. When BNY Pershing receives a request for a distribution by check, the account is charged (debited) on the date the check is written. BNY Pershing mails disbursement checks on the same day that they are written. BNY Pershing may obtain the financial benefit described above from the date the check is written until the date the check is presented for payment, the timing of which is beyond BNY Pershing's control. When a distribution is requested using an Automated Clearing House instruction, BNY Pershing receives a one-day financial benefit in connection with the distribution. If the distribution is made using the Federal Reserve wire system, BNY Pershing receives no financial benefit in connection with the distribution.

PERSHING LLC (BNY PERSHING) ANNUAL DISCLOSURE OF IMPORTANT INFORMATION

BNY Pershing, as the custodian for your accounts, is required to disclose certain information to you on an annual basis. This document contains those disclosures.

GENERAL DISCLOSURES

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Messages (continued)

STATEMENT OF FINANCIAL CONDITION DATED DECEMBER 31, 2025

On December 31, 2025, BNY Pershing regulatory net capital of \$3.97 billion was 19.61% of aggregate debit items and \$3.57 billion in excess of the minimum requirement. A complete copy of the December 31, 2025 Statement of Financial Condition is available at www.bny.com/pershing/us/en/statement-of-financial-condition. You may request a free printed copy by calling (888) 860-8510.

RESPONSIBILITIES OF BNY PERSHING

BNY Pershing is a clearing broker that provides clearing, custody, execution services and other financial solutions to registered broker dealers that introduce clients to us. Your firm has the primary responsibility for contact and communication with you and is also responsible for account opening document review, approval and investment advice.

ANTI-MONEY LAUNDERING, FIGHTING TERRORISM, AND OFAC

To help the government fight the funding of terrorism and money laundering activities, financial organizations are required by federal law to obtain, verify, and record information that identifies each individual or entity that opens an account or requests credit. What this means for individuals: When an individual opens an account or requests credit, we will ask for that person's name, residence address, date of birth, tax identification number and other information that allows us to identify them. We may also ask to see a driver's license, passport or other identifying documents. What this means for other legal entities: When a corporation, partnership, trust or other legal entity opens an account or requests credit, we will ask for the entity's name, physical address, tax identification number and other information that will allow us to identify the entity. If applicable, the same information will be collected about the beneficial owner(s) of the entity. We may also ask for certain identifying documents, such as certified articles of incorporation, partnership agreements or a trust instrument. The Department of Treasury's Office of Foreign Assets Control (OFAC) administers and enforces economic sanctions programs implemented by the government. BNY Pershing is required to comply with all OFAC sanctions. This may include blocking or rejecting transactions or funds of certain individuals and entities if it reasonably believes violates any of the OFAC sanctions programs.

SECURITIES INVESTOR PROTECTION CORPORATION® (SIPC®) INFORMATION

Information regarding SIPC, including a SIPC brochure, may be obtained by contacting SIPC via its website at www.sipc.org or by telephone at (202) 371-8300. An investment in a bank deposit program insured by the Federal Deposit Insurance Corporation (FDIC) is covered by FDIC insurance (up to allowable limits), but not eligible for SIPC coverage. Please review your statement for additional information on the sweep product in your brokerage account(s).

FINANCIAL INDUSTRY REGULATORY AUTHORITY® (FINRA®) INVESTOR EDUCATION AND PROTECTION

An investor brochure that includes information describing FINRA BrokerCheck® may be obtained from FINRA at www.finra.org. The FINRA BrokerCheck hotline number is (800) 289-9999.

MUNICIPAL SECURITIES RULEMAKING BOARD® (MSRB®) RULE G-10 INVESTOR AND MUNICIPAL ADVISORY CLIENT EDUCATION AND PROTECTION

An investor brochure that describes the protections available under MSRB rules and instructions on how to file a complaint with an appropriate regulatory authority can be found on the MSRB website at www.msrb.org. BNY Pershing is registered with the Securities and Exchange Commission (SEC), MSRB and is a member of FINRA and the New York Stock Exchange (NYSE).

BUSINESS CONTINUITY

BNY Pershing maintains a business continuity plan that includes geographically dispersed data centers and processing facilities. The plan is reviewed annually and updated as necessary. The plan outlines the actions BNY Pershing will take in the event of an incident, including:

- Continuous processing support by personnel located in unaffected facilities;
- Relocating technology or operational personnel to alternate regional facilities; and
- Switching of technology processing to an alternate regional data center.

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Messages (continued)

All BNY Pershing operational facilities are equipped for resumption of business and are tested. In circumstances within BNY Pershing's control, it is BNY Pershing's objective to resume business within four (4) hours or less, depending upon the availability of external resources. If your firm experiences a significant business interruption, you may contact BNY Pershing directly to process limited trade-related transactions, cash disbursements and security transfers. Instructions to BNY Pershing must be in writing to general.customer.service@bny.com or by mail to Pershing LLC, P.O. Box 2065, Jersey City, NJ 07303-2065. For additional information about how to request funds and securities when your firm cannot be contacted due to a significant business interruption, please access the information located in the Business Continuity and Other Disclosures link on the BNY Pershing website at www.bny.com/pershing/us/en/disclosures. You may also call (201) 413-3635 for recorded instructions.

PROHIBITION AGAINST UNLAWFUL INTERNET GAMBLING

In accordance with the Unlawful Internet Gambling Enforcement Act (Act), transactions associated with unlawful internet gambling are prohibited. Specifically, the Act "prohibits any person engaged in the business of betting or wagering from knowingly accepting payments in connection with the participation of another person in unlawful internet gambling." Accordingly, you must not initiate or receive wire transfers, checks, drafts or other debit/credit transactions that are restricted by the Act. For more information, please refer to <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20081112b.htm>.

IMPORTANT NOTICE FOR CALIFORNIA RESIDENTS

Pursuant to California state law (Part 3, Title 10 Chapter 7), as custodian of your assets, BNY Pershing may be required to transfer your assets to the state of California if no activity occurs within the statutorily defined time period. The state law defines the time period to be 36 months, during which time there is no activity within the account or communication between the account owner and the financial organization.

Cash Not Yet Received

Security	Record Date	Payable Date	Quantity Held	Rate	Dividend Option	Amount of Payment
Interest						
VALLEY NATL BK PASSAIC N J CTF DEP 3.700% 10/08/26 B/E	03/24/26	04/08/26	143,000.0000	0.018449	Cash	2,638.25
Total Cash Not Yet Received						\$2,638.25

Assets shown here are not reflected in your account. This information has been received from sources we believe to be reliable. Pershing does not guarantee the accuracy of the information.

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Important Information and Disclosures

The Role of Pershing

- **Pershing LLC, member FINRA, NYSE, carries your account as clearing broker pursuant to a clearing agreement with your financial institution.** Pershing is not responsible or liable for any acts or omissions of your financial institution or its employees and it does not supervise them. Pershing provides no investment advice nor does it assess the suitability of any transaction or order. Pershing acts as the agent of your financial institution and you agree that you will not hold Pershing or any person controlling or under common control with it liable for any investment losses incurred by you.
- Pershing performs several key functions at the direction of your financial institution. It acts as custodian for funds and securities you may deposit with it directly or through your financial institution or that it receives as the result of securities transactions it processes.
- Your financial institution is responsible for adherence to the securities laws, regulations and rules which apply to it regarding its own operations and the supervision of your account, its sales representatives and other personnel. Your financial institution is also responsible for approving the opening of accounts and obtaining account documents; the acceptance and, in certain instances, execution of securities orders; the assessment of the suitability of those transactions, where applicable; the rendering of investment advice, if any, to you and in general, for the ongoing relationship that it has with you.
- Inquiries concerning the positions and balances in your account may be directed to the **Pershing Customer Service Department at (201) 413-3333**. All other inquiries regarding your account or activity should be directed to your financial institution. Your financial organization's contact information can be found on the first page of this statement.
- For a description of other functions performed by Pershing please consult the Disclosure Statement provided to you upon the opening of your account. This notice is not meant as a definitive enumeration of every possible circumstance, but as a general disclosure. If you have any questions regarding this notice or if you would like additional copies of the Disclosure Statement, please contact your financial institution.
- Pershing is a member of the Securities Investor Protection Corporation (SIPC®). Please note that SIPC does not protect against loss due to market fluctuation. An explanatory brochure is available upon request at www.sipc.org. In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: www.bny.com/pershing/us/en/about/strength-and-stability.html
- This statement will be deemed conclusive. You are advised to report any inaccuracy or discrepancy (including unauthorized trading) promptly, but no later than ten days after receipt of this statement, to your financial organization and Pershing. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act.
- Your financial organization's contact information can be found on the first page of this statement. Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330**. Errors and Omissions excepted.

Important Arbitration Disclosures

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

Important Arbitration Agreement

Any controversy between you and Pershing LLC shall be submitted to arbitration before the Financial Industry Regulatory Authority. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action, who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (I) the class certification is denied; (II) the class is decertified; or (III) the client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein. The laws of the State of New York govern.

Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330**.

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TERMS AND CONDITIONS

GENERAL INFORMATION

- WHENEVER YOU ARE INDEBTED TO PERSHING LLC ("BNY PERSHING") FOR ANY AMOUNT, ALL SECURITIES HELD BY IT FOR YOU IN ANY ACCOUNT IN WHICH YOU HAVE ANY INTEREST SHALL SECURE ALL YOUR LIABILITIES TO BNY PERSHING, AND BNY PERSHING MAY IN ITS DISCRETION AT ANY TIME, WITHOUT TENDER, DEMAND OR NOTICE TO YOU, CLOSE OR REDUCE ANY OR ALL OF YOUR ACCOUNTS BY PUBLIC OR PRIVATE SALE OR PURCHASE OR BOTH OF ALL OR ANY SECURITIES CARRIED IN SUCH ACCOUNTS; ANY BALANCE REMAINING DUE BNY PERSHING TO BE PROMPTLY PAID BY YOU.
- WHENEVER YOU ARE INDEBTED TO BNY PERSHING FOR ANY AMOUNT, ALL SECURITIES CARRIED FOR YOUR ACCOUNT ARE OR MAY BE, WITHOUT FURTHER NOTICE TO YOU, LOANED OR PLEDGED BY BNY PERSHING, EITHER SEPARATELY OR UNDER CIRCUMSTANCES WHICH WILL PERMIT THE COMMINGLING THEREOF, WITH OTHER SECURITIES FOR ANY AMOUNT LESS THAN, EQUAL TO OR GREATER THAN YOUR LIABILITIES TO BNY PERSHING, BUT NOT UNDER CIRCUMSTANCES FOR AN AMOUNT PROHIBITED BY LAW.
- BNY PERSHING MAY TRADE FOR ITS OWN ACCOUNT AS A MARKET MAKER, SPECIALIST, ODD LOT DEALER, BLOCK POSITIONER, ARBITRAGEUR, OR INVESTOR. CONSEQUENTLY, AT THE TIME OF ANY TRANSACTION YOU MAY MAKE, BNY PERSHING MAY HAVE A POSITION IN SUCH SECURITIES, WHICH POSITION MAY BE PARTIALLY OR COMPLETELY HEDGED.
- IF AVERAGE PRICE TRANSACTION IS INDICATED ON THE FRONT OF THIS STATEMENT YOUR FINANCIAL INSTITUTION OR BNY PERSHING MAY HAVE ACTED AS PRINCIPAL, AGENT, OR BOTH. DETAILS AVAILABLE UPON REQUEST.
- A FINANCIAL STATEMENT OF BNY PERSHING IS AVAILABLE FOR YOUR PERSONAL INSPECTION AT BNY PERSHING'S OFFICES. A COPY OF IT WILL BE MAILED UPON YOUR WRITTEN REQUEST OR YOU CAN VIEW IT ONLINE AT www.bny.com/pershing.
- FOR BUSINESS CONTINUITY AND ADDITIONAL DISCLOSURES: www.bny.com/pershing/us/en/disclosures.html
- THIS STATEMENT SHOULD BE RETAINED FOR YOUR RECORDS.

TRANSACTIONS

- ALL ORDERS AND TRANSACTIONS SHALL BE SOLELY FOR YOUR ACCOUNT AND RISK SHALL BE SUBJECT TO THE CONSTITUTION, RULES, REGULATIONS, CUSTOMS, USAGES, RULINGS AND INTERPRETATIONS OF THE EXCHANGE OR MARKET AND THE CLEARING FACILITY, IF ANY, WHERE THE TRANSACTIONS ARE EXECUTED AND/OR SETTLED, OR IF APPLICABLE, OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY AND TO ALL APPLICABLE LAWS AND REGULATIONS.
- TITLE TO SECURITIES SOLD TO YOU, WHERE BNY PERSHING HAS ACTED AS PRINCIPAL, SHALL REMAIN WITH BNY PERSHING UNTIL THE ENTIRE PURCHASE PRICE IS RECEIVED OR UNTIL THE SETTLEMENT DATE, WHICHEVER IS LATER.
- YOU MAY HAVE RECEIVED CONFIRMATIONS FOR TRANSACTIONS WHICH DO NOT APPEAR ON YOUR STATEMENT. IF SO, THE TRANSACTIONS WILL APPEAR ON YOUR NEXT PERIODIC STATEMENT. SUCH TRANSACTIONS MUST BE CONSIDERED BY YOU WHEN COMPUTING THE VALUE OF YOUR ACCOUNT. THIS IS ESPECIALLY TRUE IF YOU HAVE WRITTEN OPTIONS WHICH HAVE BEEN EXERCISED.

FREE CREDIT BALANCES: ANY FREE CREDIT BALANCE CARRIED FOR YOUR ACCOUNT REPRESENTS FUNDS PAYABLE UPON DEMAND WHICH, ALTHOUGH PROPERLY ACCOUNTED FOR ON BNY PERSHING'S BOOKS OF RECORD, ARE NOT SEGREGATED AND MAY BE USED IN THE CONDUCT OF ITS BUSINESS.

DEBIT BALANCES: INTEREST CHARGED ON DEBIT BALANCES IN YOUR ACCOUNT APPEARS ON THE STATEMENT. THE RATE OF INTEREST AND PERIOD COVERED ARE INDICATED. THE RATE MAY CHANGE FROM TIME TO TIME DUE TO FLUCTUATIONS IN MONEY RATES OR OTHER REASONS. INTEREST IS COMPUTED AS DESCRIBED IN MATERIAL PREVIOUSLY FURNISHED TO YOU. PLEASE CONTACT YOUR FINANCIAL INSTITUTION IF YOU DESIRE ADDITIONAL COPIES.

MARGIN INFORMATION: IF YOU MAINTAIN A MARGIN ACCOUNT, THIS IS A COMBINED STATEMENT OF YOUR GENERAL ACCOUNT AND A SPECIAL MEMORANDUM ACCOUNT MAINTAINED FOR YOU UNDER REGULATION T OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. THE PERMANENT RECORD OF THE SEPARATE ACCOUNT AS REQUIRED BY REGULATION T IS AVAILABLE FOR YOUR INSPECTION UPON REQUEST.

TAX INFORMATION

- AFTER YEAR END, BNY PERSHING IS REQUIRED TO PROVIDE TAX INFORMATION TO THE INTERNAL REVENUE SERVICE AND OTHER GOVERNMENTAL AUTHORITIES. AT THAT TIME BNY PERSHING WILL PROVIDE THAT INFORMATION ON THE ANNUAL TAX INFORMATION STATEMENT TO YOU; USE THAT STATEMENT TO PREPARE YOUR TAX FILINGS. THE TAX STATEMENT ALSO INCLUDES OTHER USEFUL INFORMATION TO ASSIST IN ACCUMULATING THE DATA TO PREPARE YOUR TAX RETURNS.
- DIVIDENDS, INTEREST AND OTHER DISTRIBUTIONS SHOWN ON THIS STATEMENT WERE CLASSIFIED AS TAXABLE OR NONTAXABLE BASED ON CERTAIN INFORMATION KNOWN AS OF THE DISTRIBUTION DATE. THIS CLASSIFICATION IS SUBJECT TO CHANGE AND IS SOLELY INTENDED FOR USE AS GENERAL INFORMATION.

- BNY PERSHING DOES NOT PROVIDE TAX, INVESTMENT OR LEGAL ADVISORY SERVICES AND NO ONE ASSOCIATED WITH BNY PERSHING IS AUTHORIZED TO RENDER SUCH ADVICE. DO NOT RELY UPON ANY SUCH ADVICE, IF GIVEN. INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE APPROPRIATE TAX TREATMENT OF THEIR BUSINESS.

PAYMENT FOR ORDER FLOW AND ORDER ROUTING POLICY DISCLOSURES (REGULATION NMS – RULE 607 (A) (1) – (2))

BNY PERSHING SENDS EQUITY AND OPTION ORDERS TO EXCHANGES, OR BROKER-DEALERS AS MARKET MAKERS OR AUTOMATED TRADING SYSTEMS (ATSS). CERTAIN OF THESE VENUES PROVIDE PAYMENTS TO BNY PERSHING OR CHARGE ACCESS FEES TO BNY PERSHING DEPENDING UPON THE CHARACTERISTICS OF THE ORDER AND ANY SUBSEQUENT EXECUTION. THE DETAILS OF THESE PAYMENTS AND FEES ARE AVAILABLE UPON WRITTEN REQUEST. COMPENSATION IS GENERALLY IN THE FORM OF A PER SHARE OR PER OPTION CONTRACT CASH PAYMENT. IN ADDITION, BNY PERSHING EXECUTES CERTAIN TRANSACTIONS IN EQUITY PREFERRED SECURITIES AND FRACTIONAL SHARES AS PRINCIPAL. BNY PERSHING ALSO ROUTES CERTAIN EQUITY ORDERS TO ITS AFFILIATE, BNY MELLON CAPITAL MARKETS, LLC, FOR EXECUTION AS PRINCIPAL.

BEST EXECUTION: NOTWITHSTANDING THE PREVIOUS PARAGRAPH REGARDING PAYMENT FOR ORDER FLOW, BNY PERSHING SELECTS CERTAIN MARKET CENTERS TO PROVIDE EXECUTION OF OVER-THE-COUNTER AND EXCHANGE-LISTED SECURITIES TRANSACTIONS WHICH AGREE TO ACCEPT ORDERS, TRANSMITTED ELECTRONICALLY UP TO A SPECIFIED SIZE, AND TO EXECUTE THEM AT OR BETTER THAN THE NATIONAL BEST BID OR OFFER (NBBO). IN CERTAIN SECURITIES THAT ARE NOT ELECTRONICALLY QUOTED, BNY PERSHING DIRECTLY CONTACTS MARKET CENTERS TO OBTAIN AN EXECUTION. THE DESIGNATED MARKET CENTERS TO WHICH ORDERS ARE AUTOMATICALLY ROUTED ARE SELECTED BASED ON THE CONSISTENT HIGH QUALITY OF THEIR EXECUTIONS AND THEIR ABILITY TO PROVIDE OPPORTUNITIES FOR EXECUTIONS AT PRICES SUPERIOR TO THE NBBO. BNY PERSHING ALSO REGULARLY REVIEWS REPORTS FOR QUALITY OF EXECUTION PURPOSES.

IF ANY OF THE ABOVE TERMS AND CONDITIONS ARE UNACCEPTABLE TO YOU, PLEASE NOTIFY BNY PERSHING IMMEDIATELY IN WRITING BY CERTIFIED MAIL TO ONE PERSHING PLAZA, JERSEY CITY, NJ 07399, ATTN: LEGAL DEPT

CLAIMS REGISTER: MARCH 2026

1. GENERAL ACCOUNT FUND:

Total from Cash Disbursements \$ 560,028.24

Checks Issued During Month:

ACWA-JPIA (Health Benefits & Ins.-04/26)	15,656.16
Aqua-Metric Sales (Rubber Meter Gaskets, 3/4"x1/16" & 3/1"x1/8")	1,678.73
Art's Peninsula Locksmith (Copies of Keys)	18.68
AT&T Mobility (Field & Office Cell Phones, 02/03-03/02)	346.64
Bay Alarm (Office Burglar & Fire Alarm Monitoring, 04/26-06/26)	421.11
Bay Area Paving Co., Inc (Paving at 20 Waverly Ct, SSF)	1,855.00
CalPERS (Retirement Contributions-03/15/26)	6,624.12
CalPERS (Retirement Contributions-03/31/26)	6,624.12
Colina Association (Three Parking Spaces Rental, 04/26)	450.00
Direct Line (Answering Service, 02/15-03/14)	257.14
EFTPS (Employment Taxes-03/15/26)	11,687.48
EFTPS (Employment Taxes-03/31/26)	12,246.78
EDD (Employment Taxes-03/15/26)	2,810.67
EDD (Employment Taxes-03/31/26)	2,980.60
Fuad Baba - (MQ Customer Refund for BAB0002)	91.59
Hach Company (Water Sampling Supplies)	202.35
Hanson Bridgett LLP (Special Legal Services & Monthly Retainer-02/26)	2,642.50
JRocket77 Design (2026 Water Faucet Mar Newsletter, Print, Mail & Postage and Billing Forms and Return & Window Envelopes and Website Services - Admin & Sewer, 12/15-03/18)	10,428.90
Liftoff Digital, LLC (Web Reporting & Hosting and Updates , 03/26)	574.50
Lowe's Business (Field Supplies to 03/17/26)	175.53
	84.99
Mairena, Patricia (GM Mairena's Internet Services, 02/27-03/26 & 02/26 Membership Dues)	21,973.09
PG&E (Summary Bill to 03/23/26)	21,973.09
Rozzi Reproduction (Color Copies & Laminating System Map)	555.42
SF Water Dept. (Water Purchases, 02/05-03/05)	149,929.71
SFPUC Financial Serv. - Acctg. (Bacteria Testing 02/26)	400.00
So. SF Scavengers (Garbage Services, 02/26)	125.07
Trap's Tire & Auto Center (Truck #83 Wheel Alignment & Mount/Balance Tires)	1,208.44
Tri Counties Bank (Monthly Credit Card Charges Ending 02/28/26)	4,459.66
Underground Republic Water Works (New Hydrant, Bury Flg and Bolt & Nut Kits (Callan)	6,115.64
United States Postal Service (Billing, Bulk Mailing, Permit #419)	5,000.00
WEX Bank (Wright Express-Gas Purchases to 03/15/26)	682.21

SUB-TOTAL \$ 828,335.07

Updated Checks Voided During Month:

Fuad Baba - Voided & Re-Issued ck.#26645 (#026673)	(91.59)
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TOTAL CLAIMS REGISTER AMOUNT \$ 828,243.48

VENDOR I.D.: AMU01 (AMUZIE, DON)

Invoice No	Description	Invoice Date	Actual Period	G/L	Account #	Gross Amount	Discount Amount	Net Amount
030126-	DIRECTOR AMUZIE'S INTERNET SERVICE, 03/10-04/09	03/01/26	04-26	A	59450	65.00	.00	65.00
		03/01/26	10-26					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: BAU02 (BAUTISTA, PERRY H.)

032226-	DIRECTOR BAUTISTA'S INTERNET SERVICE, 04/26	03/22/26	04-26	A	59450	65.00	.00	65.00
		03/22/26	10-26					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: BAY01 (B.A.W.S.C.A.)

7882-	FY25-26 4TH QUARTER ASSESSMENT	04/01/26	04-26	A	59450	7801.50	.00	7801.50
		04/01/26	10-26					
** Vendor's Subtotal ----->						7801.50	.00	7801.50

VENDOR I.D.: CAS01 (PETTY CASH)

033126-	MISC. EXPENSES, 03/26	03/31/26	04-26	A	59450	179.23	.00	179.23
		03/31/26	10-26					
** Vendor's Subtotal ----->						179.23	.00	179.23

VENDOR I.D.: CHA03 (CHAVAN & ASSOCIATES, LLP)

C&A-19083-	ACCOUNTING SERVICES, 01/26	03/09/26	04-26	A	59450	2750.00	.00	2750.00
		03/09/26	10-26					
** Vendor's Subtotal ----->						2750.00	.00	2750.00

VENDOR I.D.: CHA04 (CHAMBERS, TOM)

031126-	DIRECTOR CHAMBERS' INTERNET SERVICE, 03/16-04/15	03/11/26	04-26	A	59450	65.00	.00	65.00
		03/11/26	10-26					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: EUR02 (EURO STYLE MANAGEMENT)

040126-	WIP-SKYLINE TANK #3 RETROFIT, PROGRESS PYMT #6	04/01/26	04-26	A	59450	419520.00	.00	419520.00
		04/01/26	10-26					
** Vendor's Subtotal ----->						419520.00	.00	419520.00

VENDOR I.D.: FRE02 (FREDDIE, REGINA BERRY & ANNA)

033026-	ONE WWD WASHING MACHINE REBATE FOR ACCT NO FRE0028	03/30/26	04-26	A	59450	100.00	.00	100.00
		03/30/26	10-26					
** Vendor's Subtotal ----->						100.00	.00	100.00

VENDOR I.D.: LIF01 (LIFTOFF DIGITAL, LLC)

37655-	WEB REPORTING & HOSTING, 04/26	04/01/26	04-26	A	59450	75.00	.00	75.00
		04/01/26	10-26					
** Vendor's Subtotal ----->						75.00	.00	75.00

VENDOR I.D.: MED01 (MEDINA, JANET)

Posting Period.: 04-26 Fiscal Period.: (10-26) Cash Account No.: 13110

VENDOR I.D.: MED01 (MEDINA, JANET)

Invoice No	Description	Invoice	Actual	G/L	Account #	Gross	Discount	Net
		Date	Fiscal					
030126-	DIRECTOR MEDINA'S INTERNET SERVICE, 03/10-04/09	03/01/26	04-26	A	59450	65.00	.00	65.00
		03/01/26	10-26					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: MR 01 (MRC)

IN5289652-	XEROX COPIER MAINT. AGREEMENT, 02/19-03/18	03/18/26	04-26	A	59450	273.21	.00	273.21
		03/18/26	10-26					
** Vendor's Subtotal ----->						273.21	.00	273.21

VENDOR I.D.: PAK01 (PAKPOUR CONSULTING GROUP, INC.)

4966-	ENGINEERING SERVICES, 03/26	04/03/26	04-26	A	59450	70284.95	.00	70284.95
		04/03/26	10-26					
** Vendor's Subtotal ----->						70284.95	.00	70284.95

VENDOR I.D.: RIC03 (RICHARDS, JULIE L)

022826-	DIRECTOR RICHARDS' INTERNET SERVICE, 03/26	02/28/26	04-26	A	59450	65.00	.00	65.00
		02/28/26	10-26					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: SEL01 (SELERUM, INC.)

63046-	REVIEWED & RENEWAL SONICWALL SERVICES	03/19/26	04-26	A	59450	107.50	.00	107.50
		03/19/26	10-26					
63086-	(10) BITDEFENDER ANTIVIRUS LICENSES, 04/26-03/27	04/03/26	04-26	A	59450	350.00	.00	350.00
		04/03/26	10-26					
** Vendor's Subtotal ----->						457.50	.00	457.50

VENDOR I.D.: SOU03 (SO.SF CHAMBER OF COMMERCE)

17099-	MEMBERSHIP FEE, 05/01/26-05/01/27	04/01/26	04-26	A	59450	305.00	.00	305.00
		04/01/26	10-26					
** Vendor's Subtotal ----->						305.00	.00	305.00

VENDOR I.D.: TEL02 (TELSTAR INSTRUMENTS, INC.)

131624-	SERVICES AT SKYLINE P.S. 03/19-03/26	04/01/26	04-26	A	59450	3119.25	.00	3119.25
		04/01/26	10-26					
** Vendor's Subtotal ----->						3119.25	.00	3119.25

VENDOR I.D.: WES02 (W.W.D. PAYROLL ACCOUNT)

033126-	PAYROLL TRANSFER, 03/26	03/31/26	04-26	A	59450	53927.27	.00	53927.27
		03/31/26	10-26					
** Vendor's Subtotal ----->						53927.27	.00	53927.27

VENDOR I.D.: \A008 (MOHAMED SHAYEA ALMALIKI)

000C60301-	MQ CUSTOMER REFUND FOR ALM0015	04/01/26	04-26	Z	59450	62.66	.00	62.66
		04/01/26	10-26					
** Vendor's Subtotal ----->						62.66	.00	62.66

VENDOR I.D.: \C035 (JASON CAO)

Invoice No	Description	Invoice	Actual	G/L	Account #	Gross	Discount	Net
		Date	Period					
		Due Date	Fiscal	Tr	Discount			
000C60301-	MQ CUSTOMER REFUND FOR CAO0007	04/01/26	04-26	Z	59450	68.04	.00	68.04
		04/01/26	10-26					
** Vendor's Subtotal ----->						68.04	.00	68.04

VENDOR I.D.: \C036 (DEANNA CHIN)

000C60301-	MQ CUSTOMER REFUND FOR CHI0155	04/01/26	04-26	Z	59450	38.08	.00	38.08
		04/01/26	10-26					
** Vendor's Subtotal ----->						38.08	.00	38.08

VENDOR I.D.: \C045 (CPC LLC)

000C60301-	MQ CUSTOMER REFUND FOR CPC0043	04/01/26	04-26	Z	59450	35.55	.00	35.55
		04/01/26	10-26					
** Vendor's Subtotal ----->						35.55	.00	35.55

VENDOR I.D.: \F003 (MICHELLE FONG)

000C60301-	MQ CUSTOMER REFUND FOR FON0064	04/01/26	04-26	Z	59450	35.55	.00	35.55
		04/01/26	10-26					
** Vendor's Subtotal ----->						35.55	.00	35.55

VENDOR I.D.: \L001 (JENNY LESWATI)

000C60301-	MQ CUSTOMER REFUND FOR LES0002	04/01/26	04-26	Z	59450	126.29	.00	126.29
		04/01/26	10-26					
** Vendor's Subtotal ----->						126.29	.00	126.29

VENDOR I.D.: \L026 (LUALHATI LORENZO)

000C60301-	MQ CUSTOMER REFUND FOR LOR0005	04/01/26	04-26	Z	59450	45.35	.00	45.35
		04/01/26	10-26					
** Vendor's Subtotal ----->						45.35	.00	45.35

VENDOR I.D.: \M016 (KWONG MAK)

000C60301-	MQ CUSTOMER REFUND FOR MAK0020	04/01/26	04-26	Z	59450	110.72	.00	110.72
		04/01/26	10-26					
** Vendor's Subtotal ----->						110.72	.00	110.72

VENDOR I.D.: \M017 (DELTA A. MORALES)

000C60301-	MQ CUSTOMER REFUND FOR MOR0093	04/01/26	04-26	Z	59450	121.55	.00	121.55
		04/01/26	10-26					
** Vendor's Subtotal ----->						121.55	.00	121.55

VENDOR I.D.: \O004 (LINDA H. O'KANE)

000C60301-	MQ CUSTOMER REFUND FOR OKA0005	04/01/26	04-26	Z	59450	33.50	.00	33.50
		04/01/26	10-26					
** Vendor's Subtotal ----->						33.50	.00	33.50

VENDOR I.D.: \T001 (ANN TRUONG)

VENDOR I.D.: \T001 (ANN TRUONG)

Invoice No	Description	Invoice	Actual	G/L	Account #	Gross	Discount	Net
		Date	Period					
000C60301-	MQ CUSTOMER REFUND FOR TRU0008	04/01/26	04-26	Z	59450	57.21	.00	57.21
		04/01/26	10-26					
** Vendor's Subtotal ----->						57.21	.00	57.21

VENDOR I.D.: \W008 (JORDAN & KAREN WILMES)

000C60301-	MQ CUSTOMER REFUND FOR WIL0084	04/01/26	04-26	Z	59450	71.54	.00	71.54
		04/01/26	10-26					
** Vendor's Subtotal ----->						71.54	.00	71.54

VENDOR I.D.: \W009 (DONALD WONG)

000C60301-	MQ CUSTOMER REFUND FOR WON0369	04/01/26	04-26	Z	59450	101.23	.00	101.23
		04/01/26	10-26					
** Vendor's Subtotal ----->						101.23	.00	101.23

VENDOR I.D.: \Y002 (DARREN YONG)

000C60301-	MQ CUSTOMER REFUND FDR YON0005	04/01/26	04-26	Z	59450	3.06	.00	3.06
		04/01/26	10-26					
** Vendor's Subtotal ----->						3.06	.00	3.06

** Report's Total -----> 560028.24 .00 560028.24
 =====

** Total Vendors On This Report -----> 31
 =====

** Total Vendors Needing Checks -----> 31
 =====

Code Title

 A IMMEDIATE

ORDINANCE NO. 78

**AN ORDINANCE OF THE WESTBOROUGH WATER DISTRICT
AMENDING POLICY FOR DIRECTOR'S COMPENSATION
AND EXPENSE REIMBURSEMENT**

**BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE WESTBOROUGH
WATER DISTRICT AS FOLLOWS:**

Section 1: FINDINGS AND DETERMINATIONS

A. On May 12, 1991 the Board of Directors ("Board") of the Westborough Water District ("District") adopted a "Policy for Director's Compensation and Expense Reimbursement" ("Policy") that fixed the compensation paid to Directors for their attendance at specified meetings and Board-approved events.

B. The Board of Directors desires to amend the Policy to increase the compensation rate for attending such meetings and events and to modify the list of meetings for which compensation is due.

C. The Board of Directors, pursuant to Water Code Sections 20200 *et seq.* has called and held a public hearing regarding the modifications to the Policy set forth above at the April 9, 2026, notice of which was published in a newspaper of general circulation in the District pursuant to Government Code Section 6066.

**Section 2: AMEND POLICY FOR DIRECTOR'S COMPENSATION AND
EXPENSE REIMBURSEMENT**

The updated Policy for Director's Compensation and Expense Reimbursement, which is attached to this Ordinance, is hereby approved, and the prior policy is rescinded on the effective date of this Ordinance.

Section 2. This Ordinance shall become effective on June 30, 2026, which is at least sixty (60) days from the date of its adoption. The voters of the District have the right, pursuant

to Section 20204 of the Water Code, to petition for referendum on this Ordinance. Any such petition must be presented to the Board prior to the effective date of the Ordinance pursuant to Section 20205 of the Water Code.

Section 4. The District Secretary shall cause a copy of this Ordinance to be published in a newspaper of general circulation in the District.

PASSED AND ADOPTED this 9th day of April, 2026, by the following vote of the Board:

AYES:

NOES:

ABSENT:

President of the Board of Directors
Westborough Water District

ATTEST:

Secretary of the Board

POLICY ON DIRECTOR'S COMPENSATION AND EXPENSE REIMBURSEMENT

Category A: *Meetings (including required trainings).*

Each Director is authorized to receive compensation in the amount of \$200 per day for the first meeting of the month and \$125 for each successive day for attending meetings of the Board, or of committees of the Board, including the following:

1. Board's regular monthly meetings.
2. Board's special meetings.
3. Budget and Finance Committee meetings.
4. Capital Improvement Committee meetings.
5. North San Mateo County Sanitation District sewer rate meetings.
6. Public Relations Committee meetings.
7. Personnel Committee meetings.
8. Meetings of all other committees appointed by the President of the Board.
9. Bay Area Water Supply & Conservation Agency meetings as District's representative.
10. San Mateo chapter of the California Special District Association meetings as District representative.
11. Trainings required by law (AB 1234, SB 827, harassment prevention, etc.)

The maximum number of days for which a Director may receive compensation shall not exceed ten (10) days in a calendar month, irrespective of the number of days which he or she attends meeting or seminars authorized for compensation under this policy.

Category B: *Seminars, Conferences, Tours, Workshops, and Classes.* *(Examples: ACWA, JPIA, Hetch Hetchy Tours, etc.)*

For all seminars, conferences, tours, workshops, and classes, approval by the Board shall first be obtained prior to registration to or attendance at the above seminars, etc.

If the Board approves attendance of a Director to the seminars, etc., such Director shall receive director's compensation in the amount of \$125 for each day attended by the Director. All related actual and necessary expenses shall be paid by the District. The Director shall file an expense statement for reimbursement for the Board's review and approval. Board members shall provide a brief report on meetings attended at District expense at the next regular meeting.

Category C: *Lunch and Dinner Meetings Related to the District.*

(Examples: SSF Chamber of Commerce, Community Events, Special Events Related to the District, Field Trips, etc.)

Each Director shall be allocated \$150 in the budget each fiscal year for the purpose of participating in the various functions as related to the District. This allocation is solely for the purpose of reimbursing the actual and necessary expenses incurred by the Director. The Director shall not receive director's compensation for attending these functions. The Director will not need approval from the Board to attend these meetings. However, the Director shall file an expense statement with the District for the Board's review and approval.

Category D: *Emergencies, Events not Covered Under Any of the Above Categories.*

If a Director participates in any emergencies or events not covered in categories A, B, or C, the Director will not be reimbursed for any expenses incurred or director's compensation unless the Director files a report with the Board for their review. The Board will review the report and make a determination on the request. The Board's decision will be final.

Reimbursement Procedure:

In accordance with Government Code Section 53232.2 and 53232.3, a Director seeking reimbursement shall file an expense statement on the form to be provided by the District within a reasonable period of time after incurring the expense, along with receipts documenting each expense. The expense reports and related documents are to be maintained as public records. Unless otherwise provided by the District, directors shall receive reimbursement at the then-current Internal Revenue Service rate published in IRS Publication 463. Reimbursement of expenses not covered by Publication 463 or existing Board policy shall require the prior approval of the Board.

Adopted: _____.

Westborough Water District

Management Report

June 30, 2025

Presentation Draft

Westborough Water District

Management Report

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Presentation Draft

Board of Directors
Westborough Water District
South San Francisco, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Westborough Water District (District) as of and for the years ended June 30, 2025 and 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process, we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2025.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process, we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2024.

* * * * *

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2026

APPENDIX

Westborough Water District

Audit/Finance Committee Letter

June 30, 2025

Presentation Draft

Board of Directors
Westborough Water District
South San Francisco, California

We have audited the financial statements of the business-type activities of the Westborough Water District (District) for the years ended June 30, 2025 and 2024 and have issued our report thereon dated April 9, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 12, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated April 9, 2026.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101 – *Compensated Absences*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for delinquent/doubtful accounts is based on historical write-offs of past due delinquent/doubtful customer accounts, customer creditworthiness, and calculated assumptions of expected future write-offs. We evaluated the key factors and assumptions used to develop the allowance for delinquent/doubtful accounts in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits (OPEB) plan: deferred outflows of resources, net OPEB liability, and deferred inflows of resources is based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the District's third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary in determining that they are reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

Management's estimate of the defined benefit pension plan's: deferred outflows of resources, net pension liability, and deferred inflows of resources is based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods, and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of the District's allowance for delinquent/doubtful accounts in Note 3 to the basic financial statements represents amounts susceptible to external factors the District has no control over, such as, the state of the economy in the District's service area.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan, in Note 7 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected and Corrected Misstatements, continued

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 6 through 9 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 9, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the management discussion and analysis, schedules of changes in the District's net OPEB liability and related ratios, schedules of the District's proportionate share of net pension liability, and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules and budgetary comparison schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Matters, continued

We were not engaged to report on the introductory section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended us by Patricia Mairena, General Manager and the District's administrative staff in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2026

Presentation Draft

**Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2025**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To adjust net position to agree with prior years net position per issued financial statements. Difference is related to prior year AJE #5 not recorded by Chavan.			
56890	MISCELLANEOUS	15,002.00	
31100	UNAPPROPRIATED FUND BAL.		15,002.00
Total		<u>15,002.00</u>	<u>15,002.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #1 - To reclassify 2025 contributions to net pension liability at June 30, 2025.			
25000	PENSION LIAB.	153,550.00	
17000	DEF. PEN. O/F		153,550.00
Total		<u>153,550.00</u>	<u>153,550.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #2 - To reclassify 2025 contributions to Deferred Outflows of Resources at June 30, 2025.			
17000	DEF. PEN. O/F	181,815.00	
51115	CALPERS-FIELD		56,363.00
56115	CALPERS-ADMIN		116,361.00
57115	SWR.CALPERS-ADM		9,091.00
Total		<u>181,815.00</u>	<u>181,815.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #3 - To record changes in pension liability during FY23/24 at June 30, 2025.			
17000	DEF. PEN. O/F	95,784.00	
17000	DEF. PEN. O/F	46,811.00	
51115	CALPERS-FIELD	55,755.00	
56115	CALPERS-ADMIN	115,107.00	
57115	SWR.CALPERS-ADM	8,993.00	
17000	DEF. PEN. O/F		1,536.00
17000	DEF. PEN. O/F		104,015.00
25000	PENSION LIAB.		149,456.00
27000	DEF. PEN. I/F		67,443.00
Total		<u>322,450.00</u>	<u>322,450.00</u>
Adjusting Journal Entries JE # 5			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY23/24 at June 30, 2025.			
27000	DEF. PEN. I/F	87,115.00	
51115	CALPERS-FIELD	36,923.00	
56115	CALPERS-ADMIN	76,228.00	
57115	SWR.CALPERS-ADM	5,955.00	
17000	DEF. PEN. O/F		42,075.00
17000	DEF. PEN. O/F		46,029.00
17000	DEF. PEN. O/F		90,974.00
17000	DEF. PEN. O/F		27,143.00
Total		<u>206,221.00</u>	<u>206,221.00</u>
Adjusting Journal Entries JE # 6			
AJE - To remove payables located during our Search Testing for improperly accrued for vendor BAWSCA, check 26168, invoice 7795 for FY25/26 1st quarter assessment at June 30, 2025.			
22200	ACCOUNTS PAYABLE	7,801.50	
56230	MEMBERSHIPS		7,801.50
Total		<u>7,801.50</u>	<u>7,801.50</u>
Adjusting Journal Entries JE # 7			
GASB 75 Entry #1 - To reclassify 2024 contributions to a reduction in Net OPEB Liability at June 30, 2025.			
24000	NET OPEB LIAB.	47,455.00	
16000	DEFERRED OUTFL		47,455.00
Total		<u>47,455.00</u>	<u>47,455.00</u>

Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
GASB 75 Entry #2 - To contra reclassify 2025 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2025.			
16000	DEFERRED OUTLFL	66,470.00	
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD		20,606.00
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN		42,540.00
57470	GASB 75 Contra Expense (Income) - Sewer		3,324.00
Total		66,470.00	66,470.00
Adjusting Journal Entries JE # 9			
GASB 75 Entry #3 - To record changes in OPEB liability and related deferrals during FY23/24 at June 30, 2025.			
26000	DEF. IN - OPEB	2,651.00	
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD	15,194.00	
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN	31,369.00	
57470	GASB 75 Contra Expense (Income) - Sewer	2,451.00	
16000	DEFERRED OUTLFL		32,163.00
24000	NET OPEB LIAB.		19,502.00
11184	WATER METERS		
Total		51,665.00	51,665.00
Adjusting Journal Entries JE # 10			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2025.			
26000	DEF. IN - OPEB	35,799.00	
16000	DEFERRED OUTLFL		2,608.00
16000	DEFERRED OUTLFL		16,555.00
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD		5,157.00
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN		10,647.00
57470	GASB 75 Contra Expense (Income) - Sewer		832.00
Total		35,799.00	35,799.00
Adjusting Journal Entries JE # 11			
ERAF PPA #1- Excess ERAF tax funds received in August 2023 for FY23 did not have a receivable booked in FY23.			
13900	TAXES RECEIVABLE	113,314.60	
31100	UNAPPROPRIATED FUND BAL.		113,314.60
Total		113,314.60	113,314.60
Adjusting Journal Entries JE # 12			
ERAF PPA #2- Excess ERAF tax funds received in August 2023 had revenue recognized in FY24. This reverses ERAF PPA #1 by removing the receivable and revenue from FY24.			
31100	UNAPPROPRIATED FUND BAL.	113,314.60	
13900	TAXES RECEIVABLE		113,314.60
Total		113,314.60	113,314.60
Adjusting Journal Entries JE # 13			
ERAF PPA #3- Excess ERAF tax funds received in August 2024 for FY24 did not have a receivable booked in FY24.			
13900	TAXES RECEIVABLE	113,916.08	
31100	UNAPPROPRIATED FUND BAL.		113,916.08
Total		113,916.08	113,916.08
Adjusting Journal Entries JE # 14			
AJE- Excess ERAF tax funds received in August 2024 had revenue recognized in FY25. This reverses ERAF PPA #3 by removing the receivable and revenue from FY25.			
49600	TAX & ASSMTS.-OTHER	113,916.08	
13900	TAXES RECEIVABLE		113,916.08
Total		113,916.08	113,916.08

Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 15			
AJE - To reclass recurring frequent amounts / transactions from miscellaneous expense to descriptive accounts for the purpose of account propriety from account 56890 analysis at June 30, 2025.			
56210	OFFICE SUPPLIES	761.61	
56230	MEMBERSHIPS	299.38	
56400	EMPLOYEE BENEFITS	1,574.23	
58002	Property Tax Expense	2,666.94	
49700	NON OPERATING - OTHER		1,730.33
56890	MISCELLANEOUS		3,571.83
Total		<u>5,302.16</u>	<u>5,302.16</u>
Adjusting Journal Entries JE # 16			
GASB 101 PPA #1 - To record current portion of sick and vacation & sick payroll tax liability for FY22-23 at June 30, 2025.			
31100	UNAPPROPRIATED FUND BAL.	18,919.38	
22500	ACCRD.VACATION		4,088.08
22510	ACCRD SICK LV		14,831.30
Total		<u>18,919.38</u>	<u>18,919.38</u>
Adjusting Journal Entries JE # 17			
GASB 101 PPA #2 - To reverse FY22-23 current portion of sick and vacation & sick payroll tax liability in FY23/24 at June 30, 2025.			
22500	ACCRD.VACATION	4,088.08	
22510	ACCRD SICK LV	14,831.30	
31100	UNAPPROPRIATED FUND BAL.		18,919.38
Total		<u>18,919.38</u>	<u>18,919.38</u>
Adjusting Journal Entries JE # 18			
GASB 101 PPA #3 - To record current portion of sick and vacation & sick payroll tax liability for FY23-24 at June 30, 2025.			
31100	UNAPPROPRIATED FUND BAL.	21,428.10	
22500	ACCRD.VACATION		4,284.25
22510	ACCRD SICK LV		17,143.85
Total		<u>21,428.10</u>	<u>21,428.10</u>
Adjusting Journal Entries JE # 19			
GASB 101 Entry #4 - To reverse FY23-24 current portion of sick and vacation & sick payroll tax liability in FY24/25 at June 30, 2025.			
22500	ACCRD.VACATION	4,284.25	
22510	ACCRD SICK LV	17,143.85	
51110	SALARIES		9,867.38
56110	SALARIES		11,560.72
Total		<u>21,428.10</u>	<u>21,428.10</u>
Adjusting Journal Entries JE # 20			
GASB 101 Entry #5 - To record current portion of sick and vacation & sick payroll tax liability for FY24-25 at June 30, 2025.			
22500	ACCRD.VACATION	81,882.74	
22510	ACCRD SICK LV		65,160.64
51110	SALARIES		7,557.43
56110	SALARIES		7,930.54
57110	SWR.ADM.SALARY		1,234.13
Total		<u>81,882.74</u>	<u>81,882.74</u>

**Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2025**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 21			
AJE - To reclass recurring frequent amounts / transactions from miscellaneous expense to descriptive accounts for the purpose of account propriety from account 57390 analysis at June 30, 2025.			
57350	MAINTENANCE OF PUMPS	21,167.39	
57383	Permits / Fees - Sewer	7,534.00	
57384	Outreach / Website - Sewer	3,182.24	
56841	LEGAL SERVICES		2,675.00
57390	SEWER MISC.		29,208.63
Total		<u>31,883.63</u>	<u>31,883.63</u>
	Total Adjusting Journal Entries	<u>1,742,453.35</u>	<u>1,742,453.35</u>
	Total All Journal Entries	<u>1,742,453.35</u>	<u>1,742,453.35</u>

Legend:

AJE	Audit Adjusting Journal Entry
PPA	Prior Period Audit Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry (Pension)
GASB 75 Entry	GASB 75 Adjusting Journal Entry (OPEB)
GASB 87 Entry	GASB 87 Adjusting Journal Entry (Leases)
GASB 101 Entry	GASB 101 Adjusting Journal Entry (Compensated Absences)

Presentation Draft

Westborough Water District Annual Financial Report

**For the Fiscal Years Ended
June 30, 2025 and 2024**



Mission Statement

The mission of the Westborough Water District is to provide a stable supply of high quality safe drinking water at a fair price to all customers of the District. In addition, the District has the mission to provide reliable sewer service through the North San Mateo County Sanitation District. The Board, the staff and all employees of Westborough Water District are committed to providing its customers with high quality, cost-effective and environmentally sensitive customer service.

Board of Directors as of June 30, 2025

Name	Title	Elected/ Appointed	Current Term
Don Amuzie	President	Elected	11/2024-11/2028
Perry H. Bautista	Vice President	Elected	11/2022-11/2026
Julie L. Richards	Director	Elected	11/2024-11/2028
Janet G. Medina	Director	Elected	11/2024-11/2028
Tom Chambers	Director	Elected	11/2022-11/2026

**Patricia Mairena, General Manager
Westborough Water District
2263 Westborough Boulevard
So. San Francisco, California 94080
(650) 589-1435 – www.westboroughwater.org**

Westborough Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

Presentation Draft Subject to Board Approval

**Westborough Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**

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Presentation Draft Subject to Board Approval

Financial Section

Presentation Draft Subject to Board Approval

Independent Auditor's Report

Board of Directors
Westborough Water District
South San Francisco, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Westborough Water District (District) for the years ended June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Westborough Water District, as of June 30 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the District made the following adjustments to net position; adopted the provisions of GASB Statement No. 101 – *Compensated Absences*, adjusted property tax receivable and revenue for ERAF property tax accruals not accrued for in prior years, and made adjustments to its fund allocation methodology related to shared operating expense and non-operating revenue accounts between the Water and Sewer funds. As a result, the District has restated its net position to reflect the effects of the change in its accounting policy for compensated absences, the recording of ERAF property tax accruals, and allocation changes applied to its Water and Sewer fund balances. Our opinion is not modified with respect to these matters.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 8, and the Required Supplementary Information on pages 43 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental information on pages 47 through 54, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules of net position and combining schedules of revenues, expenses, and changes in net position are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 55 and 56.

C.J. Brown & Company, CPAs

Cypress, California

April 9, 2026

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Westborough Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2025, the District's net position increased 15.32% or \$1,887,527 to \$14,209,300 as a result of ongoing operations. In fiscal year 2024, the District's net position increased 7.82% or \$893,898 to \$12,321,773 as a result of ongoing operations.
- Total revenues increased 13.31% or \$1,118,405 to \$9,519,648. In fiscal year 2024, the District's total revenues increased 2.55% or \$209,077 to \$8,401,243.
- Operating revenues increased 12.61% or \$941,273 to \$8,403,272. In fiscal year 2024, the District's operating revenues increased 2.62% or \$190,378 to \$7,461,999.
- Non-operating revenues increased 18.86% or \$177,132 to \$1,116,376. In fiscal year 2024, the District's non-operating revenues increased 2.03% or \$18,699 to \$939,244.
- Total expenses increased 1.66% or \$124,776 to \$7,632,121. In fiscal year 2024, the District's total expenses increased 4.63% or \$332,006 to \$7,507,345.
- Operating expenses increased 1.78% or \$127,419 to \$7,293,181. In fiscal year 2024, the District's operating expenses increased 4.76% or \$325,553 to \$7,165,762.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The District's statements consist of two funds: the Water Fund and the Sewer Fund. The District's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water and sewer to customers of the District are financed primarily through user charges.

The Statement of Net Position includes all the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These two statements report the District's *net position* and changes in it. One can think of the District's net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 42.

Statement of Net Position

Condensed Statements of Net Position

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>	<u>As Restated 2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 9,354,050	7,168,199	2,185,851	6,423,215	744,984
Non-current assets	8,150,746	8,187,097	(36,351)	8,084,455	102,642
Total assets	<u>17,504,796</u>	<u>15,355,296</u>	<u>2,149,500</u>	<u>14,507,670</u>	<u>847,626</u>
Deferred outflows of resources	<u>640,249</u>	<u>813,472</u>	<u>(173,223)</u>	<u>691,462</u>	<u>122,010</u>
Liabilities:					
Current liabilities	2,049,212	1,821,935	227,277	1,994,063	(172,128)
Non-current liabilities	1,490,220	1,537,220	(47,000)	1,230,030	307,190
Total liabilities	<u>3,539,432</u>	<u>3,359,155</u>	<u>180,277</u>	<u>3,224,093</u>	<u>135,062</u>
Deferred inflows of resources	<u>396,313</u>	<u>487,840</u>	<u>(91,527)</u>	<u>547,164</u>	<u>(59,324)</u>
Net position:					
Net investment in capital assets	7,980,786	7,981,835	(1,049)	7,846,834	135,001
Restricted for capital projects	122,293	286,523	(164,230)	141,540	144,983
Unrestricted	6,106,221	4,053,415	2,052,806	3,439,501	613,914
Total net position	<u>\$ 14,209,300</u>	<u>12,321,773</u>	<u>1,887,527</u>	<u>11,427,875</u>	<u>893,898</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,209,300 and \$12,321,773, as of June 30, 2025 and 2024, respectively.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

Statement of Net Position, (continued)

By far the largest portion of the District's net position (56% and 65% as of June 30, 2025 and 2024, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District had no outstanding long-term debt at June 30, 2025 and 2024, respectively. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$6,106,221 and \$4,053,415, respectively. See Note 9 to the basic financial statements for further information.

Statement of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 8,403,272	7,461,999	941,273	7,271,621	190,378
Non-operating revenues	1,116,376	939,244	177,132	920,545	18,699
Total revenues	<u>9,519,648</u>	<u>8,401,243</u>	<u>1,118,405</u>	<u>8,192,166</u>	<u>209,077</u>
Expenses:					
Operating expenses	7,293,181	7,165,762	127,419	6,840,209	325,553
Depreciation	338,940	341,583	(2,643)	335,130	6,453
Total expenses	<u>7,632,121</u>	<u>7,507,345</u>	<u>124,776</u>	<u>7,175,339</u>	<u>332,006</u>
Changes in net position	1,887,527	893,898	993,629	1,016,827	(122,929)
Net position, beginning of year, as restated	<u>12,321,773</u>	<u>11,427,875</u>	<u>893,898</u>	<u>10,411,048</u>	<u>1,016,827</u>
Net position, end of year, as restated	<u>\$ 14,209,300</u>	<u>12,321,773</u>	<u>1,887,527</u>	<u>11,427,875</u>	<u>893,898</u>

The Statement of Revenues, Expenses, and Changes of Net Position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 15.32% or \$1,887,527 to \$14,209,300 as a result of ongoing operations. In fiscal year 2024, the District's net position increased 7.82% or \$893,898 to \$12,321,773 as a result of ongoing operations.

A closer examination of the sources of changes in net position reveal that:

Total revenues increased 13.31% or \$1,118,405 to \$9,519,648 in 2025. Operating revenues increased 12.61% or \$941,273 to \$8,403,272, primarily due to increases of \$842,428 in water consumption sales and \$98,085 in wastewater services. Non-operating revenues increased 18.86% or \$177,132 to \$1,116,376, primarily due to increases of \$77,469 in insurance recovery, \$65,099 in investment earnings, and \$49,194 in property taxes, offset by a decrease of \$13,476 in other non-operating revenue as compared to the prior year.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

Statement of Revenues, Expenses, and Changes in Net Position, continued

In fiscal year 2024, total revenues increased 2.55% or \$209,077 to \$8,401,243. Operating revenues increased 2.62% or \$190,378 to \$7,461,999, due to increases of \$132,436 in water consumption sales and \$57,348 in wastewater service. Non-operating revenues increased 2.03% or \$18,699 to \$939,244, due to increases of \$185,946 in investment earnings, offset by decreases of \$118,366 in property taxes and \$51,286 in insurance recovery as compared to the prior year.

Total expenses increased 1.66% or \$124,776 to \$7,632,121 in 2025. Operating expenses increased 1.78% or \$127,419 to \$7,293,181, primarily due to increases of \$213,961 in water purchases and \$42,276 in special services, offset by decreases of \$47,108 in treatment and disposal, \$36,975 in general and administrative expenses, \$31,902 in employee benefits, and \$12,896 in system maintenance as compared to the prior year.

In fiscal year 2024, total expenses increased 4.63% or \$332,006 to \$7,507,345. Operating expenses increased 4.76% or \$325,553 to \$7,165,762, primarily due to increases of \$99,378 in treatment and disposal, \$79,864 in water purchases, \$49,869 in system maintenance, \$49,341 in utilities, \$45,800 in general and administrative expenses, and \$25,541 in salaries, offset by decreases of \$22,754 in employee benefits and \$18,027 in vehicle expenses as compared to the prior year.

Capital Asset Administration

Changes in capital asset amounts for 2025 were as follows:

	Balance 2024	Additions	Transfers/ Deletions	Balance 2025
Capital assets:				
Non-depreciable assets	\$ 388,756	350,308	(212,825)	526,239
Depreciable assets	14,824,592	200,409	-	15,025,001
Accumulated depreciation	<u>(7,231,513)</u>	<u>(338,941)</u>	<u>-</u>	<u>(7,570,454)</u>
Total capital assets, net	<u>\$ 7,981,835</u>	<u>211,776</u>	<u>(212,825)</u>	<u>7,980,786</u>

Changes in capital asset amounts for 2024 were as follows:

	Balance 2023	Additions	Transfers/ Deletions	Balance 2024
Capital assets:				
Non-depreciable assets	\$ 191,002	483,718	(285,964)	388,756
Depreciable assets	14,545,762	278,830	-	14,824,592
Accumulated depreciation	<u>(6,889,930)</u>	<u>(341,583)</u>	<u>-</u>	<u>(7,231,513)</u>
Total capital assets, net	<u>\$ 7,846,834</u>	<u>420,965</u>	<u>(285,964)</u>	<u>7,981,835</u>

At the end of fiscal year 2025 and 2024, the District's investment in capital assets net of accumulated depreciation amounted to \$7,980,786 and \$7,981,835, respectively. These investments in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, and vehicles, etc. See Note 5 to the basic financial statements for further information.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2025 and 2024

Conditions Affecting Current Financial Position

Management is unaware of any other conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Patricia Mairena, General Manager of Westborough Water District, 2263 Westborough Blvd., South San Francisco, CA 94080-5406.

Presentation Draft Subject to Board Approval

Basic Financial Statements

Presentation Draft Subject to Board Approval

Westborough Water District
Statements of Net Position
June 30, 2025 and 2024

	2025	As Restated 2024
Current assets:		
Cash and cash equivalents (note 2)	\$ 7,817,504	5,578,965
Cash and cash equivalents – restricted (note 2)	121,446	271,504
Accrued interest receivable	70,889	35,138
Accrued interest receivable – restricted	847	15,019
Accounts receivable – water sales and services, net (note 3)	911,313	776,681
Property tax receivable	123,362	118,806
Lease receivable (note 4)	35,331	32,798
Materials and supplies inventory	233,686	305,158
Prepaid expenses and other deposits	39,672	34,130
Total current assets	9,354,050	7,168,199
Non-current assets:		
Lease receivable (note 4)	169,960	205,262
Capital assets – not being depreciated (note 5)	526,239	388,756
Capital assets – being depreciated, net (note 5)	7,454,547	7,593,079
Total non-current assets	8,150,746	8,187,097
Total assets	17,504,796	15,355,296
Deferred outflows of resources:		
Deferred other post-employment benefit outflows (note 7)	141,130	173,441
Deferred pension outflows (note 8)	499,119	640,031
Total deferred outflows of resources	\$ 640,249	813,472

Continued on next page

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Net Position, (continued)
June 30, 2025 and 2024

	2025	As Restated 2024
Current liabilities:		
Accounts payable and accrued expenses	\$ 210,058	196,349
Accrued sewer service charge	1,295,288	1,042,340
Deposits	415,750	410,232
Unearned revenue	20,263	24,366
Long-term liabilities – due within one year:		
Compensated absences (note 6)	107,853	148,648
Total current liabilities	2,049,212	1,821,935
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	-	14,953
Net other post-employment benefit liability (note 7)	239,547	267,500
Net pension liability (note 8)	1,250,673	1,254,767
Total non-current liabilities	1,490,220	1,537,220
Total liabilities	3,539,432	3,359,155
Deferred inflows of resources:		
Deferred lease inflows (note 4)	167,281	200,686
Deferred other post-employment benefit inflows (note 7)	100,215	138,665
Deferred pension inflows (note 8)	128,817	148,489
Total deferred inflows of resources	396,313	487,840
Net position:		
Net investment in capital assets	7,980,786	7,981,835
Restricted (note 9)	122,293	286,523
Unrestricted (note 9)	6,106,221	4,053,415
Total net position	\$ 14,209,300	12,321,773

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	As Restated 2024
Operating revenues:		
Water consumption sales	\$ 4,985,869	4,143,441
Wastewater service	3,392,054	3,293,969
Other charges and services	25,349	24,589
Total operating revenues	8,403,272	7,461,999
Operating expenses:		
Salaries	458,373	458,906
Employee benefits	161,948	193,850
Payroll taxes	36,664	33,734
Water purchases	2,028,612	1,814,651
Utilities	329,009	322,887
System maintenance	141,176	154,072
Supplies and small tools	11,522	18,337
Special services	119,162	76,886
Technical communications	10,814	9,903
Vehicles	28,365	30,917
Treatment and disposal	2,610,338	2,657,446
General and administrative	1,357,198	1,394,173
Total operating expenses	7,293,181	7,165,762
Operating income before depreciation	1,110,091	296,237
Depreciation	(338,940)	(341,583)
Operating income (loss)	771,151	(45,346)
Non-operating revenues, net:		
Property taxes	697,065	647,871
Investment earnings, net of fair value	299,376	234,277
Interest on rental income	6,360	7,471
Rental revenue	33,405	33,448
Insurance recovery	77,469	-
Other non-operating revenue	2,701	16,177
Total non-operating revenues, net	1,116,376	939,244
Changes in net position	1,887,527	893,898
Net position, beginning of year, as restated (note 10)	12,321,773	11,427,875
Net position, end of year, as restated (note 10)	\$ 14,209,300	12,321,773

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>As Restated 2024</u>
Cash flows from operating activities:		
Cash receipts from customers for sales and services	\$ 8,381,579	7,461,027
Cash paid to vendors and suppliers for materials and services	(5,954,495)	(6,306,001)
Cash paid to employees for salaries and wages	(981,934)	(911,916)
Net cash provided by operating activities	<u>1,445,150</u>	<u>243,110</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	697,065	647,871
Net cash provided by non-capital financing activities	<u>697,065</u>	<u>647,871</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(337,891)	(476,584)
Net cash used in capital and related financing activities	<u>(337,891)</u>	<u>(476,584)</u>
Cash flows from investing activities:		
Interest and investment earnings	284,157	225,116
Net cash provided by investing activities	<u>284,157</u>	<u>225,116</u>
Net increase in cash and cash equivalents	2,088,481	639,513
Cash and cash equivalents, beginning of year	<u>5,850,469</u>	<u>5,210,956</u>
Cash and cash equivalents, end of year	<u>\$ 7,938,950</u>	<u>5,850,469</u>
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 7,817,504	5,578,965
Cash and cash equivalents – restricted	121,446	271,504
Total cash and cash equivalents	<u>\$ 7,938,950</u>	<u>5,850,469</u>

Continued on next page

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Cash Flows, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	As Restated 2024
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 771,151	(45,346)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	338,940	341,583
Rental income	33,405	33,448
Insurance recovery	77,469	-
Other non-operating, net	2,701	16,177
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable – sales and services, net	(134,632)	(47,386)
Property tax receivable	(4,556)	36,661
Lease receivable	32,769	29,956
Materials and supplies inventory	71,472	(71,920)
Prepaid expenses and other deposits	(5,542)	(3,791)
Deferred other post-employment benefit outflows	32,311	(21,861)
Deferred pension outflows	140,912	(100,149)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expenses	266,657	(221,367)
Deposits	5,518	44,854
Unearned revenue	(4,103)	8,704
Compensated absences	(55,748)	10,634
Net other post-employment benefit liability	(27,953)	68,858
Net pension liability	(4,094)	223,379
Deferred lease inflows	(33,405)	(33,167)
Deferred other post-employment benefit inflows	(38,450)	(69,414)
Deferred pension inflows	(19,672)	43,257
Total adjustments	673,999	288,456
Net cash provided by operating activities	\$ 1,445,150	243,110
Non-cash investing, capital, and financing transactions:		
Change in fair-market value of funds deposited with LAIF	\$ 8,614	(19,276)

See accompanying notes to the basic financial statements

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Westborough Water District (District) is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District has been providing water and sewer services to the residents of the South San Francisco area since 1961. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water and sewer services to its customers on a continuing basis be financed or recovered primarily through user charges (water and sewer service fees). Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and sewer services, as well as water purchases and sewer treatment, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

The District recognizes revenue from water and sewer service charges based on cycle billings performed bi-monthly. The District accrues revenues with respect to water and sewer service sold but not billed at the end of a fiscal period.

Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Financial Reporting, continued

Governmental Accounting Standards Board Statement No.101, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. See Note 1 – Compensated Absences, and Note 6 for the impact of this note on the financial statements due to implementation in the current fiscal year.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period.

Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, (continued)

Investments and Investment Policy

The District has adopted an investment policy directing the General Manager to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Restricted Assets

Certain assets of the District are restricted for use by ordinance and, accordingly, are shown as restricted assets on the accompanying statements of net position. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

Property Taxes and Assessments

The County of San Mateo Assessor's Office assesses all real and personal property within the County each year. The County of San Mateo Tax Collector's Offices bills and collects the District's share of property taxes and assessments. The County of San Mateo Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of San Mateo, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

Lease Receivable

Lease receivables are measured at the present value of payments expected to be received during the lease term.

Prepays

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Inventory

Inventory consists primarily of materials used in construction and maintenance of the water and sewer systems and is stated at cost using the average-cost method.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, (continued)

Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$500. Contributed assets are recorded at estimated fair market value at the date of contribution. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Sewer facilities	40 to 50 years
Water facilities	50 years
Buildings	5 to 10 years
Joint-use-facilities	50 years
Meters	5 to 15 years
Office equipment	5 to 15 years
Maintenance facilities	30 to 40 years

Deferred Outflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time.

The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to employer contributions made after the measurement date of the net other post-employment benefit liability. This amount will be amortized-in-full against the net other post-employment benefit liability in the next fiscal year.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits through the Plan.
- Deferred outflow for the net difference between projected and actual earnings on investments of the other post-employment benefit plan's fiduciary net position. This amount is amortized over a 5 year period.

Pensions

- Deferred outflow which is equal to employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, (continued)

Deferred Outflows of Resources, continued

Pensions, continued

- Deferred outflow for the net difference between projected and actual earnings on investments of the pension plan's fiduciary net position. This amount is amortized over a 5 year period.
- Deferred outflow for the adjustments due to differences in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

Compensated Absences

The District has adopted the provisions of GASB Statement No. 101. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District has determined that the accrued vested sick liability meets the provisions, as reported above, of GASB Statement No. 101 for reporting. Therefore, a liability for the vested and accrued value of sick leave that will be settled in the future by employees as time off is included in the liability for compensated absences.

The District's policy is to permit employees to accumulate earned vacation and sick leave according to the number of years of service with the District. The liability for the vested of vacation and sick leave is recorded as an expense when earned.

Upon separation from the District as a result of retirement, disability, or death, permanent employees are entitled to receive compensation at their current base salary for all unused vacation, up to a maximum of 30 days, and sick leave, up to a maximum of 120 days. Sick leave is paid if the employee is retirement eligible and meets vesting requirements. Sick leave is not paid for those circumstances where an employee has not completed the probationary period or is separated from the District upon termination.

As of June 30, 2025, the vacation accrual schedule is as follows:

<u>Years of service completed</u>	<u>Days of vacation earned annually</u>
1 to 4	10 (two weeks)
5 to 9	15 (three weeks)
10 to 14	20 (four weeks)
15 to 19	25 (five weeks)
20 to 24	30 (six weeks)

Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, (continued)

Post-Employment Benefits Other Than Pensions (OPEB), continued

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation date: June 30, 2023
- Measurement dates: June 30, 2024 and 2023
- Measurement periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2023 and June 30, 2022
- Measurement dates: June 30, 2024 and June 30, 2023
- Measurement periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

Deferred Inflows of Resources

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time.

The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits through the Plan.

Pensions

- Deferred inflow for the net difference between the actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

Deposit Connection Fees

Connection fees are collected by the District to cover the cost of service connections within the District. Funds in excess of connection costs are refunded to the customer.

Water and Sewer Sales

The District recognizes water and sewer service charges based on cycle billings rendered to customers on a bi-monthly basis.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 1 – Summary of Significant Accounting Policies, (continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, (continued)

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not included in the determination of the net investment in capital assets or restricted component of net position.

Budgetary Policies

The District adopts a one year non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Reclassification

The District has reclassified certain prior year information to conform with current year presentations.

Note 2 – Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	2025	2024
Cash and cash equivalents	\$ 7,817,504	5,578,965
Cash and cash equivalents – restricted	121,446	271,504
Total cash and cash equivalents	\$ 7,938,950	5,850,469

Cash and investments as of June 30 consist of the following:

	2025	2024
Cash on hand	\$ 600	600
Deposits with financial institutions	740,841	496,350
Deposits held with California Local Agency Investment Fund (LAIF)	7,197,509	5,353,519
Total cash and investments	\$ 7,938,950	5,850,469

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 2 – Cash and Investments, continued

As of June 30, the District's authorized deposits had the following maturities:

	2025	2024
Deposits held with California Local Agency Investment Fund (LAIF)	248 days	217 days

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rate. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 2 – Cash and Investments, continued

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Note 3 – Accounts Receivable – Water Sales and Services, Net

At fiscal year end, the District reviews its receivables balance for uncollectible accounts. At fiscal years ending 2025 and 2024, accounts receivable was determined to be fully collectible at fiscal year-end.

The balance at June 30 consists of the following:

		<u>2025</u>	<u>2024</u>
Accounts receivable – water sales and services	\$	911,313	776,681
Accounts receivable – water sales, net	\$	911,313	776,681

Note 4 – Lease Receivable

Changes in lease receivable for the year ended June 30, were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Crown Castle	\$ 238,060	-	(32,769)	205,291	35,331	169,960	\$ (167,281)
Total lease receivable	\$ 238,060	-	(32,769)	205,291	35,331	169,960	\$ (167,281)

Changes in lease receivable for the year ended June 30, were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Crown Castle	\$ 268,016	-	(29,956)	238,060	32,798	205,262	\$ (200,686)
Total lease receivable	\$ 268,016	-	(29,956)	238,060	32,798	205,262	\$ (200,686)

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 4 – Lease Receivable, continued

Crown Castle

On July 1, 1995, the District entered into a lease agreement with AT&T Wireless. On March 28, 2014, AT&T transferred ownership to its subsidiary Crown Castle ATT, LLC (Crown Castle). Crown Castle has agreed to pay the District for purpose of leasing communication tower space at its Skyline Boulevard site. The terms of the agreement require Crown Castle to pay the District in monthly installments through June 2030 and is adjusted annually by a rate of 3.00% and 7.00%.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow of resources at present value using a discount rate of 2.85%. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. As of June 30, 2025 and 2024, deferred inflows of resources were reported at \$167,281 and \$200,686, respectively.

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2026	\$ 35,331	5,378	40,709	(33,408)
2027	38,001	4,337	42,338	(33,407)
2028	40,815	3,217	44,032	(33,407)
2029	43,778	2,015	45,793	(33,408)
2030	47,366	727	48,093	(33,651)
Total	205,291	<u>15,674</u>	<u>220,965</u>	\$ <u>(167,281)</u>
Current	<u>(35,331)</u>			
Non-current	\$ <u>169,960</u>			

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 5 – Capital Assets

Changes in capital assets for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2025</u>
Non-depreciable assets:				
Land	\$ 182,632	-	-	182,632
Construction in progress	206,124	350,308	(212,825)	343,607
Total non-depreciable assets	<u>388,756</u>	<u>350,308</u>	<u>(212,825)</u>	<u>526,239</u>
Depreciable assets:				
Buildings	1,503,834	-	-	1,503,834
Water facilities	8,206,496	24,838	-	8,231,334
Sewer facilities	3,445,900	91,246	-	3,537,146
Joint use facilities	94,907	-	-	94,907
Maintenance facilities	478,624	-	-	478,624
Water meters	935,856	81,740	-	1,017,596
Furniture and equipment	158,975	2,585	-	161,560
Total depreciable assets	<u>14,824,592</u>	<u>200,409</u>	<u>-</u>	<u>15,025,001</u>
Accumulated depreciation:				
Buildings	(763,526)	(37,495)	-	(801,021)
Water facilities	(3,546,299)	(165,855)	-	(3,712,154)
Sewer facilities	(1,878,772)	(67,659)	-	(1,946,431)
Joint use facilities	(81,125)	(511)	-	(81,636)
Maintenance facilities	(467,026)	(8,443)	-	(475,469)
Water meters	(370,460)	(46,617)	-	(417,077)
Furniture and equipment	(124,305)	(12,361)	-	(136,666)
Total accumulated depreciation	<u>(7,231,513)</u>	<u>(338,941)</u>	<u>-</u>	<u>(7,570,454)</u>
Total depreciable assets, net	<u>7,593,079</u>	<u>(138,532)</u>	<u>-</u>	<u>7,454,547</u>
Total capital assets, net	<u>\$ 7,981,835</u>	<u>211,776</u>	<u>(212,825)</u>	<u>7,980,786</u>

Major changes to capital assets consisted primarily of additions of \$350,308 in construction in progress, \$24,838 in upgrades to water facilities, \$91,246 in upgrades to sewer facilities, \$81,740 in additions to water meters, and \$2,585 in upgrades to furniture and equipment. Construction in progress transfers included \$197,825 to water facilities, sewer facilities, and water meters. The District abandoned / expensed \$15,000 in construction in progress.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 5 – Capital Assets, (continued)

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land	\$ 182,632	-	-	182,632
Construction in progress	8,370	483,718	(285,964)	206,124
Total non-depreciable assets	<u>191,002</u>	<u>483,718</u>	<u>(285,964)</u>	<u>388,756</u>
Depreciable assets:				
Buildings	1,503,834	-	-	1,503,834
Water facilities	8,095,129	111,367	-	8,206,496
Sewer facilities	3,382,231	63,669	-	3,445,900
Joint use facilities	94,907	-	-	94,907
Maintenance facilities	478,624	-	-	478,624
Water meters	833,296	102,560	-	935,856
Furniture and equipment	157,741	1,234	-	158,975
Total depreciable assets	<u>14,545,762</u>	<u>278,830</u>	<u>-</u>	<u>14,824,592</u>
Accumulated depreciation:				
Buildings	(726,031)	(37,495)	-	(763,526)
Water facilities	(3,379,677)	(166,622)	-	(3,546,299)
Sewer facilities	(1,812,471)	(66,301)	-	(1,878,772)
Joint use facilities	(80,613)	(512)	-	(81,125)
Maintenance facilities	(455,843)	(11,183)	-	(467,026)
Water meters	(323,576)	(46,884)	-	(370,460)
Furniture and equipment	(111,719)	(12,586)	-	(124,305)
Total accumulated depreciation	<u>(6,889,930)</u>	<u>(341,583)</u>	<u>-</u>	<u>(7,231,513)</u>
Total depreciable assets, net	<u>7,655,832</u>	<u>(62,753)</u>	<u>-</u>	<u>7,593,079</u>
Total capital assets, net	<u>\$ 7,846,834</u>	<u>420,965</u>	<u>(285,964)</u>	<u>7,981,835</u>

Major changes to capital assets consisted primarily of additions of \$483,718 in construction in progress, \$111,367 in upgrades to water facilities, \$102,560 in additions to water meters, \$63,669 in upgrades to sewer facilities, and \$1,234 in upgrades to furniture and equipment. Construction in progress transfers included \$277,596 to water facilities. The District abandoned / expensed \$8,368 in construction in progress.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 6 – Compensated Absences

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, “Compensated Absences”. Compensated absences comprise unpaid vacation leave that accrue when benefits are fully vested and are determined annually. Compensated absences for governmental funds will generally be liquidated through the general fund. The balance in the proprietary fund will be liquidated through the water fund.

As of June 30 2025, the liability for compensated absences was calculated based on employees’ pay rates at the fiscal year end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not to used or paid out. The liability is reported in the Statement of Net Position.

The net change in the compensated absence liability for the fiscal years ended June 30, 2025 and 2024, decreased and increased by \$55,748 and \$10,634 respectively.

The change to compensated absences balances at June 30, 2025 was as follows:

<u>As Restated 2024</u>	<u>Change</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 163,601	(55,748) *	107,853	107,853	-

*The changes in the compensated absence liabilities are presented as a net change.

The change to compensated absences balances at June 30, 2024 was as follows:

<u>As Restated 2023</u>	<u>Change</u>	<u>As Restated 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 152,967	10,634 *	163,601	148,648	14,953

*The changes in the compensated absence liabilities are presented as a net change.

Note 7 – Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District’s vesting requirements. The Plan is a single employer defined benefit OPEB plan administered by the District. The District participates in CalPERS California Employer’s Retiree Benefit Trust Program (CERBT), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code. Copies of CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814. The reporting requirements for these benefit programs as they pertain to the District are set forth below.

Benefits Provided

The District offers post-employment medical benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are eligible to receive benefits. Retirees may enroll in any plan available through the District’s medical program. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 7 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Benefits Provided, continued

The following requirements must be satisfied in order to be eligible for post-employment medical benefits:

- Employees hired before May 1, 2011, who retire from the District after attainment of age 55 and with 15 years of service.
- Employees hired on or after January 1, 2013, who retire from the District after attainment of age 60 and with 15 years of service.

Employees Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	2025	2024
Active plan members	6	6
Retiree plan members	1	1
Total Plan membership	7	7

Contributions

The Plan and its contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District pays 100% of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution.

As of the fiscal year ending June 30, the contributions were as follows:

	2025	2024
Contributions – employer	\$ 14,536	9,315
Total employer paid contributions	\$ 14,536	9,315

As of June 30 2025 and 2024, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$14,536 and \$9,315 will be/were recognized as a reduction of the net OPEB liability for the fiscal years ended June 30, 2026 and 2025, respectively.

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability were determined by actuarial valuation dates as of June 30, 2024 and 2023, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 7 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Actuarial Assumptions

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2025 – 2.50 percent 2024 – 2.50 percent
Salary increases	2025 – 2.80 percent, average, including inflation 2024 – 2.75 percent, average, including inflation
Discount rate	2025 – 6.25 percent 2024 – 6.25 percent
Healthcare cost trend rates – 2025	Non-Medicare – 7.10/5.00 percent (HMO/PPO) for 2024, decreasing to an ultimate rate of 5.00% percent in 2043 Medicare (Kaiser) – 5.75/5.90 percent (HMO/PPO) for 2024, decreasing to an ultimate rate of 3.75 percent in 2038
Healthcare cost trend rates – 2024	Non-Medicare – 7.10/5.00 percent (HMO/PPO) for 2024, decreasing to an ultimate rate of 5.00% percent in 2043 Medicare (Kaiser) – 5.90/4.50 percent (HMO/PPO) for 2024, decreasing to an ultimate rate of 3.75 percent in 2038
Retirees' share of benefit-related costs	100 percent of the District's share of projected health insurance premiums for retirees age 55 with a minimum 15 years of service hired before January 1, 2013. 100 percent of the District's share of projected health insurance premiums for retirees age 65 with a minimum 15 years of service hired on or after January 1, 2013.

The actuarial assumptions used in the June 30, 2023 valuation was based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 and 2024, are summarized in the table on the following page.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 7 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Actuarial Assumptions, (continued)

<u>Asset Class</u>	<u>Target Allocation* CERB-Strategy 1</u>	<u>Expected Real Return**</u>
Global equity	49.0%	5.69%
Fixed income	23.0%	1.41%
Treasury inflation	5.0%	2.26%
Commodities	3.0%	6.86%
Real estate trusts	20.0%	2.81%
Total	<u>100%</u>	

* CalPERS 2024 Asset Liability Management (ALM) Study

** JP Morgan arithmetic Long-Term Capital Market Assumption

Discount Rate

As of June 30, 2025 and 2024, the discount rate used to measure the net OPEB liability was 6.25%, respectively. The projection of cash flow used to determine the discount rate assumed that the District's contributions will be made at rates equal to the retirees' benefits. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

Changes in the net OPEB liability as of June 30, 2025 (measured at June 30, 2024) were as follows:

	<u>June 30, 2025</u>			<u>June 30, 2024</u>
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Net OPEB Liability</u>
Balance at beginning of year	\$ 952,937	685,437	267,500	198,642
Changes for the year:				
Service cost	31,552	-	31,552	22,036
Interest	60,357	-	60,357	52,474
Benefit payments	(38,140)	(38,140)	-	-
Difference between expected and actual experience	2,651	-	2,651	33,300
Change in assumptions	-	-	-	43,593
Employer contributions	-	47,455	(47,455)	(41,939)
Net investment income	-	75,282	(75,282)	(40,790)
Administrative expenses	-	(224)	224	184
Net change	<u>56,420</u>	<u>84,373</u>	<u>(27,953)</u>	<u>68,858</u>
Balance at end of year	\$ <u>1,009,357</u>	<u>769,810</u>	<u>239,547</u>	<u>267,500</u>

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 7 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Change of Benefit Terms

There were no changes in benefit terms.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following tables present the District’s net OPEB liability calculated using the discount rate, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

At June 30, 2025, the discount rate comparison are the following:

	<u>Discount Rate - 1%</u>	<u>Current Discount Rate 6.25%</u>	<u>Discount Rate + 1%</u>
Net OPEB liability \$	<u>378,620</u>	<u>239,547</u>	<u>125,598</u>

At June 30, 2024, the discount rate comparison are the following:

	<u>Discount Rate - 1%</u>	<u>Current Discount Rate 6.25%</u>	<u>Discount Rate + 1%</u>
Net OPEB liability \$	<u>398,716</u>	<u>267,500</u>	<u>160,003</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

At June 30, 2025, the healthcare cost trend rate comparison was the following:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates Current</u>	<u>1% Increase</u>
Net OPEB liability \$	<u>115,801</u>	<u>239,547</u>	<u>392,034</u>

At June 30, 2024, the healthcare cost trend rate comparison was the following:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates Current</u>	<u>1% Increase</u>
Net OPEB liability \$	<u>150,747</u>	<u>267,500</u>	<u>411,386</u>

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 7 – Other Post-Employment Benefits (OPEB) Plan, (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal years ended June 30, 2025 and 2024, the District recognized OPEB expense of \$32,378 and \$25,038, respectively.

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to measurement date	\$ 66,470	-	47,455	-
Changes in assumptions	66,643	-	83,198	-
Differences between expected and actual experience	-	(100,215)	-	(138,665)
Net differences between expected and actual return on investments	8,017	-	42,788	-
Total	\$ 141,130	(100,215)	173,441	(138,665)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30:	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ (19,615)
2027	2,176
2028	(13,043)
2029	(11,046)
2030	2,387
Thereafter	13,586

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in separately issued CalPERS financial reports.

See pages 43 and 44 for the Required Supplementary Information.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District’s separate Miscellaneous Employee, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The Plan’s provision and benefits in effect at June 30, 2025 and 2024, are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
2025:		
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	11.88%	7.87%
2024:		
Required employee contribution rates	6.92%	7.75%
Required employer contribution rates	11.84%	7.68%

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan, (continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1 following notice of the change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal years ended June 30, the contributions for the Plan were as follows:

	Miscellaneous Plan	
	2025	2024
District paid contributions:		
Employer	\$ 181,815	153,550
Employee (paid by employer)	5,688	5,443
Total District paid contributions	\$ 187,503	158,993

Net Pension Liability

As of the fiscal years ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability	
	2025	2024
Miscellaneous Plan	\$ 1,250,673	1,254,767

The District’s net pension liability for the PERF C is measured as the proportionate share of the net pension liability for the miscellaneous pool. As of June 30, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates), respectively. The total pension liability for the PERF C’s miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (valuation dates), rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District’s change in the proportionate share of the net pension liability as of the fiscal years ended June 30, were as follows:

	Miscellaneous Plan	
	2025	2024
Proportion – beginning of year	0.01006%	0.00893%
Proportion – end of year	0.01031%	0.01006%
Change – Increase (Decrease)	0.00025%	0.00113%

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan, (continued)

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2025 and 2024, the District recognized pension expense of \$298,961 and \$320,035, respectively.

Deferred Pension Outflows (Inflows) of Resources, continued

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

<u>Description</u>	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 181,815	-	153,550	-
Differences between actual and expected experience	103,911	-	54,156	-
Change in assumptions	32,144	-	75,755	-
Net difference between projected and actual earnings on plan investments	71,997	-	203,156	-
Differences between actual contribution and proportionate share of contribution	-	(128,817)	-	(148,489)
Adjustments due to differences in proportions of net pension liability	<u>109,252</u>	<u>-</u>	<u>153,414</u>	<u>-</u>
Total	<u>\$ 499,119</u>	<u>(128,817)</u>	<u>640,031</u>	<u>(148,489)</u>

As of June 30 2025 and 2024, the District reported \$181,815 and \$153,550, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended June 30, 2025, will be recognized as a reduction of the net pension liability for the year ended June 30, 2026. Pension contributions subsequent to the measurement date for the year ended June 30, 2024, were recognized as a reduction of the net pension liability for the year ended June 30, 2025.

At June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2026	\$ 85,226
2027	116,467
2028	7,596
2029	(20,802)

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan, (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2023 and 2022, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation dates	June 30, 2023 and 2022
Measurement dates	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
 Actuarial assumptions:	
Discount rate	2025 - 6.90%
	2024 - 6.90%
Inflation	2025 - 2.30%
	2024 - 2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90% Net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Period upon which actuarial Experience Survey assumption were based	2025 and 2024 – 1997-2015
Post retirement benefit	2025 and 2024 – Contract COLA up to 2.50% until Purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

* The mortality table above was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan, (continued)

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2025 and 2024, the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1–10^{1,2}</u>
Global Equity - Cap-weighted	30.0%	4.45%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021-22 Asset Liability Mangement study.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following tables present the District’s proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 8 – Defined Benefit Pension Plan, (continued)

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate, continued

At June 30, 2025, the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	\$ 2,200,704	1,250,673	468,658

At June 30, 2024, the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Prior Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	\$ 2,129,175	1,254,767	535,054

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 45 and 46 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2025 and 2024, the District reported no payables for the outstanding amount of contribution to the pension plan.

Note 9 – Net Position

Restricted net position is comprised of the following:

	2025	As Restated 2024
Restricted net position:		
Cash and cash equivalents – restricted	\$ 121,446	271,504
Accrued interest receivable – restricted	847	15,019
Total restricted net position	\$ 122,293	286,523

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 9 – Net Position, continued

Unrestricted net position is comprised of the following:

	2025	As Restated 2024
Non-spendable net position:		
Materials and supplies inventory	\$ 233,686	305,158
Prepaid expenses	39,672	34,130
Total non-spendable net position	273,358	339,288
Spendable net position are designated as follows:		
Emergency reserve	1,134,369	1,068,023
Capital reserve	169,470	170,792
Operating reserve	1,890,616	1,780,038
Unrestricted (reserved for operations)	2,638,408	695,274
Total spendable net position	5,832,863	3,714,127
Total unrestricted net position	\$ 6,106,221	4,053,415

Note 10 – Adjustments to Net Position

GASB Statement No. 101 – Compensated Absences, Pronouncement Implementation

In fiscal year 2025, the District implemented GASB Statement No. 101 – *Compensated Absences* to recognize the provisions of the Statement towards its compensated absences liability. As a result of the implementation, the District recognized adjustments to its compensated absence liability and recorded prior period adjustments, decreases to net position, of \$18,919 at July 1, 2022 and \$21,428 at July 1, 2023. Please see Note 6 for further information.

ERAF Property Tax Receivable

In fiscal year 2025, the District determined it had not properly recorded it ERAF property tax receivable at June 30, 2023 and 2024. As a result of the implementation, the District recognized adjustments to its property tax receivables and recorded prior period adjustments, increases to net position, of \$113,316 as of June 30, 2023 and \$113,917 as of June 30, 2024.

Water and Sewer Operating Expense and Non-Operating Revenue Allocation Method

In fiscal year 2025, the District made adjustments to its fund allocation methodology related to shared operating expense and non-operating revenue accounts between the Water and Sewer funds. As a result, the District has restated its net position to reflect the effects of the changes in its allocation application adjustments to its Water and Sewer fund balances.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 10 – Adjustments to Net Position, continued

The adjustments to net position were as follows:

	Enterprise Funds		As Restated
	Water Fund	Sewer Fund	Total
Net position, at July 1, 2022, as previously stated	\$ 5,375,354	5,035,694	10,411,048
Restatements applied to fiscal year ending June 30, 2023:			
Effect of the adjustments to record 2023 compensated absences balances following GASB 101	(18,919)	-	(18,919)
Effect of the adjustments to record 2023 ERAF receivable balance	113,316	-	113,316
Subtotal restatements applied to fiscal year ending June 30, 2023	94,397	-	94,397
Effect of fund allocation adjustments on net position:			
Operating expenses:			
General and administrative	267,103	(267,103)	-
Non-operating revenue:			
Property taxes	(195,877)	195,877	-
Investment earnings, net of fair value	(33,481)	33,481	-
Insurance recovery	(15,386)	15,386	-
Other non-operating revenue	(4,143)	4,143	-
Subtotal effect on allocation adjustments on net position	18,216	(18,216)	-
Change in net position at June 30, 2023, as previously stated	541,853	380,577	922,430
Net position at June 30, 2023, as restated	6,029,820	5,398,055	11,427,875
Restatements applied to fiscal year ending June 30, 2024:			
Effect of the adjustments to reverse 2023 compensated absences balances following GASB 101	18,919	-	18,919
Effect of the adjustments to record 2024 compensated absences balances following GASB 101	(21,428)	-	(21,428)
Effect of the adjustments to reverse 2023 ERAF receivable balance	(113,316)	-	(113,316)
Effect of the adjustments to record 2024 ERAF receivable balance	113,917	-	113,917
Subtotal restatements applied to fiscal year ending June 30, 2024	(1,908)	-	(1,908)
Effect of fund allocation adjustments on net position:			
Operating expenses:			
General and administrative	198,685	(198,685)	-
Non-operating revenue:			
Property taxes	(194,181)	194,181	-
Investment earnings, net of fair value	(145,049)	145,049	-
Other non-operating revenue	(4,854)	4,854	-
Subtotal effect on allocation adjustments on net position	(145,399)	145,399	-
Change in net position at June 30, 2024, as previously stated	610,722	285,084	895,806
Net position at June 30, 2024, as restated	\$ 6,493,235	5,828,538	12,321,773

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 11 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2025, the District participates in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

- General and auto liability, employment practices and public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the coverage above, the District also has the following insurance coverage:

- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer, and funds transfer fraud coverage's, subject to \$1,000 deductible per loss.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. The ACWA/JPIA is self-insured up to \$10,000,000 per loss and has purchased re-insurance coverage for scheduled values up to a combined total of \$150 million per loss. The District's deductible for scheduled value is \$2,500 per loss. Mobile equipment and vehicles, on file, are paid on actual cost value basis at time of loss and subject to \$1,000 deductible per loss. The property Program includes Earthquake with aggregate limit of \$2,500,000, and is subject to minimum \$75,000 deductible, Flood Coverage with aggregate limit of \$25,000,000 and subject to a \$100,000 deductible.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Cyber Liability: including Cyber Security up to \$3,000,000 per member and \$5,000,000 Aggregate Limit. Cyber Liability retention varies from \$50,000 to \$100,000 depending on District Total Scheduled Values.
- Workers' compensation coverage up to California statutory limits for all work-related injuries/illnesses covered by California law; a pooled self-insured limit of \$2,000,000 and excess insurance coverage has been purchased.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 12 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2025, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 105

In December 2025, the GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

Note 13 – Commitments and Contingencies

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Note 14 – Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of April 9, 2026, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Presentation Draft Subject to Board Approval

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Presentation Draft Subject to Board Approval

Required Supplementary Information

Presentation Draft Subject to Board Approval

Westborough Water District
Schedules of Changes in the Net OPEB Liability and Related Ratios
As of June 30, 2025
Last Ten Years*

Fiscal year ending	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability								
Service cost	\$ 31,552	22,036	21,447	19,217	18,969	17,393	23,118	22,390
Interest	60,357	52,474	49,957	57,675	53,738	57,894	57,894	52,467
Differences in expected and actual experience	2,651	33,300	(563)	(161,612)	-	(167,988)	-	-
Changes in assumptions	-	43,593	-	42,515	(14,635)	65,593	-	-
Benefit payments	(38,140)	(31,572)	(30,760)	-	-	-	-	-
Actuary valuation adjustment	-	-	-	-	-	(75,287)	-	-
Net change in total OPEB liability	56,420	119,831	40,081	(42,205)	58,072	(102,395)	81,012	74,857
Total OPEB liability – beginning	952,937	833,106	793,025	835,230	777,158	879,553	798,541	723,684
Total OPEB liability – ending	\$ 1,009,357	952,937	833,106	793,025	835,230	777,158	879,553	798,541
Plan fiduciary net position								
Contributions employer	\$ 47,455	41,939	50,131	41,088	53,336	51,657	51,657	50,031
Net investment income	75,282	40,790	(95,078)	144,363	15,990	23,513	23,695	24,637
Benefit payments	(38,140)	(31,572)	(30,760)	-	-	-	-	-
Administrative expense	(224)	(184)	(180)	(199)	(224)	(82)	(188)	(160)
Actuary valuation adjustment	-	-	-	-	-	(75,287)	-	-
Net change in plan fiduciary net position	84,373	50,973	(75,887)	185,252	69,102	(199)	75,027	74,392
Plan fiduciary net position – beginning	685,437	634,464	710,351	525,099	455,997	456,196	381,169	306,777
Plan fiduciary net position – ending	\$ 769,810	685,437	634,464	710,351	525,099	455,997	456,196	381,169
Net OPEB liability – ending	\$ 239,547	267,500	198,642	82,674	310,131	321,161	423,357	417,372
Covered payroll	\$ 715,723	798,358	697,597	684,359	736,560	758,050	478,714	N/A
Net OPEB liability as a percentage of covered payroll	33.47%	33.51%	28.48%	12.08%	42.11%	42.37%	88.44%	N/A

Notes to Schedule

Valuation dates	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
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Methods and assumptions used to determine contribution rates:

Single and agent employers	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%
Salary increases	2.80%	2.75%	2.75%	2.75%	3.00%	3.00%	3.25%	3.25%
Investment rate of return	6.25%	6.25%	6.25%	6.25%	6.75%	6.75%	7.25%	7.25%
Mortality, retirement, disability								
Termination	(4)	(4)	(4)	(4)	(3)	(3)	(2)	(2)
Other information	(6)	(6)	(6)	(6)	(5)	(5)	N/A	N/A

- (1) Level percentage of payroll, closed
- (2) Pre-retirement mortality based on RP-2014 Employee Mortality Tables, Post-retirement mortality rates based on RP-2014 Health Annuitant Mortality Table
- (3) CalPERS 1997-2015 Experience Study
- (4) CalPERS 2000-2019 Experience Study
- (5) Mortality projected fully generational with Scale MP-2019
- (6) Mortality projected fully generational with Scale MP-2021

*The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Westborough Water District
Schedules of OPEB Plan Contributions
As of June 30, 2025
Last Ten Years*

Fiscal year ending	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 31,686	30,724	31,686	42,403	41,088	53,336	51,657	50,031
Contributions in relation to the actuarially determined contribution	<u>(70,152)</u>	<u>(47,455)</u>	<u>(41,939)</u>	<u>(50,131)</u>	<u>(41,088)</u>	<u>(53,336)</u>	<u>(51,657)</u>	<u>(50,031)</u>
Contribution deficiency (excess)	\$ <u>(38,466)</u>	<u>(16,731)</u>	<u>(10,253)</u>	<u>(7,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ <u>735,763</u>	<u>715,723</u>	<u>798,358</u>	<u>697,597</u>	<u>684,359</u>	<u>736,560</u>	<u>758,050</u>	<u>478,714</u>
Contribution's as a percentage of covered payroll	<u>9.53%</u>	<u>6.63%</u>	<u>5.25%</u>	<u>7.19%</u>	<u>6.00%</u>	<u>7.24%</u>	<u>6.81%</u>	<u>10.45%</u>

*The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Presentation Draft Subject to Board Approval

Westborough Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2025
Last Ten Years

Measurement dates	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.01031%	0.01006%	0.00893%	0.00516%	0.00740%	0.00700%	0.00659%	0.00659%	0.00622%	0.00560%
District's proportionate share of the net pension liability	\$ 1,250,673	1,254,767	1,031,388	279,248	805,442	717,152	634,828	653,647	538,400	384,145
District's covered payroll	\$ 822,927	755,204	941,063	761,676	666,767	646,536	616,165	585,652	564,574	546,648
District's proportionate share of the net pension liability as a percentage of its covered payroll	151.98%	166.15%	109.60%	36.66%	120.80%	110.92%	103.03%	111.61%	95.36%	70.27%
District's fiduciary net position as a percentage of the District's total pension liability	82.24%	80.59%	80.89%	94.09%	81.26%	81.20%	81.79%	79.00%	79.63%	84.06%

Notes to schedule:

Benefits changes:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that long-term expected rate of return should be determined net of pension plan investment expense but without reduction of pension plan administrative expense.

The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

The inflation rate was reduced from 2.50% to 2.30%.

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

**Westborough Water District
Schedules of Pension Plan Contributions
As of June 30, 2025
Last Ten Years**

<u>Fiscal year ending</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Actuarially determined contribution	\$ 165,928	206,333	153,411	133,340	120,567	104,440	87,578	74,208	67,046	59,092
Contributions in relation to the actuarially determined contribution	<u>(165,928)</u>	<u>(206,333)</u>	<u>(153,411)</u>	<u>(133,340)</u>	<u>(120,567)</u>	<u>(104,440)</u>	<u>(87,578)</u>	<u>(74,208)</u>	<u>(67,046)</u>	<u>(59,092)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 884,840	822,927	755,204	941,063	761,676	666,767	646,536	616,165	585,652	564,574
Contribution's as a percentage of covered payroll	<u>18.75%</u>	<u>25.07%</u>	<u>20.31%</u>	<u>14.17%</u>	<u>15.83%</u>	<u>15.66%</u>	<u>13.55%</u>	<u>12.04%</u>	<u>11.45%</u>	<u>10.47%</u>

Notes to schedule:

<u>Valuation dates</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
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Methods and assumptions used to

determine contribution rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.300%	2.300%	2.300%	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	6.90% (3)	7.150% (3)	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation'

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

Supplemental Information

Presentation Draft Subject to Board Approval

Westborough Water District
Combining Schedule of Net Position
June 30, 2025

	Enterprise Funds		Total
	Water Fund	Sewer Fund	
Current assets:			
Cash and cash equivalents	\$ 1,793,912	6,023,592	7,817,504
Cash and cash equivalents – restricted	46,670	74,776	121,446
Accrued interest receivable	17,814	53,075	70,889
Accrued interest receivable – restricted	343	504	847
Accounts receivable – water sales and services, net	834,883	76,430	911,313
Property tax receivable	123,362	-	123,362
Lease receivable	35,331	-	35,331
Materials and supplies inventory	233,686	-	233,686
Prepaid expenses and other deposits	39,672	-	39,672
Total current assets	3,125,673	6,228,377	9,354,050
Non-current assets:			
Lease receivable	169,960	-	169,960
Capital assets – not being depreciated	526,239	-	526,239
Capital assets – being depreciated, net	5,863,832	1,590,715	7,454,547
Total non-current assets	6,560,031	1,590,715	8,150,746
Total assets	9,685,704	7,819,092	17,504,796
Deferred outflows of resources:			
Deferred OPEB outflows	141,130	-	141,130
Deferred pension outflows	499,119	-	499,119
Total deferred outflows of resources	640,249	-	640,249
Current liabilities:			
Accounts payable and accrued expenses	210,058	-	210,058
Accrued sewer service charge	-	1,295,288	1,295,288
Deposits	415,750	-	415,750
Unearned revenue	20,263	-	20,263
Long-term liabilities – due within one year:			
Compensated absences	107,853	-	107,853
Total current liabilities	753,924	1,295,288	2,049,212
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	-	-	-
Net OPEB liability	239,547	-	239,547
Net pension liability	1,250,673	-	1,250,673
Total non-current liabilities	1,490,220	-	1,490,220
Total liabilities	2,244,144	1,295,288	3,539,432
Deferred inflows of resources:			
Deferred lease inflows	167,281	-	167,281
Deferred OPEB inflows	100,215	-	100,215
Deferred pension inflows	128,817	-	128,817
Total deferred inflows of resources	396,313	-	396,313
Net position:			
Net investment in capital assets	6,390,071	1,590,715	7,980,786
Restricted	47,013	75,280	122,293
Unrestricted	1,248,412	4,857,809	6,106,221
Total net position	\$ 7,685,496	6,523,804	14,209,300

Westborough Water District
Combining Schedule of Net Position
June 30, 2024

	<u>Enterprise Funds</u>		<u>As Restated</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 480,832	5,098,133	5,578,965
Cash and cash equivalents – restricted	192,011	79,493	271,504
Accrued interest receivable	1,518	33,620	35,138
Accrued interest receivable – restricted	612	14,407	15,019
Accounts receivable – water sales and services, net	698,584	78,097	776,681
Property tax receivable	118,806	-	118,806
Lease receivable	32,798	-	32,798
Materials and supplies inventory	305,158	-	305,158
Prepaid expenses and other deposits	34,130	-	34,130
Total current assets	<u>1,864,449</u>	<u>5,303,750</u>	<u>7,168,199</u>
Non-current assets:			
Lease receivable	205,262	-	205,262
Capital assets – not being depreciated	388,756	-	388,756
Capital assets – being depreciated, net	6,025,951	1,567,128	7,593,079
Total non-current assets	<u>6,619,969</u>	<u>1,567,128</u>	<u>8,187,097</u>
Total assets	<u>8,484,418</u>	<u>6,870,878</u>	<u>15,355,296</u>
Deferred outflows of resources:			
Deferred OPEB outflows	173,441	-	173,441
Deferred pension outflows	640,031	-	640,031
Total deferred outflows of resources	<u>813,472</u>	<u>-</u>	<u>813,472</u>
Current liabilities:			
Accounts payable and accrued expenses	196,349	-	196,349
Accrued sewer service charge	-	1,042,340	1,042,340
Deposits	410,232	-	410,232
Unearned revenue	24,366	-	24,366
Long-term liabilities – due within one year:			
Compensated absences	148,648	-	148,648
Total current liabilities	<u>779,595</u>	<u>1,042,340</u>	<u>1,821,935</u>
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	14,953	-	14,953
Net OPEB liability	267,500	-	267,500
Net pension liability	1,254,767	-	1,254,767
Total non-current liabilities	<u>1,537,220</u>	<u>-</u>	<u>1,537,220</u>
Total liabilities	<u>2,316,815</u>	<u>1,042,340</u>	<u>3,359,155</u>
Deferred inflows of resources:			
Deferred lease inflows	200,686	-	200,686
Deferred OPEB inflows	138,665	-	138,665
Deferred pension inflows	148,489	-	148,489
Total deferred inflows of resources	<u>487,840</u>	<u>-</u>	<u>487,840</u>
Net position:			
Net investment in capital assets	6,414,707	1,567,128	7,981,835
Restricted	192,623	93,900	286,523
Unrestricted	(114,095)	4,167,510	4,053,415
Total net position	<u>\$ 6,493,235</u>	<u>5,828,538</u>	<u>12,321,773</u>

Westborough Water District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2025

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	
Operating revenues:			
Water consumption sales	\$ 4,985,869	-	4,985,869
Wastewater service	-	3,392,054	3,392,054
Other charges and services	24,549	800	25,349
Total operating revenues	<u>5,010,418</u>	<u>3,392,854</u>	<u>8,403,272</u>
Operating expenses:			
Salaries	458,373	-	458,373
Employee benefits	161,948	-	161,948
Payroll taxes	36,664	-	36,664
Water purchases	2,028,612	-	2,028,612
Utilities	183,447	145,562	329,009
System maintenance	45,141	96,035	141,176
Supplies and small tools	11,522	-	11,522
Special services	119,162	-	119,162
Technical communications	10,814	-	10,814
Vehicles	28,365	-	28,365
Treatment and disposal	-	2,610,338	2,610,338
General and administrative	1,102,844	254,354	1,357,198
Total operating expenses	<u>4,186,892</u>	<u>3,106,289</u>	<u>7,293,181</u>
Operating income before depreciation	823,526	286,565	1,110,091
Depreciation	(271,282)	(67,658)	(338,940)
Operating (loss) income	<u>552,244</u>	<u>218,907</u>	<u>771,151</u>
Non-operating revenue(expense), net:			
Property taxes	458,226	238,839	697,065
Investment earnings, net of fair value	139,325	160,051	299,376
Interest on rental income	6,360	-	6,360
Rental revenue	33,405	-	33,405
Insurance recovery	-	77,469	77,469
Other non-operating revenue	2,701	-	2,701
Total non-operating revenues, net	<u>640,017</u>	<u>476,359</u>	<u>1,116,376</u>
Changes in net position	<u>1,192,261</u>	<u>695,266</u>	<u>1,887,527</u>
Net position, beginning of year, as restated	<u>6,493,235</u>	<u>5,828,538</u>	<u>12,321,773</u>
Net position, end of year	<u>\$ 7,685,496</u>	<u>6,523,804</u>	<u>14,209,300</u>

Westborough Water District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	<u>Enterprise Funds</u>		<u>As Restated</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Operating revenues:			
Water consumption sales	\$ 4,143,441	-	4,143,441
Wastewater service	-	3,293,969	3,293,969
Other charges and services	23,589	1,000	24,589
Total operating revenues	<u>4,167,030</u>	<u>3,294,969</u>	<u>7,461,999</u>
Operating expenses:			
Salaries and benefits	458,906	-	458,906
Employee benefits	193,850	-	193,850
Payroll taxes	33,734	-	33,734
Water purchases	1,814,651	-	1,814,651
Utilities	176,485	146,402	322,887
System maintenance	72,813	81,259	154,072
Supplies and small tools	18,337	-	18,337
Special services	76,886	-	76,886
Technical communications	9,903	-	9,903
Vehicles	30,917	-	30,917
Treatment and disposal	-	2,657,446	2,657,446
General and administrative	1,137,011	257,162	1,394,173
Total operating expenses	<u>4,023,493</u>	<u>3,142,269</u>	<u>7,165,762</u>
Operating (loss) income before depreciation	143,537	152,700	296,237
Depreciation	(275,282)	(66,301)	(341,583)
Operating (loss) income	<u>(131,745)</u>	<u>86,399</u>	<u>(45,346)</u>
Non-operating revenue:			
Property taxes	453,690	194,181	647,871
Investment earnings, net of fair value	89,228	145,049	234,277
Interest on rental income	7,471	-	7,471
Rental revenue	33,448	-	33,448
Insurance recovery	-	-	-
Other non-operating revenue	11,323	4,854	16,177
Total non-operating revenues, net	<u>595,160</u>	<u>344,084</u>	<u>939,244</u>
Changes in net position	<u>463,415</u>	<u>430,483</u>	<u>893,898</u>
Net position, beginning of year, as restated	<u>6,029,820</u>	<u>5,398,055</u>	<u>11,427,875</u>
Net position, end of year, as restated	<u>\$ 6,493,235</u>	<u>5,828,538</u>	<u>12,321,773</u>

**Westborough Water District
Budgetary Comparison Schedule
For the Year Ended June 30, 2025**

	Adopted Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:				
Water consumption sales	\$ 4,953,010	4,953,010	4,985,869	32,859
Wastewater service	3,376,361	3,376,361	3,392,054	15,693
Other charges and services	20,000	20,000	25,349	5,349
Total operating revenues	8,349,371	8,349,371	8,403,272	53,901
Operating expenses:				
Salaries and benefits	544,108	544,108	458,373	85,735
Employee benefits	64,508	64,508	161,948	(97,440)
Payroll taxes	43,575	43,575	36,664	6,911
Water purchases	2,018,988	2,018,988	2,028,612	(9,624)
Utilities	377,795	377,795	329,009	48,786
System maintenance	88,900	88,900	141,176	(52,276)
Supplies and small tools	15,000	15,000	11,522	3,478
Special services	116,394	116,394	119,162	(2,768)
Technical communications	13,424	13,424	10,814	2,610
Vehicles	35,000	35,000	28,365	6,635
Treatment and disposal	2,718,598	2,718,598	2,610,338	108,260
General and administrative	1,526,172	1,526,172	1,357,198	168,974
Total operating expenses	7,562,462	7,562,462	7,293,181	269,281
Operating income before depreciation and amortization	786,909	786,909	1,110,091	323,182
Depreciation	(341,272)	(341,272)	(338,940)	2,332
Operating income (loss)	445,637	445,637	771,151	325,514
Non-operating revenues, net:				
Property taxes	697,000	697,000	697,065	65
Interest and investment unrealized loss	132,373	132,373	299,376	167,003
Interest on rental income	-	-	6,360	6,360
Rental revenue	37,000	37,000	33,405	(3,595)
Insurance recovery	-	-	77,469	77,469
Other non-operating revenue	-	-	2,701	2,701
Total non-operating revenues, net	866,373	866,373	1,116,376	250,003
Changes in net position	\$ 1,312,010	1,312,010	1,887,527	575,517
Net position, beginning of year			12,321,773	
Net position, end of year			\$ 14,209,300	

**Westborough Water District
Budgetary Comparison Schedule
For the Year Ended June 30, 2024**

	Adopted Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:				
Water consumption sales	\$ 4,196,733	4,196,733	4,143,441	(53,292)
Wastewater service	3,284,888	3,284,888	3,293,969	9,081
Other charges and services	19,200	19,200	24,589	5,389
Total operating revenues	<u>7,500,821</u>	<u>7,500,821</u>	<u>7,461,999</u>	<u>(38,822)</u>
Operating expenses:				
Salaries and benefits	514,236	514,236	458,906	55,330
Employee benefits	61,266	61,266	193,850	(132,584)
Payroll taxes	34,825	34,825	33,734	1,091
Water purchases	1,906,743	1,906,743	1,814,651	92,092
Utilities	300,316	300,316	322,887	(22,571)
System maintenance	84,905	84,905	154,072	(69,167)
Supplies and small tools	15,000	15,000	18,337	(3,337)
Special services	91,717	91,717	76,886	14,831
Technical communications	11,260	11,260	9,903	1,357
Vehicles	35,000	35,000	30,917	4,083
Treatment and disposal	2,762,425	2,762,425	2,657,446	104,979
General and administrative	1,302,458	1,302,458	1,394,173	(91,715)
Total operating expenses	<u>7,120,151</u>	<u>7,120,151</u>	<u>7,165,762</u>	<u>(45,611)</u>
Operating income before depreciation and amortization	380,670	380,670	296,237	(84,433)
Depreciation	(365,000)	(365,000)	(341,583)	23,417
Operating income (loss)	<u>15,670</u>	<u>15,670</u>	<u>(45,346)</u>	<u>(61,016)</u>
Non-operating revenues, net:				
Property taxes	676,549	676,549	647,871	(28,678)
Interest and investment unrealized loss	90,107	90,107	234,277	144,170
Interest on rental income	-	-	7,471	7,471
Rental revenue	36,192	36,192	33,448	(2,744)
Other non-operating revenue	-	-	16,177	16,177
Total non-operating revenues, net	<u>802,848</u>	<u>802,848</u>	<u>939,244</u>	<u>136,396</u>
Changes in net position	<u>\$ 818,518</u>	<u>818,518</u>	<u>893,898</u>	<u>75,380</u>
Net position, beginning of year, as restated			<u>11,427,875</u>	
Net position, end of year, as restated			<u>\$ 12,321,773</u>	

**Westborough Water District
Schedule of Capacity Charges
For the Year Ended June 30, 2025**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Beginning balance as of July 1, 2024	\$ 313,837	148,791	462,628
Capacity fees received for the fiscal year ended June 30, 2025			
Storage and transmission fees	-	-	-
Total capacity charges	<u>\$ 313,837</u>	<u>148,791</u>	<u>462,628</u>

Public improvement expenditures for the fiscal year ended June 30, 2025 are as follows:

	<u>Project expenditures</u>			<u>Project expenditures funded with the above fees</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>	<u>Amount</u>	<u>Percentage</u>
Public improvement projects					
Skyline tanks structural analysis, coating, and inspection	\$ 267,167	-	267,167	267,167	100%
Greendale easement sanitary improvements	-	69,298	69,298	69,298	100%
MAP update	-	4,717	4,717	4,717	100%
Total expenditures	<u>267,167</u>	<u>74,015</u>	<u>341,182</u>		
Excess fees over expenditures	<u>46,670</u>	<u>74,776</u>	<u>121,446</u>		
Ending balance as of June 30, 2025	<u>\$ 46,670</u>	<u>74,776</u>	<u>121,446</u>		

See accompanying notes to the schedule of capacity charges

**Westborough Water District
Schedule of Capacity Charges
For the Year Ended June 30, 2024**

Capacity fees received for the fiscal year ended June 30, 2024

Storage and transmission fees	-	8,156	8,156
Total capacity charges	\$ 313,837	148,791	462,628

Public improvement expenditures for the fiscal year ended June 30, 2024 are as follows:

	Project expenditures			Project expenditures funded with the above fees	
	Water	Sewer	Total	Amount	Percentage
Public improvement projects					
Skyline tanks structural analysis, coating, and inspection	\$ 117,109	-	117,109	117,109	100%
Greendale easement sanitary improvements	-	69,298	69,298	69,298	100%
MAP update	4,717	-	4,717	4,717	100%
Total expenditures	121,826	69,298	191,124		
Excess fees over expenditures	192,011	79,493	271,504		
Ending balance as of June 30, 2024	\$ 192,011	79,493	271,504		

See accompanying notes to the schedule of capacity charges

Report on Internal Controls and Compliance

Presentation Draft Subject to Board Approval

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Westborough Water District
South San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Westborough Water District (District), as of and for the years June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated April 9, 2026.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
April 9, 2026

Presentation Draft Subject to Board Approval

Nominations for LAFCo Special District Representative 2026

From Diane Estipona <destipona1@smcgov.org>

Date Wed 3/25/2026 3:07 PM

Cc Rob Bartoli <RBartoli@smcgov.org>

 4 attachments (874 KB)

Nominations for Regular Memeber Special District Member 2026.pdf; SDSC Roster 2026.pdf; 2026 Authorize_electronic_ballot regular member.pdf; LAFCo Fact Sheet 2026 1.28.26.pdf;

Dear General Managers,

Attached please find the call for nominations for the regular special district member with a term ending May 2030. Please forward this to your board president at your earliest convenience and please confirm receipt of this e-mail. **Nominations and electronic ballot authorizations must be submitted by April 27, 2026 5:00 pm.**

If you have any questions, please contact Rob Bartoli at 650-363-4224 or rbartoli@smcgov.org.

Best,

Diane Estipona (she/her/hers)
Administrative Secretary III
(628) 258 – 3243

County of San Mateo
455 County Center, 2nd Floor
Redwood City, CA 94063
www.sanmateolafco.org
www.sforoundtable.org



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

Please forward to Board President

March 25, 2026

To: Presiding Officers/Board Presidents
Independent Special Districts, San Mateo County

Subject: Call for Nominations: Special District Selection Committee Mail Ballot to Elect
Regular Special District Members on San Mateo LAFCo Pursuant to Government
Code Section 56332

As you know, San Mateo LAFCo is comprised of two county supervisor members appointed by the Board of Supervisors, two city council members appointed by the City Selection Committee (also known as the Council of Mayors), two special district members selected by the Special Districts Selection Committee (comprised of the presiding officers of the independent special districts), and one public member appointed by the six members of the Commission. An alternate for each type of membership is also selected in the same manner as regular members. Terms are four years ending on the first Monday in May and members serve until reappointed or their successor is appointed. Government Code Section 56332 directs that the LAFCo Executive Officer shall call a meeting or provide for mail ballot to appoint independent special district members to LAFCo to fill vacancies or expiring terms.

The purpose of this letter is to open the nomination period for the Independent Special District Selection Committee (SDSC) to fill the independent special district **Regular Member position expiring in May 2030**. This regular member position is currently held by Kati Martin from the San Mateo County Mosquito and Vector Control District, and her current term ends in May 2026.

In this case, it has been determined that the nomination and election of the regular and special district members shall be held by mail. For the nomination period, LAFCo will accept written nominations on your district's letterhead signed by your board president or board-appointed alternate for the regular member position. No board action is necessary unless your board president is not able to participate.

Nominations for the regular member may only be submitted in writing via mail, fax or e-mail and with the signature of the Special District President/Chair (or board-appointed alternate board member) and must be received by LAFCo **by 5:00 p.m. April 27, 2026**.

Once the nomination period is closed, the LAFCo Executive Officer will distribute a notice and

COMMISSIONERS: VIRGINIA CHANG KIRALY, CHAIR, SPECIAL DISTRICT • ANN DRAPER, VICE CHAIR, PUBLIC • KATI MARTIN, SPECIAL DISTRICT
• DAVID J CANEPA, COUNTY • DEBBIE RUDDOCK, CITY • STEPHEN RAINALDI, CITY • JACKIE SPEIER, COUNTY •

ALTERNATES: NOELIA CORZO, COUNTY • KATHRYN SLATER-CARTER, SPECIAL DISTRICT • GREG WRIGHT, CITY • COLLEEN YOU, PUBLIC

STAFF: ROB BARTOLI, EXECUTIVE OFFICER • SARAH FLAMM, MANAGEMENT ANALYST • TIM FOX, LEGAL COUNSEL •
DIANE ESTIPONA, CLERK

mail ballots, requesting return of the ballot no later than 21 days from the date of the notice. Section 56332(c)(2) provides for distribution of mail ballots by certified mail or by electronic mail with the consent of the district. For both expediency and cost savings it is hoped that districts will consent to distribution of the ballots by electronic mail. To this end, it is requested that your District return the attached "Authorization to transmit the LAFCo Special District Member Ballot by Electronic Mail" and provide LAFCo with the desired email address for distribution of the ballot.

In summary, nominations are now open for the independent special district Regular Member position with term ending May 2030, and we need your district's authorization to transmit an election ballot via email.

Board presidents or board-appointed alternates are requested to complete the following two steps:

1. Submit written nominations for the regular LAFCo member on your district's letterhead with your signature or that of a board-appointed alternate.
2. Complete and submit the "Authorization to transmit the LAFCo Special District Member Mail Ballot by Electronic Mail."

You must return your authorization form and all nominations to LAFCo no later than 5:00pm, Monday, April 27, 2026.

If you have questions concerning this process, please contact me directly.

Sincerely,



Rob Bartoli
Executive Officer

Attachment: Authorization Form
Special Districts in San Mateo County Roster
San Mateo LAFCo Fact Sheet

Distribution: Presiding Officers of Independent Special Districts in San Mateo County

Independent Special Districts in San Mateo County as of
For Purposes of voting for Special District Members on LAFCo

3/25/26

Bayshore Sanitary District
Broadmoor Police Protection District
Coastside County Water District
Coastside Fire Protection District
Colma Fire Protection District
Granada Community Services District
Highlands Recreation District
Ladera Recreation District
Menlo Park Fire Protection District
MidPeninsula County Water District
Montara Water and Sanitary District
North Coast County Water District
Peninsula Health Care District
San Mateo County Harbor District
San Mateo County Mosquito Abatement District
San Mateo County Resource Conservation District
Sequoia Health Care District
West Bay Sanitary District
Westborough County Water District
Woodside Fire Protection District

Note: Midpeninsula Regional Open Space District is not included because the majority of the District's territory is located in Santa Clara County.

**Authorization to Transmit Special District Selection Committee Ballot
by Electronic Mail
[Pursuant to Section 56332 (C) (2)]**

The _____ District hereby authorizes LAFCo
(name of district)

to send the Special District Selection Committee Ballot by electronic mail to:

(Name of board president or board authorized voting delegate **and e-mail address**)

for the purpose of voting for regular special district term ending May 2030.

Submitted by: _____
Printed Name of District President or District Manager/Chief

Signature: _____

Date: _____

Please return by Monday, April 27, 2026 by mail, fax or electronic mail to:

Rob Bartoli, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063
650/363-4224 – phone
650/363-4849 – fax

Electronic mail: rbartoli@smcgov.org



LOCAL AGENCY FORMATION COMMISSION

455 COUNTY CENTER, 2ND FLOOR • REDWOOD CITY, CA 94063-1663 • PHONE (650) 363-4224 • FAX (650) 363-4849

Rob Bartoli, Executive Officer
 rbartoli@smcgov.org
 www.sanmateolafco.org

Purpose of LAFCo

Created by the California legislature in 1963, LAFCo is a State-mandated, independent commission with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, incorporations, and formations. As required by State law, LAFCo adopts a net operating budget, which is apportioned in thirds to the County of San Mateo, the 20 cities in the County, and 21 of the 22 independent special districts; the majority of the Midpeninsula Regional Open Space District territory is located in Santa Clara County and the District is under the funding mandate for Santa Clara LAFCo.

The Commission has responsibility in the following areas affecting local government in the County:

1. To discourage urban sprawl and encourage the orderly growth and development of local government agencies;
2. To prevent premature conversion of agricultural and open space lands;
3. To review, approve, or disapprove proposals for changes in the boundaries and organization of the 20 cities, 21 independent special districts, and 33 active County and City governed special districts, plus incorporations of cities and formations of special districts;
4. To conduct municipal service reviews and establish and periodically update spheres of influence – future boundary, organization, and service plans – for the County, cities, and special districts; and
5. To perform and assist in studies of local government agencies with the goal of improving efficiency and reducing costs of providing urban services.

Commission Roster

The Commission is made up of two members of the County Board of Supervisors, two members of city councils from cities in the County, two board members of independent special districts in the County, a public member, and four alternate members (County, city, special district, and public). The Commission contracts with the County of San Mateo for staff, facilities, and legal counsel. The Executive Officer serves in the administrative capacity, which includes staff review of each proposal, sphere of influence studies, and assistance to local agencies and the public.

Commissioner	Member Type	Term Expires
Virginia Chang Kiraly, Chair	Special District	May 2028
Ann Draper, Vice Chair	Public	May 2026
Debbie Ruddock	City	May 2025
David Canepa	County	May 2026
Kati Martin	Special District	May 2026
Jackie Speier	County	May 2028
Stephen Rainaldi	City	May 2026
Kathryn Slater-Carter	Alternate Special District	May 2028
Greg Wright	Alternate City	May 2027
Colleen You	Alternate Public	May 2026
Noelia Corzo	Alternate County	May 2028

Commission Meetings

1. LAFCo meetings are held on the third Wednesday of odd-numbered months (January, March, May, July, September, November) at 2:30 pm in the Board of Supervisors' Chambers, 500 County Center, Redwood City. Extra meetings may be held as needed.
2. If an agenda item is of interest to you, the Chair will call for comments from the audience when the item is ready for discussion. Please complete a speaker slip available on the table in the foyer and give it to the Commission Clerk to assist the Chair in organizing the progress of the hearing.
3. When addressing the Commission, please proceed to the microphone and state your name, the organization you are representing, or your city of residence for the Clerk.

Printed 1/28/26




Memo

To: WWD Board of Directors **Date:** 04/01/26

Project Name: Skyline Tank No. 3 Structural Retrofit **Project No.:** 10025.14

Reference: Progress Payment No. 6

From: Joubin Pakpour, PE 

Construction Status

Between February 28, 2026 and March 31, 2026, Euro Style Management (ESM) finished the structural repairs, installed the overflow supports, sealed the shell vents, repaired minor holes on the tank roof, sandblasted the interior roof and shell down to within approximately 5 feet of the tank floor, and poured the concrete ringwall extension. Before the coating process began, ESM cleaned weld splatter, sharp-edge protrusions, and other imperfections per power tool cleaning standards. ESM then began the interior coating process and completed the prime and stripe coats.

Work anticipated in April 2026 includes installing the anchor chairs, shell manway, flush cleanout, and sealing the tank drain. ESM will also finish coating the interior and begin coating work on the exterior.

Pending Change Orders

Overflow Modification

As part of the retrofit, the existing tank drain will be abandoned to eliminate underground tank connections. Although not part of the original design, we coordinated with District operations to reinstall the tank drain to the exterior overflow. We feel this proposed change allows direct drainage into the existing storm drain infrastructure and reduces future maintenance costs. We are awaiting ESM’s proposed cost for this work after which we will discuss with the general manager and operations. We anticipate a cost between \$7,000 to \$10,000, approximately 0.4% of the overall project cost.

Existing Foundation Concrete Chipping

ESM and the inspector observed the existing foundation was poured directly against the soil instead of against a smooth plywood form. As a result, the concrete beginning approximately 1’ below the tank floor extended as much as 6” away from the assumed foundation face in many areas resulting in a non-vertical wall. This prevented rebar installation from meeting design clearance requirements in these locations. ESM spent additional time chipping away the concrete to create a vertical wall to permit rebar cage installation. We are currently working with ESM on the additional cost.



Anchor Chair Material Cost Adjustment

In early December 2025, ESM requested a cost adjustment due to increased tariffs on the anchor chair materials, specifically the OnGuard System, which is based/manufactured in New Zealand. We are currently coordinating with ESM on backup documentation justifying the increase anticipated to be approximately \$20,000.

Tank Structural Repairs

As part of the tank inspection process prior to finalizing all welding work within the tank, ESM and our structural engineer identified several areas along the rafters in need of structural repair. The labor for this work is paid for under Bid Item 15 and assumes a 3 person, fully equipped welding crew. The material is paid for by change order as during design it is not possible to determine the repair extents without erecting scaffolding and extensive work to expose bare steel. Generally, labor is the most expensive component of repair work and having this as a bid item allows budgeting a portion of this work should it be required.

Project Schedule and Request for Progress Payment No. 6

As of March 31, 2026, ESM completed 77% percent of the contractual work (**\$1,858,600**) and has 18 working days remaining out of 180 working days.

Enclosed please find Progress Payment No. 6 due ESM for **\$419,520.00** (value of work minus 5 percent retention). The work performed to date has been satisfactory and payment is recommended.

	Current Month	Total	
Original Contract Amount		\$ 2,417,594.00	
Approved Change Orders	\$ 0.00	\$ 0.00	0%
Final Contract Amount		\$ 2,417,594.00	
Previously Paid		\$ 1,346,150.00	
Current Request (Less Retention)	\$ 419,520.00	\$ 419,520.00	
Retention	\$22,080.00	\$92,930.00	
Total Value of Work Completed	\$ 441,600.00	\$ 1,858,600.00	77%
Total Remaining on Contract		\$558,994.00	23%

J:\Projects\Westborough Water District - 10025.00\14-Skyline Tanks Structural Upgrades\02-Structural Upgrades\Construction\Correspondence\Board Packets\14-WWD-Board-26.04.01-PP06.docx





Skyline Tank No. 3 Structural Retrofit
Progress Payment No. 06
February 28, 2026 to March 31, 2026



9.A.3

Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
1	Mobilization/Demobilization	LS	\$ 110,000.00	1	\$ 110,000.00	0	\$ 110,000.00	\$ -	1	\$ 110,000.00	\$ 110,000.00	0	\$ -	0%	0.7	\$ 77,000.00	70%	0.7	\$ 77,000.00	70%
2	Ringwall Extension/Catch Basin	LS	\$ 410,000.00	1	\$ 410,000.00	0	\$ 410,000.00	\$ -	1	\$ 410,000.00	\$ 410,000.00	0.17	\$ 68,600.00	17%	0.75	\$ 307,500.00	75%	0.92	\$ 376,100.00	92%
3	Micropiles	LS	\$ 202,500.00	1	\$ 202,500.00	0	\$ 202,500.00	\$ -	1	\$ 202,500.00	\$ 202,500.00	0	\$ -	0%	1	\$ 202,500.00	100%	1	\$ 202,500.00	100%
4	Tank Anchorage	LS	\$ 324,000.00	1	\$ 324,000.00	0	\$ 324,000.00	\$ -	1	\$ 324,000.00	\$ 324,000.00	0	\$ -	0%	0.68	\$ 220,000.00	68%	0.68	\$ 220,000.00	68%
5	Roof Strengthening	LS	\$ 150,000.00	1	\$ 150,000.00	0	\$ 150,000.00	\$ -	1	\$ 150,000.00	\$ 150,000.00	0	\$ -	0%	1	\$ 150,000.00	100%	1	\$ 150,000.00	100%
6	Shell Manway Strengthening	LS	\$ 14,000.00	1	\$ 14,000.00	0	\$ 14,000.00	\$ -	1	\$ 14,000.00	\$ 14,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
7	Column Strengthening	LS	\$ 37,000.00	1	\$ 37,000.00	0	\$ 37,000.00	\$ -	1	\$ 37,000.00	\$ 37,000.00	0	\$ -	0%	1	\$ 37,000.00	100%	1	\$ 37,000.00	100%
8	Flush Cleanout	LS	\$ 20,000.00	1	\$ 20,000.00	0	\$ 20,000.00	\$ -	1	\$ 20,000.00	\$ 20,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
9	Seal Tank Vents	LS	\$ 40,000.00	1	\$ 40,000.00	0	\$ 40,000.00	\$ -	1	\$ 40,000.00	\$ 40,000.00	0.25	\$ 10,000.00	25%	0.75	\$ 30,000.00	75%	1	\$ 40,000.00	100%
10	Sump Drain Modification	LS	\$ 15,000.00	1	\$ 15,000.00	0	\$ 15,000.00	\$ -	1	\$ 15,000.00	\$ 15,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
11	Overflow Relocation	LS	\$ 55,000.00	1	\$ 55,000.00	0	\$ 55,000.00	\$ -	1	\$ 55,000.00	\$ 55,000.00	0.15	\$ 8,250.00	15%	0.6	\$ 33,000.00	60%	0.75	\$ 41,250.00	75%
12	Tank Roof Vents	LS	\$ 30,000.00	1	\$ 30,000.00	0	\$ 30,000.00	\$ -	1	\$ 30,000.00	\$ 30,000.00	0.3	\$ 9,000.00	30%	0.7	\$ 21,000.00	70%	1	\$ 30,000.00	100%
13	Pipe Modifications	LS	\$ 40,000.00	1	\$ 40,000.00	0	\$ 40,000.00	\$ -	1	\$ 40,000.00	\$ 40,000.00	0	\$ -	0%	0.5	\$ 20,000.00	50%	0.5	\$ 20,000.00	50%
14	Tank Level Assembly	LS	\$ 17,000.00	1	\$ 17,000.00	0	\$ 17,000.00	\$ -	1	\$ 17,000.00	\$ 17,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
15	Tank Mechanical Repairs	DAY	\$ 3,000.00	10	\$ 30,000.00	0	\$ 3,000.00	\$ -	10	\$ 3,000.00	\$ 30,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
16	Interior Coating	LS	\$ 759,000.00	1	\$ 759,000.00	0	\$ 759,000.00	\$ -	1	\$ 759,000.00	\$ 759,000.00	0.45	\$ 345,750.00	46%	0.32	\$ 240,000.00	32%	0.77	\$ 585,750.00	77%
17	Exterior Coating	LS	\$ 53,694.00	1	\$ 53,694.00	0	\$ 53,694.00	\$ -	1	\$ 53,694.00	\$ 53,694.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
18	Aggregate Base	CY	\$ 350.00	20	\$ 7,000.00	0	\$ 350.00	\$ -	20	\$ 350.00	\$ 7,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
19	Asphalt Concrete	TON	\$ 700.00	12	\$ 8,400.00	0	\$ 700.00	\$ -	12	\$ 700.00	\$ 8,400.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
20	Site Restoration	LS	\$ 17,000.00	1	\$ 17,000.00	0	\$ 17,000.00	\$ -	1	\$ 17,000.00	\$ 17,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
21	Storm Water Pollution Control	LS	\$ 24,000.00	1	\$ 24,000.00	0	\$ 24,000.00	\$ -	1	\$ 24,000.00	\$ 24,000.00	0	\$ -	0%	1	\$ 24,000.00	100%	1	\$ 24,000.00	100%
22	Potholing	EA	\$ 500.00	8	\$ 4,000.00	0	\$ 500.00	\$ -	8	\$ 500.00	\$ 4,000.00	0	\$ -	0%	10	\$ 5,000.00	125%	10	\$ 5,000.00	125%



Skyline Tank No. 3 Structural Retrofit
 Progress Payment No. 06
 February 28, 2026 to March 31, 2026



Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
23	Shoring	LS	\$ 50,000.00	1	\$ 50,000.00	0	\$ 50,000.00	\$ -	1	\$ 50,000.00	\$ 50,000.00	0	\$ -	0%	1	\$ 50,000.00	100%	1	\$ 50,000.00	100%
Contract Amount					\$2,417,594.00			\$0.00			\$2,417,594.00									
Amount Earned													\$441,600.00	18%		\$1,417,000.00	59%		\$1,858,600.00	77%
Retention (5%)													(\$22,080.00)							(\$92,930.00)
Progress Payment No. 1																				(\$662,150.00)
Progress Payment No. 2																				(\$252,225.00)
Progress Payment No. 3																				(\$155,325.00)
Progress Payment No. 4																				(\$125,400.00)
Progress Payment No. 5																				(\$151,050.00)
Amount Due													\$419,520.00							\$419,520.00
Amount Remaining on Contract																				\$558,994.00 23%

Prepared By

DocuSigned by:

Joubin Pakpour

Joubin Pakpour, P.E.
 District Engineer

Contract Amount Remaining	\$558,994.00	23%
Total Retention Held	(\$92,930.00)	
Total Pending Change Orders	\$ -	

9.A.4

APPLICATION AND CERTIFICATE FOR PAYMENT

Westborough Water District
2263 Westborough Blvd
South San Francisco, CA 94080

PROJECT: Skyline Tank No.3 Structural Retrofit

Application No. 6
Application Date: 31-Mar-26
Period to: 31-Mar-26

- Distribution to:
- CONTRACTOR
 - INSPECTOR
 - CONST. MANAGER
 - ARCHITECT
 - OWNER

From Contractor:
Name: Euro Style Management
Address: 1401 Main Ave.
Sacramento CA 95838
Project No:

ARCHITECT:
PO No:

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY:			
Change Orders approved in Previous months by Owner		ADDITIONS:	DEDUCTIONS:
TOTAL:			
Approved this Month			
Number	Date Approved		
bid item 22	14-Aug	1,000.00	
Totals		1,000.00	
Net change by Change Orders			

Application is made for Payments as shown below, in connection with the Contract. Schedule of Values is attached.

1. ORIGINAL CONTRACT SUM	\$ 2,417,594.00
2. Net change by Change Orders	\$ 1,000.00
3. CONTRACT SUM TO DATE	\$ 2,418,594.00
4. TOTAL COMPLETED & STORED TO DATE	\$ 1,858,600.00
(Column G on Schedule of Values Sheet)	
5. RETAINAGE:	
a. 5% of Completed Work	\$ 92,930.00
(Column E + F on Schedule of Values Sheet)	
b. % of Stored Material	\$
(Column G on Schedule of Values Sheet)	
Total Retainage (Line 5a + 5b or Total in Column K of Schedule of Values Sheet)	\$ 92,930.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$ 1,765,670.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT/Line 6 from PRIOR Certificate	\$ 1,346,150.00
8. CURRENT PAYMENT DUE	\$ 419,520.00
9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 less Line 6)	\$ 652,924.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates of Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

BY: [Signature] DATE: 31-Mar-26

CERTIFICATE FOR PAYMENT

INSPECTOR:
BY: [Signature] DATE: [Date]

CONSTRUCTION MANAGER:
BY: [Signature] DATE: [Date]

OWNER: Westborough Water District
BY: [Signature] DATE: [Date]

NOTE: BELOW THIS LINE TO BE FILLED OUT BY AUTHORIZED PERSONS ONLY

AMOUNT CERTIFIED \$ 419,520.00
(Attach explanation if amount certified differs from the amount applied for)
Can be overridden by Architect

ARCHITECT:
BY: [Signature] DATE: [Date]

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

9.A.5

Application and Certificate for Payment containing Contractor's signed Certification, is attached in tabulation below; amount are stated to the nearest dollar

NOTE: Input green areas only

Application No.	678
Application Date:	31-Mar-26
Period to:	31-Mar-26
Architects Project Number	

Use Column K on contracts where variable retainage for line items may apply.

B Item #	C Skyline Tank No.3 Structural Retrofit	D QTY EST.	E Unit	F UNIT COST	G Scheduled Value	H Work Completed		J Stored Materials	K Completed and Stored	L % Complete	M Balance to Finish	N Retainage
						Previously	This Period					
	BASE BID:											
1	Mobilization / Demobilization	1	LS	\$ 110,000.00	110,000.00	77,000.00			77,000.00	70%	33,000.00	3,850.00
2	Ring Wall Extension / Catch Basin (\$410,000)											
2a	Excavation and Haul-Off	1	LS	\$ 230,000.00	230,000.00	207,000.00			207,000.00	90%	23,000.00	10,350.00
2b	Formwork / Prep	1	LS	\$ 80,000.00	80,000.00	71,200.00			71,200.00	89%	8,800.00	3,560.00
2c	Catch Basin Install	1	LS	\$ 30,000.00	30,000.00	27,900.00			27,900.00	93%	2,100.00	1,395.00
2d	Concrete Pour	1	LS	\$ 70,000.00	70,000.00	1,400.00	68,600.00		70,000.00	100%		3,500.00
3	Micropiles (\$202,500)											
3a	Drilling	1	LS	\$ 120,000.00	120,000.00	120,000.00			120,000.00	100%		6,000.00
3b	Installation	1	LS	\$ 72,000.00	72,000.00	72,000.00			72,000.00	100%		3,600.00
3c	Proof Testing	1	LS	\$ 10,500.00	10,500.00	10,500.00			10,500.00	100%		525.00
4	Tank Anchorage(\$324,000)	1	LS									
4a	Existing Foot Scanning	1	LS	\$ 24,000.00	24,000.00					0%	24,000.00	
4b	Material Procurement	1	LS	\$ 220,000.00	220,000.00	220,000.00			220,000.00	100%		11,000.00
4c	Installation	1	LS	\$ 80,000.00	80,000.00					0%	80,000.00	

Schedule of Values Sheet(cont) on Next Page

Schedule of Values Sheet (Cont)

Application and Certificate for Payment containing Contractor's signed Certification, is attached in tabulation below, amount are stated to the nearest dollar Use Column K on contracts where variable retainage for line items may apply.

NOTE: Input green areas only

Application No.	6
Application Date:	31-Mar-26
Period to:	31-Mar-26
Architects Project Number	0

Item #	C Skyline Tank No.3 Structural Retrofit	D QTY EST.	E Unit	F UNIT COST	G Scheduled Value	H Work Completed		I Stored Materials	K Completed and Stored	L % Complete	M Balance to Finish	N Retainage
						Previously	This Period					
5	Roof Strengthening(\$150,000)											
5a	Material Procurement	1	LS	\$ 50,000.00	50,000.00	50,000.00			50,000.00	100%		2,500.00
5b	Cross Bracing Install	1	LS	\$ 50,000.00	50,000.00	50,000.00			50,000.00	100%		2,500.00
5c	New Stiffening Rafter Install	1	LS	\$ 50,000.00	50,000.00	50,000.00			50,000.00	100%		2,500.00
6	Shell Manway Strengthening	1	LS	\$ 14,000.00	14,000.00					0%	14,000.00	
7	Column Strengthening	1	LS	\$ 37,000.00	37,000.00	37,000.00			37,000.00	100%		1,850.00
8	Flush Cleanout	1	LS	\$ 20,000.00	20,000.00					0%	20,000.00	
9	Seal Tank Vents	1	LS	\$ 40,000.00	40,000.00	30,000.00	10,000.00		40,000.00	100%		2,000.00
10	Sump Drain Modification	1	LS	\$ 15,000.00	15,000.00					0%	15,000.00	
11	Overflow Relocation	1	LS	\$ 55,000.00	55,000.00	33,000.00	8,250.00		41,250.00	75%	13,750.00	2,062.50
12	Tank Roof Vents	1	LS	\$ 30,000.00	30,000.00	21,000.00	9,000.00		30,000.00	100%		1,500.00
13	Pipe Modifications	1	LS	\$ 40,000.00	40,000.00	20,000.00			20,000.00	50%	20,000.00	1,000.00
14	Tank Level Assembly	1	LS	\$ 17,000.00	17,000.00					0%	17,000.00	

9A7

Schedule of Values Sheet(cont) on Next Page

Schedule of Values Sheet (Cont)

Application and Certificate for Payment containing Contractor's signed Certification, is attached in tabulation below, amount are stated to the nearest dollar. Use Column K on contracts where variable retainage for line items may apply.

NOTE: Input green areas only

Application No.	6
Application Date:	31-Mar-26
Period to:	31-Mar-26
Architects Project Number	0

B Item #	C Skyline Tank No.3 Structural Retrofit	D QTY EST.	E Unit	F UNIT COST	G Scheduled Value	H Work Completed		I Stored Materials	J Completed and Stored	K % Complete	L Balance to Finish	M Retainage
						Previously	This Period					
15	Tank Mechanical Repairs	10	DAY	\$ 3,000.00	30,000.00					0%	30,000.00	
16	Interior Coating(\$759,000)											
16a	Scaffolding	1	LS	\$ 180,000.00	180,000.00	180,000.00			180,000.00	100%		9,000.00
16b	Vapor Zone Blast	1	LS	\$ 240,000.00	240,000.00	60,000.00	180,000.00		240,000.00	100%		12,000.00
16c	Vapor Zone Coating	1	LS	\$ 80,000.00	80,000.00		56,000.00		56,000.00	70%	24,000.00	2,800.00
16d	Submerged Area Blast	1	LS	\$ 180,000.00	180,000.00		90,000.00		90,000.00	50%	90,000.00	4,500.00
16e	Submerged Area Coating	1	LS	\$ 79,000.00	79,000.00		19,750.00		19,750.00	25%	59,250.00	987.50
17	Exterior Coating	1	LS	\$ 53,694.00	53,694.00					0%	53,694.00	
18	Aggregate Base	20	CY	\$ 350.00	7,000.00					0%	7,000.00	
19	Asphalt Concrete	12	TON	\$ 700.00	8,400.00					0%	8,400.00	
20	Site Restoration	1	LS	\$ 17,000.00	17,000.00					0%	17,000.00	
21	Storm Water Pollution Control	1	LS	\$ 24,000.00	24,000.00	24,000.00			24,000.00	100%		1,200.00
22	Potholing	10	EA	\$ 500.00	5,000.00	5,000.00			5,000.00	100%		250.00
23	Shoring	1	LS	\$ 50,000.00	50,000.00	50,000.00			50,000.00	100%		2,500.00

	Original Contract				2,418,594.00	1,417,000.00	441,600.00	-	1,858,600.00	61%	559,994.00	92,930.00
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**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



March 3, 2026 – Welding shell vents.

**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



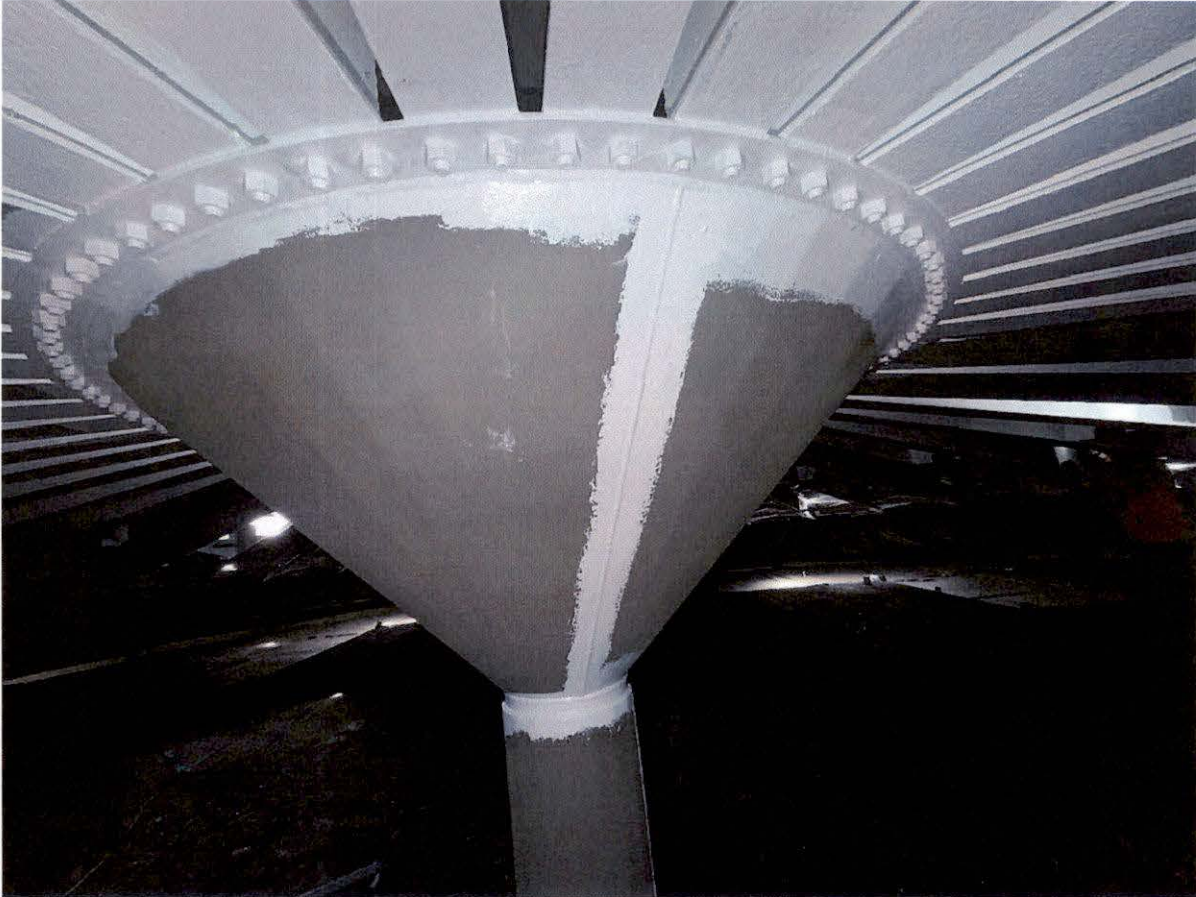
March 18, 2026 – View of sandblasted center column and rafters.

**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



March 24, 2026 – Applying the 1st coat on the interior roof.

**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



March 26, 2026 – Applying stripe coat – contrasting color.

**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



March 30, 2026 – Pouring concrete ringwall extension.

**Skyline Tank No. 3 Structural Retrofit
Westborough Water District
February 28, 2026 thru March 31, 2026**



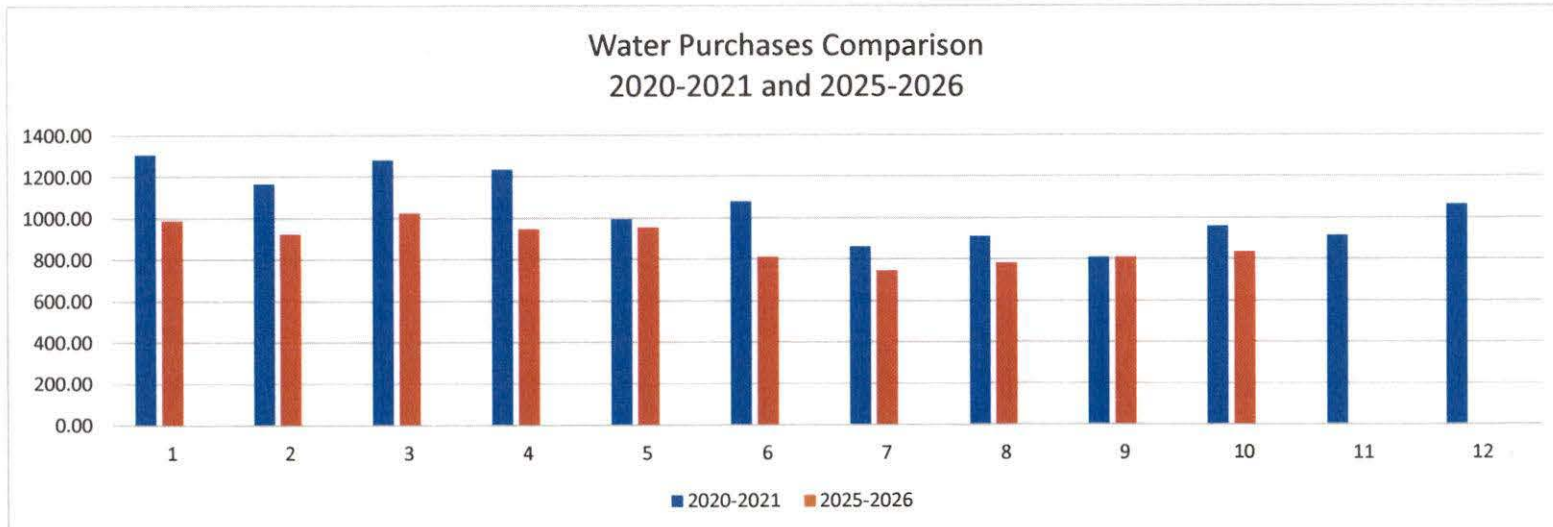
March 30, 2026 – Finishing/troweling the concrete ringwall extension.

Water Purchases Comparison 2020-2021 to 2025-2026

FY 2020-2021				FY 2025-2026				Comparison
Period	HCF Purchased	No. of Days Billed	HCF per Day	Period	HCF Purchased	No. of Days Billed	HCF per Day	HCF Per Day Difference
06/05/20 to 07/07/20	43157	33	1307.79	06/05/25 to 07/07/25	32635	33	988.94	-318.85
07/08/20 to 08/06/20	34995	30	1166.50	07/08/25 to 08/06/25	27691	30	923.04	-243.46
08/07/20 to 09/04/20	37162	29	1281.45	08/07/25 to 09/05/26	30776	30	1025.86	-255.59
09/05/20 to 10/06/20	39480	32	1233.75	09/06/25 to 10/06/25	29367	31	947.32	-286.43
10/05/20 to 11/02/20	26876	27	995.41	10/07/25 to 11/05/25	28669	30	955.62	-39.78
11/03/20 to 12/04/20	34525	32	1078.91	11/06/25 to 12/04/25	23548	29	812.00	-266.90
12/05/20 to 01/04/21	26748	31	862.84	12/05/25 to 01/07/26	25305	34	744.26	-118.58
01/05/21 to 02/01/21	25531	28	911.82	01/08/26 to 02/04/26	21900	28	782.15	-129.67
02/02/21 to 03/04/21	25095	31	809.52	02/05/26 to 03/05/26	23514	29	810.84	1.32
03/05/21 to 04/05/21	30684	32	958.88	03/06/26 to 04/06/26	26708	32	834.62	-124.25
04/06/21 to 05/05/21	27430	30	914.33					
05/06/21 to 06/03/21	30907	29	1065.76					
Total Purchases	382590	364	1051.07	Total Purchases	270113	306	882.72	

9.B.1

GPCPD YTD	48.96
GPCPD 24/25	50.64
GPCPD 23/24	50.29
GPCPD 22/23	49.46
GPCPD 21/22	50.62
GPCPD 20/21	58.30
GPCPD 19/20	59.11



CSDA San Mateo Chapter Meeting of 9 March 2026

A San Mateo County Special Districts meeting was held at 3 PM on 9 March 2026 in a hybrid format. Two members were in person at the Harbor District's office in Half Moon Bay while sixteen others (including Paty and me) participated via Zoom. Jim Pruett, acting President, called the meeting to order at 3 PM from the Harbor District office with Kathryn Slater-Carter, acting Vice President, also physically present. The rest of us were remote, with the meeting scheduled to be over by 4 PM. This hybrid 1 hour meeting scheduled during a weekday (currently the second Monday of the third month of the quarter) does seem to be improving attendance as at evening meetings we used to be lucky to get 8 to 10 members participating. Anyhow, Jim said it was time for election of officers but as there were no candidates/volunteers for Secretary or Treasurer (other than perhaps Iris Gallagher, current Treasurer, who was not present at the meeting), he suggested we postpone elections until next meeting.

Jim then introduced Rob Bartoli of San Mateo County Local Agency Formation Commission (LAFCO). Rob said a schedule of Municipal Services Reviews would be sent to GMs soon (Wednesday?), with an immediate priority of completing the reviews for Menlo Park and Woodside Fire Protection Districts. Coming out with the schedule would be the budget and individual district assessments. As you might recall, LAFCO is funded 1/3 by the cities, 1/3 by the county, and 1/3 by independent special districts like Westborough. Rob did note that even though MidPeninsula Open Space District has been attending our meetings, they are actually located in three different counties and are governed (and pay dues to) Santa Clara County LAFCO. He also said that Kati Martin's term on LAFCO was expiring this year and thus it was time for an election (Special Districts have two members LAFCO, with one being elected in each even numbered year). Rob asked if we wanted an election by mail like we had done in the most recent past or should we have an in-person meeting as was done before then. I suggested, and there was a consensus, that we hold a mail/email election given our past record of attendance problems. Although the GMs will be getting the correspondence, special district Presidents/Chairs will be doing the voting.

Rob's presentation was followed by a presentation by Colleen Haley of CSDA. She talked about things going on in Sacramento (like the High-speed rail proposing to make up for some of the federal funding cuts with special tax on land within ½ mile of stations – thus WWD not projected to be impacted). The Jarvis people will also be circulating petitions for another tax initiative similar to the one killed a few years ago. For further information on these and other legislative items she encouraged all to look at [CSDA.net/take-action](https://www.csdanet.org/take-action). Colleen followed up with a presentation on the steps required for a bill to become a law and encouraged all to know their legislators and participate in advocacy.

Jim closed the meeting shortly before 4PM, reminding everyone of our next meeting on June 8 at 3PM either at the Harbor District office or online.

BAWSCA Meeting of 19 March 2026

Louis Vella called the March meeting of the BAWSCA Board of Directors to order at 6:30 PM. Our action calendar item was a resolution concurring in the nomination of John Weed to the board of the ACWA/JPIA Captive Insurance Company, which passed without debate. We also held a public hearing of the status of BAWSCA employee vacancies which is a new requirement of AB 2561 (Government Code 3502.3) which was also non-controversial as BAWSCA has no current vacancies (although one retirement is coming at the end of April). We also had public comments from Peter Dreke-meier and Dave Warner, primarily on the designed drought and demand forecasting and its impact on water rates (although each spoke more than once). The Millbrae BAWSCA rep also mentioned the SFPUC's proposed Millbrae Operations Center project although discussions were slight. The City of Millbrae did participate in an on-site meeting with SFPUC the prior day (March 18) which BAWSCA did not participate in since the project really belongs to SFPUC (which has owned the land since before 1906). The Millbrae BAWSCA rep was upset she was not invited to the meeting but that was not BAWSCA's call (although we did hear about it at our board meeting).

We also had a brief SFPUC report which stated our system (and most other reservoirs throughout the state) was in good shape. Hetchy was particularly full since we are coming off a 100-day mountain tunnel shut down for maintenance. Snowpack is below normal and, according to the press, is melting fast. But we should be in good shape for the year.

Finally we spent most of our time on our three "Reports and Discussions" items. First there was a discussion of our proposed work plan for next year. Most items are just a continuation of past efforts, like reviewing the CIP and asset management, plus our usual financial reviews. One key new item is a review of debt financing and how much of new items should be financed by debt (vs pay-go or paying out of current rates). SFPUC is thinking about debt financing, but we want to make sure that would be wise. Our second "Reports and Discussions" item was a review of how wholesale rates are determined and how they are "trued up" the following year. Wholesale customers pay about two-thirds of the costs based upon estimates during the year but if those estimates generate insufficient revenue (like because water sales were down in the prior year), rates will increase more the following year if there are insufficient funds in the balancing account. That is what is happening next year (2026-27) when the forecasted wholesale rate is expected to be \$6.23. This is a 7.4% increase over this year. You might be concerned that WWD's rate study used 6% increases, but we shouldn't be in trouble. The rate increase for 2025-26 was 2.3%, or well below the 6% increase used in the study. The third "Reports and Discussions" item was a review of where we have been and where we are going with Strategy 2050. Actually, the focus was on affordability and how some agencies were trying to help those who needed lower rates. My feelings are they do create some Prop 218 risks (and many of the examples given were from out of state), but some agencies seem to willingly take the risk. Steve Jordan of Purissima Hills said he obtained the listing of customers qualifying for reduced PG&E rates and was planning on considering those customers for reduced water charges.

Finally, Tom Smegal gave a quick CEO report. We had cancelled Closed Session as there was no real new news other than BAWSCA had filed its response in the appeal of the Bay-Delta case. That response is public and I can forward it to you (nearly 70 pages) if you really want it.

The meeting concluded at 9:15 PM with the next meeting scheduled for May 21, 2026, at the Burlingame Community Center.