

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, June 13, 2024
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 May 2, 2024.

B. Accountant's Report for Period Ending April 30, 2024.

C. Investment Report for Period Ending May 31, 2024.

D. Claims Register for May 31, 2024.

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):

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6. BUSINESS (NEW):

- A. Review and Approve Water and Sewer Rate Study.
- B. Review/Approve FY 2024-2025 Operating Budget.
- C. Consideration to Pass through the Cost of Credit Card Processing on Water Bills.
- D. Review/Approve Quote to Upgrade the Rowntree Lift Station Telemetry Equipment.
- E. Review/Approve Proposal to Participate in the BAWSCA Water Loss Management Program for FY 2024-2025.
- F. Approve Candidate Policy Form For District Election November 5, 2024.
- G. Approve Resolution No. 677, A Resolution of the Board of Directors of the Westborough Water District Calling for an Election to be Held on November 5, 2024 for the Election of three Members of the Board of Directors.
- H. Special District LAFCo Election: Submit Written Nominations for the Alternate Special District Member and Authorization to Transmit the LAFCo Special District Member Ballot by Electronic Mail.
- I. Consideration of Cost-of-Living and Salary Adjustment for District Employees.
- J. Consideration of Cost-of-Living and Salary Adjustment for General Manager.

7. WRITTEN COMMUNICATIONS: None

8. ATTORNEY'S REPORT:

9. GENERAL MANAGER'S REPORT:

- A. Engineer's Report. (Pakpour).
- B. Report on District's Water Conservation for April and May 2024.
- C. Update on Signed Agreement with PSOMAS for Marking the District's Underground Pipelines.

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10. ITEMS FROM BOARD OF DIRECTORS:

- A. Report on ACWA/JPIA Conference, May 7 – May 9, 2024 (Chambers and Amuzie).
- B. Report on BAWSCA Meeting of May 16, 2024 (Chambers).

11. CLOSED SESSION:

- A. Closed Session – Public Employee Performance Evaluation, Government Code Section 54957
Title: General Manager

12. ADJOURNMENT:

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, May 2, 2024

The meeting was called to order at 7:32 p.m.

1. ROLL CALL:

Directors Present: Don Amuzie
Perry Bautista
Julie Richards
Tom Chambers

Directors Absent: Janet Medina – Excused Absence

Staff Present: Michael Conneran, Attorney
Johnny Kennedy, Field Supervisor
Wendy Bellinger, Office Supervisor
Patricia Mairena, General Manager
Joubin Pakpour, Pakpour Engineer

Visitors Present: Catherine Tseng - L&T Consultants

2. PLEDGE OF ALLEGIANCE: Led by Director Richards.

3. CONSENT CALENDAR:

President Chambers asked the Board if there were any questions or comments with the Consent Calendar; otherwise, he asked if there was a motion to approve.

Director Bautista 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. Resolution No. 675, Approval of Allocations in Accounting Treatment Between the Water and Sewer Enterprise Funds.

President Chambers commented that he did not find it necessary to include the table that was incorporated with the resolution, as the resolution did not refer to the table. Attorney Conneran confirmed that the table was not part of the resolution, so it will be removed.

Director Bautista moved to approve Resolution No. 675, Approval of Allocations in Accounting Treatment Between the Water and Sewer Enterprise Funds., seconded by Director Amuzie.

Roll Call

| | |
|-------------------|-----|
| Director Amuzie | Aye |
| Director Bautista | Aye |
| Director Richards | Aye |
| Director Chambers | Aye |

The motion was carried unanimously.

B. Resolution No. 676, Rescinding Resolution 355 and Adopting a New Reserve Fund Policy.

President Chambers asked if there was any discussion on this resolution.

Attorney Conneran asked if this resolution represented the policy that was approved by the Finance Committee; President Chambers confirmed that it was. Attorney Conneran recommended approval of this resolution. Director Bautista confirmed that he recommended approval, as he was also part of the Finance Committee that put it together.

Director Bautista moved to approve Resolution No. 676, Rescinding Resolution 355 and Adopting a New Reserve Fund Policy, seconded by Director Amuzie.

Roll Call

| | |
|-------------------|-----|
| Director Amuzie | Aye |
| Director Bautista | Aye |
| Director Richards | Aye |
| Director Chambers | Aye |

The motion was carried unanimously.

C. Consideration of Final Recommendations from Rate Study, Selection of Rate Options, and Authorization to Proceed with Proposition 218 Approval Process for rate setting.

General Manager Mairena stated that L&T Consultant, Catherine Tseng had a presentation and proceeded to display it.

Ms. Tseng proceeded with her presentation to the Board. She stated that this was a presentation of their final rate recommendations, as they had refined some of the operating costs. She mentioned that they had also received the SFPUC-approved rates, so they were able to update their projections, and, in addition, they had updated the CIP projects with the assistance of Engineer Pakpour. President Chambers inquired if there had been any notice from the North San Mateo County Sanitation District (NSMCSD) - Daly City regarding sewer rates. General Manager Mairena replied there was a board meeting scheduled for May 13th.

Ms. Tseng reviewed the following reasons why rate increases were needed:

- Fund the cost of providing service:
 - Operating & maintenance costs
 - Annual operating cost inflation
 - SFPUC wholesale water purchases
 - NSMCSD sewer treatment costs
 - Capital improvement projects
 - Debt Service
 - Debt Service Coverage = 1.25x annual debt service
 - Maintain reserve funds for emergencies
- Prevent operating deficit
- Retain positive credit rating to obtain debt financing

Ms. Tseng also reviewed the following proposed water and sewer fund objectives:

- Meet fund reserve targets
 - Recommended operating fund target = 25% of O&M expenses
 - Recommended capital fund target = \$182,500 (50% of depreciation)
- Meet debt service coverage (1.25x)
 - Financial measure of an agency's ability to repay outstanding debt
 - Net Operating Revenue/Total Annual Debt Service => 1.25

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Thursday, May 2, 2024

- Maintain positive operating revenues
 - To ensure each utility is covering its cost of service
 - To avoid an operating deficit and dipping into reserves

Ms. Tseng gave the Board an overview of the updates since the April meeting:

- Update Water CIP spending for 2023/24
 - Estimated Actual (\$175,000) vs. Budget (\$1.3M)
 - Revenue increase % for Year 1 reduced from 19.0% to 18.0%
- SFPUC 2024/25 rate increase = \$5.67 per ccf (*8.8% increase*)
 - Previous estimate was \$5.55 per ccf (*6.5% increase*)
 - Total estimated 5-year increase = 27.0%
- Drought Surcharges (*which would only be implemented if the Board decided to*)
 - Temporary additional charge on consumption
 - Recovers lost revenue due to reduced usage

Ms. Tseng displayed the combined funds net income for the current year.

Ms. Tseng presented a slide of the proposed combined fund reserves, including \$1M for water and \$2,347,102 for sewer, which includes an \$800,000 loan from the Sewer Fund to the Water Fund to be repaid over 8 years.

Ms. Tseng reviewed the previously agreed list of the G&A expenses that will be split between the water and sewer funds beginning in 2024/25:

- 1/3 of the General Manager's Salary & Benefits will be allocated to the Sewer Fund.
- Unless designated 100% to water, most G&A expenses are split 70% to water and 30% to sewer.
- All Other Revenues (except for Rental Income) will be split 70% to water and 30% to sewer.
- Total Proposed G&A Allocation = 83% Water / 17% Sewer

Ms. Tseng proceeded to review the District's current water rates and the current revenue recovery, which is 31% fixed and 69% variable.

Ms. Tseng displayed a chart of the Water Fund Net income for current and previous years, which showed a deficit of \$476,344, but once the CIP projects amount was revised to the correct amount due to a tank project not being completed, then the net income showed as a positive \$648,856.

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Ms. Tseng mentioned that the SFPUC's approved Wholesale Water Rate was \$5.67 per ccf (8.8% increase) for 2024/25, and her previous estimate was \$5.55 per ccf (6.5% increase), so over the next 5 years, they have projected wholesale rates to increase by 27.0%.

Ms. Tseng reviewed a chart with the projected Water Operating Expenses for the next five years and told the Board that the District had no control over the water purchases expenses which amounted to about 66%, and they were just pass through. Ms. Tseng stated that overall, the District's operating expenses were increasing about 6% per year. Ms. Tseng displayed additional graphs and pointed out that without the recommended increases, the District would be unable to pay for the projected expenses.

Ms. Tseng also reviewed the proposed water debt assumptions of \$1.25M per year. She stated that the total debt = \$6.25M over 5 years (2025/26 through 2029/30) and the first loan would be in year 2 (2025/26) with a \$137,000 annual payment at 7% for 15 years, based on preliminary information received from the District's bank, and that the total 5-year debt service would be \$685,000.

Ms. Tseng stated that they are proposing two water rate structure changes:

1. Fixed Vs. Variable Revenue Recovery
Current Allocation: 31% Fixed and 69% Variable
Proposed Allocation: 35% Fixed and 65% Variable
2. Update Meter Capacity Ratios
Use American Water Works Association (AWWA) recommended meter capacity ratios. Each meter size will be charged based on their proportional impact on the system.

Ms. Tseng discussed the current and proposed meter ratios and rates with the larger meters having a larger impact on the system; hence, higher increases. Engineer Pakpour commented that the justification was that the smaller meters have essentially been subsidizing the larger meters.

Ms. Tseng reviewed Water Scenario 1 with proposed increases ranging from 18.4% to 28.2% for the first year, and then 8% for the following four years, and stated that these increases will allow the District to keep all of its objectives. Ms. Tseng displayed charts with the proposed water rates and average bi-monthly bill amounts based on 6, 10, and 20 ccf, for the next five years, with the percentage increases.

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Minutes of the Regular Meeting of the Board of Directors

Thursday, May 2, 2024

Ms. Tseng displayed a survey of neighboring agencies showing single family residential bimonthly water bills based on 10 ccf. She pointed out where the District currently stood vs. where the District will be standing after the increases, and she pointed out that most of the other agencies were currently working on also increasing their rates. There was a discussion about including surrounding agencies' data.

Ms. Tseng mentioned that they were also proposing to include Drought Surcharges which would make the District remain financially sustainable and to offset reduced revenues in the event of a drought or water shortage emergency. Ms. Tseng stated that the Drought surcharges would be temporary and would only apply to the Water Charge (\$/ccf). The surcharges would correspond to the cutback levels in the Water Shortage Contingency Plan. President Chambers stated that he had no problem having this on the report, but not on the Prop. 218 notice, as he thought many customers would likely object. Since we do not have tiered rates our revenues hold up much better than most agencies during drought. He also couldn't see more than 20% rationing as SFPUC is committed to a maximum of 20% rationing. Ms. Tseng replied that the reason they had included it on this Prop. 218 notice was that if in the next few years, the District wanted to implement it, and it was not in this notice, then the District would need to send out a new Prop. 218 notice. Ms. Tseng displayed a chart with projected Drought Surcharge – Expense Projections and another one with the Proposed Drought Surcharges. Mr. Chambers said he would be okay with a new Prop 218 notice if we needed to increase rates during drought. Thanks to significant storage in the regional water system, mandatory rationing doesn't occur until the later years in a multi-year drought.

Ms. Tseng then proceeded with presenting a chart with the current sewer rates charged by the District and the NSMCSD for treatment cost, which made up about 95% of the District's Sewer Operating Cost. Ms. Tseng mentioned that the NSMCSD's increase for the past few years has been averaging 9%, but the District's increase has only been 7%, which has not totally covered the operating and inflation costs.

Ms. Tseng commented that the Sewer Fund has been looking good for the past five years and they were projecting a positive income of about \$47,000 for this year.

Ms. Tseng mentioned that Daly City was currently conducting their own rate study, but had not provided any numbers to the District, so they had assumed an 8% increase for next year and a 10% increase for the subsequent years; however, if Daly City's rates were to come in lower once their rate study was completed, the District could always choose to implement lower rates in the future.

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Ms. Tseng displayed a chart with Sewer Operating Expenses and confirmed that sewer treatment cost was about 93% of the expense, and it was out of the District's control, and that overall, operating costs were expected to increase about 10% per year.

Ms. Tseng reviewed the proposed sewer debt assumptions of \$0.5M per year. She stated that the total debt = \$2.5M over 5 years (2025/26 through 2029/30) and the first loan would be in year 2 (2025/26) with a \$55,000 annual payment at 7% for 15 years, and that the total 5-year debt service would be \$275,000.

Ms. Tseng displayed the projected total sewer expenses and commented on them.

Ms. Tseng reviewed the Sewer Scenario 2 with proposed increases of: 8% for 2024/25, and 10% for the subsequent four years, and stated that these increases will allow the District to keep all of its objectives

Ms. Tseng displayed a chart with the proposed sewer rates for the next five years, showing 8% for 2024/25 and 10% for the subsequent four years.

Ms. Tseng also displayed samples of sewer bill impacts for 2, 10, and 20 ccf bi-monthly usage, just for comparison, since most of the sewer charges are billed annually thru the tax rolls with only a few multi-family accounts billed bi-monthly. President Chambers asked about the sewer rates being adjusted depending on what the NSMCSD approved; Ms. Tseng agreed that the rates could be reduced.

Ms. Tseng displayed a survey of the surrounding agencies showing single family residential bimonthly sewer bills based on 10 ccf. She mentioned that the agencies on the survey are not the same ones on the water survey as some of the cities do not have the same provider for water and sewer. Ms. Tseng pointed out where the District currently stood vs. where the District will be standing after the increases, and that the rates listed are current, as most agencies will be adopting a new rate by July 1st and one agency has already adopted a multi-rate plan. Ms. Tseng also displayed a chart showing combined water and sewer bills for these agencies. Attorney Conneran suggested adding "Rates shown are bi-monthly basis to facilitate comparison."

Ms. Tseng also displayed another survey showing a combined water and sewer bill based on 10 ccf, again for comparison purposes only.

Ms. Tseng displayed the next steps in the process:

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Thursday, May 2, 2024

| <u>Date</u> | <u>Action</u> |
|---------------|--|
| May 23, 2024 | Mail out Prop. 218 Notices (50 days prior to hearing). |
| July 12, 2024 | Prop. 218 Hearing. |
| July 1, 2024 | First rate increase goes into effect (Customers will see increase in September bills). |

Ms. Tseng stated that tonight they were presenting the final recommendations to the Board and the Board would select the rate option and vote to proceed with the Prop 218 process. Ms. Tseng clarified that the Board would not be adopting the actual rates tonight, but would just vote to select the rate option so that the Prop 218 notice could be mailed out, and the rates would be approved at the July 12th public hearing, pending official protests.

Attorney Conneran stated that the Rate Study report could also be approved at the July public hearing. Engineer Pakpour suggested that the report be approved ahead of the public hearing, so that there would be copies for the public to review it. Attorney Conneran stated that the Rate Study could also be approved at the June meeting.

General Manager Mairena displayed the redlined file of the Prop 218 that was reviewed by Attorney Conneran and his colleague. There was a dialogue on the suggested changes. Engineer Pakpour suggested to add a statement on the third paragraph that the District had engaged in long-term capital analysis of the infrastructure. Attorney Conneran suggested to add that the District conducted a study to determine what the infrastructure needs are and are now implementing this five-year program to address the most urgent needs. There was an additional change suggested for the Water Charge based on consumption. Ms. Tseng agreed to make those changes.

Attorney Conneran stated that in response to questions as to why we are changing the meter service charges, an appropriate response would be that "We never had a rate study before, and the study informed us that we were not following best practices. We are doing all these changes to try to bring us in line with those practices so that you pay for the water you consume, but you also pay for your fair share of maintaining the system based on the size of your meter and the amount of water it allows you to obtain."

Director Bautista moved to approve the Final Recommendations from Rate Study, Selection of Rate Options, and Authorization to Proceed with Proposition 218 Approval Process for Rate Setting without any Drought surcharges, and subject to modification of the NSMCSD sewer rates, seconded by Director Amuzie.

The motion was carried unanimously.

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President Chambers thanked Ms. Tseng.

D. Consideration to Move the July 11, 2024, Regular Board Meeting to July 12, 2024 and Set a Date, Time, and Place for the Public Hearing for Water and Sewer Rates and the Collection of Sewer Charges on the Property Tax Roll.

General Manager Mairena stated that she had emailed the Board that the public hearing needed to be held within District's boundaries. General Manager Mairena mentioned that the only venue option was the Alice Bulos Community Center, but unfortunately, it was not available from Monday through Thursday due to classes being held there, and the only available date closest to the regular meeting date was Friday, July 12th at 5:30pm, but we would need a little time to set up. General Manager Mairena commented that the other meeting option was the Westborough Middle School cafeteria or gymnasium, but there had been no reply from their principal.

Director Bautista moved to approve moving the July 11, 2024, Regular Board Meeting to July 12, 2024 at 6pm, seconded by Director Richards.

The motion was carried unanimously.

Engineer Pakpour commented that he was planning to be present at the July 11th board meeting, but he was starting a one-month sabbatical, and he will be traveling on July 12th; however, his partner, Brandon will be present at the public hearing, and he was knowledgeable on the capital improvement program because he had worked on it.

E. Review/Approve 5-Year Capital Improvement Plan.

Engineer Pakpour commented that perhaps the Board could review the 5-Year Capital Improvement Plan today, but wait until after the public hearing when the rates are set to approve it to ensure that we have the dollars in place. Engineer Pakpour mentioned that this plan was reviewed with the CIP Committee a couple of weeks ago, and some tweaks had been made to match up with the amount of money that would be available after the rate increases. Engineer Pakpour proceeded to present the projects to the entire Board and what their cost would be for each of those years. Engineer Pakpour stated that if the District was to have more revenue, then this list could be updated to include more projects.

President Chambers stated that he would like to approve the plan tonight, as he felt the plan could be modified if it were necessary, but at least, the District would have a plan in place.

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Minutes of the Regular Meeting of the Board of Directors
Thursday, May 2, 2024

Engineer Pakpour commented that once this plan was put on the website, it would have a sheet for each of the projects.

Director Bautista moved to Approve 5-Year Capital Improvement Plan, seconded by Director Amuzie.

The motion was carried unanimously.

7. WRITTEN COMMUNICATIONS:

Attorney Conneran commented on the letter he received from BAWSCA regarding BAWSCA's CEO/General Manager Nicole Sandkulla's retirement. President Chambers commented that she plans on moving to Oregon, as she no longer has any family in the area, and her retirement date is December 20, 2024. President Chambers stated that BAWSCA's Board is currently working on finding her replacement.

8. ATTORNEY'S REPORT:

Attorney Conneran commented on the Sheetz case that he mentioned a while back and which was decided by the U.S. Supreme Court. Attorney Conneran explained that the case involved developer fees. The District has connection fees that are slightly different under state law. Attorney Conneran stated that the takeaway for water districts is that there continues to be uncertainty and probably future legal challenges on the fees a developer has to pay to build new houses. Attorney Conneran also stated that last year there was a bill by Assemblyman Grayson that applied to water districts and made agencies charging connection fees do a study that would justify the need for the fees, so this was something the District needed to keep in mind if we ever wanted to increase the connection fees. President Chambers commented that the District had a study done the last time the connection fees were revised. Attorney Conneran mentioned that an updated study would probably be needed if the District was to increase the connection fees.

President Chambers asked about Initiative 1935 that was mentioned at the CSDA meeting he attended, and which limits the ability of voters and state and local Governments to raise revenues for government services. Attorney Conneran commented on it and stated it was worth watching and that there will be a court decision in a case aimed to get it off the November ballot.

9. GENERAL MANAGER'S REPORT:

A. Engineer's Report (Pakpour).

Engineer Pakpour commented that the design for Skyline Tank no. 3 was at 90% completed, and there will be a meeting scheduled soon with District staff, but since the project was being pushed to the latter part of the following year, there was no real rush, but he would like to complete the design soon and not have it sit at 90%.

Engineer Pakpour also commented on the sewer side, and mentioned that once the rates are established, we would be meeting with Daly City to refresh the list of projects they gave us and pick up the top projects that would equal \$1M, and combine with the project that has already been designed, package them, and go out to bid.

B. Status of Roofing Project for the Rowntree Pump Station.

General Manager Mairena stated that the project was almost completed and shared pictures of the project. General Manager Mairena mentioned that Daly City was supposed to meet with the contractor and produce a punch list, but it was not a long one.

General Manager Mairena mentioned that there was no Water Conservation Report, as the SFPUC bill was not produced yet, since the board meeting was too early in the month.

General Manager Mairena communicated a message to the Board from Director Medina, that she was doing well, and she thanked everyone for the floral arrangement that was sent to her on behalf of the Board.

10. ITEMS FROM BOARD OF DIRECTORS:

A. Report on CSDA San Mateo Chapter Meeting of April 16, 2024 (Chambers).

President Chambers commented that they are still waiting for a Treasurer's Report and asked if anyone had any questions.

Director Bautista mentioned that he was going to ask President Chambers about Initiative 1935, but Attorney Conneran had already talked about it. Attorney Conneran made additional comments.

Engineer Pakpour asked the Board that an item be added to the June's meeting agenda on how the public hearing will be handled or have a drafted agenda.

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Minutes of the Regular Meeting of the Board of Directors
Thursday, May 2, 2024

11. CLOSED SESSION:

A. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Initiation of litigation pursuant to subdivision (d)(4) of Section 54956.9: One case.

Attorney Conneran led the Board into closed session at 9:17 p.m.

The Board reconvened from closed session at 9:44 p.m.

Attorney Conneran reported that the Board had met in closed session to discuss a matter of potential litigation under code Section 54956.9 and gave instructions to counsel.

12. ADJOURNMENT:

Without objection, President Chambers adjourned the meeting.
Time 9:44 p.m.

Secretary

President

Date

Westborough Water District

Financial Statements
With Accountant's Compilation Report
April 30, 2024



Chavan & Associates, LLP
Certified Public Accountants
15105 Concord Circle, Suite 130
Morgan Hill, CA 95037

Westborough Water District

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Chavan and Associates, LLP
Certified Public Accountants

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 ten months ended April 30, 2024, 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 ten months ended April 30, 2024, 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 ten months ended April 30, 2024, 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

June 7, 2024
Morgan Hill, California

Westborough Water District
Statement of Net Position
April 30, 2024

ASSETS

Current Assets:

| | |
|---|------------------|
| Cash (Including \$4,670,225 in Time Deposits) | \$ 5,638,621 |
| Receivables | |
| Lease | 28,116 |
| Water | 677,487 |
| Other | 58,632 |
| Prepaid Expenses and Other | 25,848 |
| Inventory | 233,238 |
| Total Current Assets | 6,661,942 |

Non-Current Assets:

| | |
|--|----------------------|
| Lease Receivable | 239,900 |
| Utility Plant in Service (Note 5): | |
| Land | 182,633 |
| Work in Progress | 161,057 |
| Water Facility | 8,206,496 |
| Building | 1,503,835 |
| Joint-Use Facilities | 94,907 |
| Meters | 1,007,776 |
| Office Furniture and Equipment | 157,741 |
| Maintenance Facility | 478,623 |
| Sewer Facility | 3,408,400 |
| Total Utility Plant in Service (Capital Assets) | 15,201,468 |
| Less Accumulated Depreciation | (7,174,461) |
| Utility Plant in Service-Net Depreciation Expense | 8,027,007 |
| Total Non-Current Assets | 8,266,907 |
| Total Assets | \$ 14,928,849 |

DEFERRED OUTFLOWS

| | |
|--------------------------------|-------------------|
| Deferred Pension Outflows | \$ 539,882 |
| Deferred OPEB Outflows | 151,580 |
| Total Deferred Outflows | \$ 691,462 |

(continued)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Net Position
April 30, 2024

LIABILITIES

Current Liabilities:

| | |
|---------------------------|------------------|
| Accounts Payable (Note 2) | \$ 1,128,414 |
| Customers' Deposits | 407,260 |
| Unearned Revenue | 207,137 |
| Total Current Liabilities | <u>1,742,811</u> |

Long-term Liabilities:

| | |
|-----------------------------|---------------------|
| Accrued Vacation | 134,049 |
| Net Pension Liability | 1,031,388 |
| Net OPEB Obligation | 207,611 |
| Total Long-term Liabilities | <u>1,373,048</u> |
| Total Liabilities | <u>\$ 3,115,859</u> |

DEFERRED INFLOWS

| | |
|--------------------------|-------------------|
| Deferred Lease Inflows | \$ 233,853 |
| Deferred Pension Inflows | 105,232 |
| Deferred OPEB Inflows | 208,079 |
| Total Deferred Inflows | <u>\$ 547,164</u> |

NET POSITION

| | |
|--------------------------------------|----------------------|
| Net Investment in Capital Assets | \$ 8,027,007 |
| Restricted for Capital Facilities | 347,103 |
| Unrestricted: | |
| Reserved for Contingencies | 278,273 |
| Reserved for Capital Expenditures | 1,916,100 |
| Non-spendable Inventory and Prepaids | 259,086 |
| Unappropriated | <u>1,129,719</u> |
| Total Net Position | <u>\$ 11,957,288</u> |

(concluded)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Activities
For the Ten Months Ended April 30, 2024

Operating Revenue:

| | |
|---------------------------------|------------------|
| Water Sales (Note 3) | \$ 3,429,277 |
| Sewer Svc. and Transfer Charges | 2,798,310 |
| Misc. Operations | 19,839 |
| Capital Facility Income | 39,579 |
| Total Operating Revenue | <u>6,287,005</u> |

Operating Expense:

| | |
|---------------------------------|------------------|
| Water Expenditures | 2,323,086 |
| Sanitary Sewer Expenditures | 2,774,509 |
| Admin. and General Expenditures | 1,026,802 |
| Depreciation | 284,530 |
| Total Operating Expenses | <u>6,408,927</u> |

| | |
|--------------------------------|-----------|
| Operating Income (Loss) | (121,922) |
|--------------------------------|-----------|

Non-operating Income (Expense):

| | |
|---|----------------|
| Property Taxes | 599,877 |
| Investment Interest | 147,754 |
| Other | 6,473 |
| Total Non-operating Income (Expense) | <u>754,104</u> |

| | |
|-------------------------------|---------|
| Change in Net Position | 632,182 |
|-------------------------------|---------|

| | |
|---------------------------------|-------------------|
| Net Position - Beginning | <u>11,325,106</u> |
|---------------------------------|-------------------|

| | |
|------------------------------|----------------------|
| Net Position - Ending | <u>\$ 11,957,288</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
April 30, 2024

- NOTE 1 -** There was no Bad Debt expense during the month.
- NOTE 2 -** Accounts payable at April 30, 2024, includes \$918,420 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 \$(6,890) to account for uncollectible water receivables for the period.
- NOTE 5 -** Changes in utility plant in-service for the ten months ended April 30, 2024, were as follows:

| | | |
|--------------------|----|-------------------|
| Beginning Balance | \$ | 15,201,846 |
| Engineering | | - |
| Surveying | | - |
| Contractors | | - |
| Other Fixed Assets | | (378) |
| Ending Balance | \$ | <u>15,201,468</u> |

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the Ten Months Ended April 30, 2024

| | April | Year to Date | 2023-24 Budget | Percentage to Date | Percentage Variance | \$ Variance YTD Plan |
|---|--------------------|-------------------|-------------------|-----------------------|------------------------|-------------------------|
| Operating Revenue: | | | | | | |
| Water Sales (Note 3) | \$ 318,945 | \$ 3,429,277 | \$ 4,196,733 | 81.71% | -1.62% | \$ (68,001) |
| Sewer Svc. and Transfer Charges | 252,106 | 2,798,310 | 3,284,888 | 85.19% | 1.85% | 60,903 |
| Misc. Operations | 1,907 | 19,839 | 19,200 | 103.33% | 19.99% | 3,839 |
| Capital Facility Income | 3,142 | 39,579 | - | 100.00% | 100.00% | 39,579 |
| Total Operating Revenue | 576,100 | 6,287,005 | 7,500,821 | 83.82% | 0.48% | 36,320 |
| Operating Expense: | | | | | | |
| Water Expenditures | 211,779 | 2,323,086 | 2,892,667 | 80.31% | 3.02% | 87,471 |
| Sanitary Sewer Expenditures | 373,053 | 2,774,509 | 2,925,026 | 94.85% | -11.52% | (336,986) |
| Admin. and General Expenditures | 124,725 | 1,026,802 | 1,302,458 | 78.84% | 4.50% | 58,579 |
| Depreciation | 28,493 | 284,530 | 365,000 | 77.95% | 5.38% | 19,637 |
| Total Operating Expenses | 738,050 | 6,408,927 | 7,485,151 | 85.62% | -2.29% | (171,299) |
| Operating Income (Loss) | (161,950) | (121,922) | 15,670 | -778.06% | -861.38% | (134,979) |
| Non-operating Income (Expense): | | | | | | |
| Property Taxes | 34,556 | 599,877 | 676,549 | 88.67% | 5.33% | 36,086 |
| Investment Interest | 36,502 | 147,754 | 90,107 | 163.98% | 80.64% | 72,665 |
| Other | (2) | 6,473 | 36,192 | 17.89% | -65.45% | (23,687) |
| Total Non-operating Income (Expense) | 71,056 | 754,104 | 802,848 | 93.93% | 10.60% | 85,064 |
| Net Income (Loss) | \$ (90,894) | \$ 632,182 | \$ 818,518 | 77.23% | -6.10% | \$ (49,915) |

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the Ten Months Ended April 30, 2024

| | April | Year to Date | 2023-24 Budget | Percentage to Date | Percentage Variance | \$ Variance YTD Plan |
|-------------------------------------|-----------|-----------------|-------------------|-----------------------|------------------------|-------------------------|
| Water Expenditures: | | | | | | |
| Salaries | \$ 34,559 | \$ 366,620 | \$ 440,370 | 83.25% | 0.08% | \$ 355 |
| Salaries Overtime | - | 7,098 | 9,000 | 78.87% | 4.47% | 402 |
| Benefits | 8,403 | 109,808 | 123,323 | 89.04% | -5.71% | (7,039) |
| OPEB | - | 3,587 | 2,808 | 127.74% | -44.41% | (1,247) |
| Payroll Taxes | 2,659 | 28,211 | 34,825 | 81.01% | 2.33% | 810 |
| Technical Communications | 1,056 | 8,176 | 11,260 | 72.61% | 10.72% | 1,207 |
| Utilities | 15,424 | 145,122 | 162,716 | 89.19% | -5.85% | (9,525) |
| Supplies and Small Tools | 781 | 12,005 | 15,000 | 80.03% | 3.30% | 495 |
| Maintenance of System | 751 | 65,096 | 59,905 | 108.67% | -25.33% | (15,175) |
| Special Services | 500 | 73,295 | 91,717 | 79.91% | 3.42% | 3,136 |
| Vehicle Expense | 1,134 | 25,716 | 35,000 | 73.47% | 9.86% | 3,451 |
| Water Purchases | 146,512 | 1,478,352 | 1,906,743 | 77.53% | 5.80% | 110,601 |
| Total Water Expenditures | 211,779 | 2,323,086 | 2,892,667 | 80.31% | 3.02% | 87,471 |
| Sanitary Sewer Expenditures: | | | | | | |
| Treatment & Disposal | 348,343 | 2,534,395 | 2,715,565 | 93.33% | -10.00% | (271,424) |
| Utilities | 13,405 | 119,536 | 137,600 | 86.87% | -3.54% | (4,869) |
| Repair of Pipelines | - | - | 5,000 | 0.00% | 83.34% | 4,167 |
| Repair of Pumps | 6,748 | 65,014 | 20,000 | 325.07% | -241.74% | (48,347) |
| Connection Fees | - | 4,270 | - | 100.00% | -100.00% | (4,270) |
| Miscellaneous Sewer Expenses | 4,557 | 51,294 | 46,861 | 109.46% | -26.13% | (12,243) |
| Total Sanitary Sewer Expenditures | 373,053 | 2,774,509 | 2,925,026 | 94.85% | -11.52% | (336,986) |

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the Ten Months Ended April 30, 2024

| | April | Year to Date | 2023-24 Budget | Percentage to Date | Percentage Variance | \$ Variance YTD Plan |
|---|------------|-----------------|-------------------|-----------------------|------------------------|-------------------------|
| Administrative and General Expenditures: | | | | | | |
| Salaries | 41,714 | 443,015 | 532,572 | 83.18% | 0.15% | 795 |
| Salaries-Temporary | - | 749 | 2,000 | 37.45% | 45.90% | 918 |
| Salaries-Overtime | - | - | 1,500 | 0.00% | 83.33% | 1,250 |
| Employee Benefits | 31,053 | 184,515 | 207,101 | 89.09% | -5.76% | (11,931) |
| OPEB | - | 5,381 | 4,689 | 114.76% | -31.44% | (1,474) |
| Office Supplies and Postage | 606 | 8,934 | 14,151 | 63.13% | 20.20% | 2,859 |
| Memberships | 6,997 | 46,627 | 48,129 | 96.88% | -13.55% | (6,520) |
| Utilities | 82 | 807 | 1,559 | 51.76% | 31.56% | 492 |
| Telephone | 383 | 3,680 | 4,534 | 81.16% | 2.16% | 98 |
| Payroll Taxes | 3,284 | 27,625 | 42,770 | 64.59% | 18.74% | 8,017 |
| Water Conservation | - | 1,284 | 10,000 | 12.84% | 70.49% | 7,049 |
| Building & Grounds Maintenance | 1,125 | 8,100 | 14,180 | 57.12% | 26.21% | 3,717 |
| Parking Rentals | 450 | 4,500 | 5,760 | 78.13% | 5.21% | 300 |
| Directors Fees | 1,000 | 6,900 | 11,300 | 61.06% | 22.27% | 2,517 |
| Engineering Services | 819 | 13,109 | 55,000 | 23.83% | 59.50% | 32,724 |
| Accounting | 3,747 | 26,100 | 37,960 | 68.76% | 14.58% | 5,533 |
| Legal | 1,230 | 15,263 | 25,400 | 60.09% | 23.24% | 5,904 |
| Billing | 3,538 | 47,492 | 55,347 | 85.81% | -2.48% | (1,370) |
| Communications | 390 | 8,350 | 28,633 | 29.16% | 54.17% | 15,511 |
| Insurance | 9,769 | 70,315 | 78,777 | 89.26% | -5.93% | (4,668) |
| Bad Debts (Note 1) | - | - | 2,000 | 0.00% | 83.35% | 1,667 |
| Travel | 840 | 5,428 | 13,626 | 39.84% | 43.50% | 5,927 |
| Miscellaneous | 17,698 | 98,628 | 105,470 | 93.51% | -10.18% | (10,736) |
| Total Admin. and General Expenditures | 124,725 | 1,026,802 | 1,302,458 | 78.84% | 4.50% | 58,579 |
| Depreciation Expense | 28,493 | 284,530 | 365,000 | 77.95% | 5.38% | 19,637 |
| Total Expenses | \$ 738,050 | \$ 6,408,927 | \$ 7,485,151 | 85.62% | -2.29% | \$ (171,299) |

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MAY 31, 2024

LOCAL AGENCY INVESTMENT FUND
MONTHLY ACTIVITY REPORT

| <u>DATE</u> | <u>AMOUNT</u> | <u>DESCRIPTION</u> | <u>TRANSACTION BALANCE</u> |
|-------------|---------------|--------------------|--------------------------------|
| | | Beginnning Balance | \$4,532,470.12 |
| | | No Transactions | \$4,532,470.12 |
| | | Ending Balance | \$4,532,470.12 |

Total Investments Last Report Period = \$4,532,470.12
Total Investments at End of Report Period = \$4,532,470.12

Effective Interest Rate: 4.272%
(as of 04/24)

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

June 06, 2024

[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

May 2024 Statement

Account Summary

| | | | |
|-------------------|------|--------------------|--------------|
| Total Deposit: | 0.00 | Beginning Balance: | 4,532,470.12 |
| Total Withdrawal: | 0.00 | Ending Balance: | 4,532,470.12 |

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: MAY 31, 2024

MULTI-BANK SECURITIES, INC.
MONTHLY ACTIVITY REPORT

| <u>DATE</u> | <u>AMOUNT</u> | <u>DESCRIPTION</u> | <u>TRANSACTION BALANCE</u> |
|--------------------|---------------|-------------------------|--------------------------------|
| Beginnning Balance | | | \$139,946.73 |
| 05/31/24 | \$ 190.35 | Change in Account Value | \$140,137.08 |
| Ending Balance | | | \$140,137.08 |

Total Investments Last Report Period = \$139,946.73
Total Investments at End of Report Period = \$140,137.08

Effective Interest Rate: 3.550%
(to maturity - 09/30/24)

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.

Brokerage

Account Statement

May 1, 2024 - May 31, 2024
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 | \$139,946.73 |
| Net Change In Portfolio¹ | 190.35 |
| ENDING ACCOUNT VALUE | \$140,137.08 |
| Estimated Annual Income | \$5,005.50 |

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

Asset Summary

| Percent | Asset Type | Last Period | This Period |
|---------|----------------------|---------------------|---------------------|
| 100% | Fixed Income | 139,946.73 | 140,137.08 |
| 100% | Account Total | \$139,946.73 | \$140,137.08 |

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

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@mbsssecurities.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.

Income and Expense Summary

| | Current Period | | Year-to-Date | |
|------------------------|----------------|-------------|--------------|-------------|
| | Taxable | Non Taxable | Taxable | Non Taxable |
| Interest Income | | | | |
| Bond Interest | 0.00 | 0.00 | 2,495.89 | 0.00 |
| Total Income | \$0.00 | \$0.00 | \$2,495.89 | \$0.00 |

Portfolio Holdings

| Description | Quantity | Market Price | Market Value | Accrued Interest | Estimated Annual Income | Estimated Yield |
|---|--------------|--------------|--------------|------------------------------|------------------------------|---------------------------------------|
| FIXED INCOME 100.00% of Portfolio (In Maturity Date Sequence) | | | | | | |
| Certificates of Deposit | | | | | | |
| SECURITY BK & TR CO PARIS TENN CTF DEP 3.550% 09/30/24 B/E DTD 09/28/22 ACT/365 1ST CPN DTE 03/28/23 Security Identifier: 814010CV4 | 141,000.0000 | 99.3880 | 140,137.08 | 877.68 | 5,005.50 | 3.57% |
| Total Certificates of Deposit | 141,000.0000 | | \$140,137.08 | \$877.68 | \$5,005.50 | |
| TOTAL FIXED INCOME | 141,000.0000 | | \$140,137.08 | \$877.68 | \$5,005.50 | |
| Total Portfolio Holdings | | | | Market Value \$140,137.08 | Accrued Interest \$877.68 | Estimated Annual Income \$5,005.50 |

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.

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.pershing.com/disclosures 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

Portfolio Holdings Disclosures (continued)

Foreign Currency Transactions (continued)

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 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.

Activity Summary (All amounts shown are in base currency)

| | Credits This Period | Debits This Period | Net This Period | Credits Year-to-Date | Debits Year-to-Date | Net Year-to-Date |
|-------------------------------|---------------------|--------------------|-----------------|----------------------|---------------------|------------------|
| Dividends and Interest | \$0.00 | \$0.00 | \$0.00 | \$2,495.89 | \$0.00 | \$2,495.89 |
| Cash | | | | | | |
| Withdrawals | 0.00 | 0.00 | 0.00 | 0.00 | -2,495.89 | -2,495.89 |

May 1, 2024 - May 31, 2024
WESTBOROUGH WATER DISTRICT

Activity Summary (continued)

| | Credits This Period | Debits This Period | Net This Period | Credits Year-to-Date | Debits Year-to-Date | Net Year-to-Date |
|------------|---------------------|--------------------|-----------------|----------------------|---------------------|------------------|
| Total Cash | \$0.00 | \$0.00 | \$0.00 | \$0.00 | -\$2,495.89 | -\$2,495.89 |
| Totals | \$0.00 | \$0.00 | \$0.00 | \$2,495.89 | -\$2,495.89 | \$0.00 |

Messages

The Estimated Annual Income, Estimated Yield and Accrued Interest columns in your Portfolio Holdings section will not display values for variable rate securities. The optional Estimated Annual Income and Accrued Interest fields in the Portfolio at a Glance section of your statement will not include values for these securities.

Transition to Trade Date plus One (T1) Settlements

The U.S. will adopt a shortened settlement timeframe beginning with trade date May 28, 2024, for equities, corporate, municipal bonds and unit investment trusts. Moving from a T2 to a T1 settlement cycle will provide faster access to sale proceeds, but it also means that funds will be due on purchase transactions earlier.

3.C.8

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. 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. 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. Balances in Federal Deposit Insurance Corporation (FDIC)-insured bank deposit sweep products are not protected by Securities Investor Protection Corporation (SIPC).

Go Paperless by Selecting eDelivery

Eliminate paper and save natural resources with digital adoption. Electronic delivery (eDelivery) is faster, convenient and more secure. We offer eDelivery for account statements, prospectus documents, proxy or shareholder communications, tax documents, trade confirmations and more.

To enroll, log in to your brokerage account and look for the one-click eDelivery pop-up or simply select 'Go Paperless' at the top of any page and follow the on-screen prompts to set-up your preferences. Enrollment can be activated as quickly as the day you register, and you will be notified when documents are available in an online, password-protected portal.

Contact your financial professional if you have any questions about any of our digital tools.

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. In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: www.pershing.com/about/strength-and-stability.
- 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.

3.C.9

CLAIMS REGISTER: MAY 2024

1. GENERAL ACCOUNT FUND:

Total from Cash Disbursements \$ 99,008.62

Checks Issued During Month:

| | |
|--|------------|
| ACWA-JPIA (Health Benefits & Ins.-06/24) | 14,248.67 |
| Arias, Carlos (Milage to Attend D3 Class, Sacramento 04/21-04/24) | 183.58 |
| AT&T (P.S. Phone Bill to 05/01/24) | 842.21 |
| AT&T Mobility (Field & Office Cell Phones, 04/03-05/02) | 335.57 |
| Bay Area Paving Co., Inc. (Paving at 20 Summit Ct, SSF) | 1,488.00 |
| Bennett Marine Utility, Inc. (Skyline Tank #1 Sterilization/Chlorination) | 3,435.00 |
| CalPERS (Retirement Contributions-05/15/24) | 6,304.46 |
| CalPERS (Retirement Contributions-05/31/24) | 6,304.48 |
| Colina Association (Three Parking Spaces Rental, 06/24) | 450.00 |
| Direct Line (Answering Service, 04/15-05/14) | 267.08 |
| EFTPS (Employment Taxes-05/15/24) | 11,022.36 |
| EFTPS (Employment Taxes-05/31/24) | 12,075.95 |
| EDD (Employment Taxes-05/15/24) | 2,519.05 |
| EDD (Employment Taxes-05/31/24) | 2,752.01 |
| Hanson Bridgett LLP (Special Legal Services & Monthly Retainer-04/24) | 5,252.50 |
| Home Depot Credit Services (Field Supplies to 05/13/24) | 448.49 |
| Liftoff Digital, LLC (Web Reporting & Hosting,05/24) | 75.00 |
| Mairena, Patricia (GM Mairena's Internet Services, 04/27-05/26 & 04/24 Membership Dues) | 84.99 |
| Mairena, Patricia (Owl Labs US - 360 Video Conference Device & Go Daddy - Mirosoft Prof. Renweal For Ofc. Sup.) | 1,473.78 |
| MRC (Xerox Copier Maintenance Agreement, 04/19-05/18) | 226.16 |
| Office Depot (Office & Breakroom Supplies) | 123.41 |
| O'Reilly Auto Parts (Field Truck Supplies) | 174.96 |
| PG&E (Summary Bill to 05/21/24) | 29,169.92 |
| Productive Printing (Prop 218 Notices - Printing & Mailing) | 3,754.99 |
| Quadient Leasing USA, Inc. (Postage Meter Rental, 06/24-09/24) | 145.01 |
| SF Water Dept. (Water Purchases, 04/05-05/06) | 160,829.41 |
| So. SF Scavengers (Garbage Services, 04/24) | 114.42 |
| Stronger Building Services (New Roof for Rowntree LS & Improvements) | 35,625.00 |
| Tri Counties Bank (Monthly Credit Card Charges Thur 04/30/24) | 3,132.30 |
| United State Postal Serv. (Billing - Bulk Mail, Permit #419) | 3,000.00 |
| United State Postal Serv. (Billing - Bulk Mail, Permit #419) | 3,000.00 |
| United State Postal Serv. (Postage for Prop 218 Notices) | 2,575.98 |
| USA Bluebook (Field Supplies) | 563.14 |
| WEX Bank (Wright Express-Gas Purchases to 05/14/23) | 1,486.51 |

SUB-TOTAL \$ 412,493.01

Updated Checks Voided During Month:

| | |
|------|---|
| none | - |
|------|---|

TOTAL CLAIMS REGISTER AMOUNT \$ 412,493.01

REPORT.: Jun 10 24 Monday
 RUN....: Jun 10 24 Time: 10:59
 Run By.: Wendy Bellinger
 Control Date.: 06/10/24

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: 001
 ID #: PY-RP
 CTL.: 000

Posting Period.: 06-24 Fiscal Period.: (12-24) Cash Account No.: 13110

VENDOR I.D.: ALL02 (ALL SHOP EQUIPMENT, INC.)

| Invoice No | Description | Invoice Date | Actual Period | G/L Tm | Account # | Discount | Gross Amount | Discount Amount | Net Amount |
|--------------------------|-----------------|--------------|---------------|--------|-----------|----------|--------------|-----------------|------------|
| | | Due Date | Fiscal | | | | | | |
| 3004 | LIFT INSPECTION | 05/21/24 | 06-24 | A | 59450 | | 175.00 | .00 | 175.00 |
| | | 05/21/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal --> | | | | | | | 175.00 | .00 | 175.00 |

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

| | | | | | | | | | |
|----------------------------|---|----------|-------|---|-------|--|---------|-----|---------|
| 050124 | DIRECTOR AMUZIE'S INTERNET SERVICE, 05/10-06/09 | 05/01/24 | 06-24 | A | 59450 | | 65.00 | .00 | 65.00 |
| | | 05/01/24 | 12-24 | | | | | | |
| 061024 | ACWA SPRING CONFERENCE 2024 | 06/10/24 | 06-24 | A | 59450 | | 1296.72 | .00 | 1296.72 |
| | | 06/10/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal ----> | | | | | | | 1361.72 | .00 | 1361.72 |

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

| | | | | | | | | | |
|-----------------------------|---|----------|-------|---|-------|--|-------|-----|-------|
| 052224 | DIRECTOR BAUTISTA'S INTERNET SERVICE, 06/24 | 05/22/24 | 06-24 | A | 59450 | | 65.00 | .00 | 65.00 |
| | | 05/22/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 65.00 | .00 | 65.00 |

VENDOR I.D.: CAS01 (PETTY CASH)

| | | | | | | | | | |
|-----------------------------|-----------------------|----------|-------|---|-------|--|--------|-----|--------|
| 053124 | MISC. EXPENSES, 05/24 | 05/31/24 | 06-24 | A | 59450 | | 249.28 | .00 | 249.28 |
| | | 05/31/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 249.28 | .00 | 249.28 |

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

| | | | | | | | | | |
|-----------------------------|--|----------|-------|---|-------|--|--------|-----|--------|
| 051124 | DIRECTOR CHAMBERS' INTERNET SERVICE, 05/16-06/15 | 05/11/24 | 06-24 | A | 59450 | | 65.00 | .00 | 65.00 |
| | | 05/11/24 | 12-24 | | | | | | |
| 051424 | ACWA SPRING CONFERENCE 2024 | 05/14/24 | 06-24 | A | 59450 | | 146.06 | .00 | 146.06 |
| | | 05/14/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 211.06 | .00 | 211.06 |

VENDOR I.D.: DAL02 (DALY CITY, CITY OF)

| | | | | | | | | | |
|-----------------------------|---|----------|-------|---|-------|--|--------|-----|--------|
| 052124 | 3836 CARTER DR., SSF - SEWER LATERAL PERMIT | 05/21/24 | 06-24 | A | 59450 | | 100.00 | .00 | 100.00 |
| | | 05/21/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 100.00 | .00 | 100.00 |

VENDOR I.D.: HAC01 (HACH COMPANY)

| | | | | | | | | | |
|-----------------------------|---------------------------------------|----------|-------|---|-------|--|--------|-----|--------|
| 14027816 | CHEMKEY - CHLORINE, NITRITE & AMMONIA | 05/08/24 | 06-24 | A | 59450 | | 445.37 | .00 | 445.37 |
| | | 05/08/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 445.37 | .00 | 445.37 |

VENDOR I.D.: LEC01 (LECHOWICZ + TSENG MUNICIPAL CONSULTING)

| | | | | | | | | | |
|-----------------------------|---|----------|-------|---|-------|--|----------|-----|----------|
| 4 | WATER & SEWER RATE STUDY, 04/01/24-04/30/24 | 05/20/24 | 06-24 | A | 59450 | | 13606.33 | .00 | 13606.33 |
| | | 05/20/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 13606.33 | .00 | 13606.33 |

VENDOR I.D.: MAR03 (MARCOLONGO, PIERO)

| | | | | | | | | | |
|-----------------------------|--|----------|-------|---|-------|--|--------|-----|--------|
| 060324 | ONE WWD WASHING MACHINE REBATE FOR ACCT NO MAR0213 | 06/03/24 | 06-24 | A | 59450 | | 100.00 | .00 | 100.00 |
| | | 06/03/24 | 12-24 | | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 100.00 | .00 | 100.00 |

REPORT.: Jun 10 24 Monday
 RUN....: Jun 10 24 Time: 10:59
 Run By.: Wendy Bellinger

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: 002
 ID #: PY-RP
 CTL.: 000

Control Date.: 06/10/24 Posting Period.: 06-24 Fiscal Period.: (12 24) Cash Account No.: 13110

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

| Invoice No | Description | Invoice Date | Actual Period | G/L Tm | Account # | Gross Amount | Discount Amount | Net Amount |
|-----------------------------|-----------------------------|--------------|---------------|--------|-----------|--------------|-----------------|------------|
| | | Due Date | Fiscal | | | | | |
| 4427 | ENGINEERING SERVICES, 04/24 | 05/02/24 | 06-24 | A | 59450 | 21425.53 | .00 | 21425.53 |
| | | 05/02/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -- --> | | | | | | 21425.53 | .00 | 21425.53 |

VENDOR I.D.: PRE01 (PRECISE PRINTING AND MAILING)

| | | | | | | | | |
|-----------------------------|---|----------|-------|---|-------|---------|-----|---------|
| 28986- | PRINTING & MAILING OF 05/15/24 BILLS & INSERT | 05/24/24 | 06-24 | A | 59450 | 1482.58 | .00 | 1482.58 |
| | | 05/24/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 1482.58 | .00 | 1482.58 |

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

| | | | | | | | | |
|-----------------------------|--|----------|-------|---|-------|-------|-----|-------|
| 043024- | DIRECTOR RICHARDS' INTERNET SERVICE, 05/24 | 04/30/24 | 06-24 | A | 59450 | 65.00 | .00 | 65.00 |
| | | 04/30/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 65.00 | .00 | 65.00 |

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

| | | | | | | | | |
|-----------------------------|--|----------|-------|---|-------|--------|-----|--------|
| 58332- | GM MAIRENA'S LAPTOP & NIGHTHAWK HOT SPOT | 05/15/24 | 06-24 | A | 59450 | 96.60 | .00 | 96.60 |
| | | 05/15/24 | 12-24 | | | | | |
| 58446- | MOM SOFTWARE & SONICWALL | 05/31/24 | 06-24 | A | 59450 | 80.50 | .00 | 80.50 |
| | | 05/31/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 177.10 | .00 | 177.10 |

VENDOR I.D.: SWR01 (SWRCB-DWOCF)

| | | | | | | | | |
|-----------------------------|---|----------|-------|---|-------|-------|-----|-------|
| 053124- | WATER DISRT. OPERATOR CERTIF. D1 - D. LOUIE | 05/31/24 | 06-24 | A | 59450 | 70.00 | .00 | 70.00 |
| | | 05/31/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 70.00 | .00 | 70.00 |

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

| | | | | | | | | |
|-----------------------------|--|----------|-------|---|-------|---------|-----|---------|
| 121690- | CHECK WIRING & TEMP. EQUIP. INSTALLED @ ROWNTREE | 05/22/24 | 06-24 | A | 59450 | 1682.00 | .00 | 1682.00 |
| | | 05/22/24 | 12-24 | | | | | |
| 121691- | ELECTRIC PMS AT SKYLINE WATER PUMP STATION | 05/22/24 | 06-24 | A | 59450 | 2618.87 | .00 | 2618.87 |
| | | 05/22/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 4300.87 | .00 | 4300.87 |

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

| | | | | | | | | |
|-----------------------------|-------------------------|----------|-------|---|-------|----------|-----|----------|
| 053124- | PAYROLL TRANSFER, 05/24 | 05/31/24 | 06-24 | A | 59450 | 53061.74 | .00 | 53061.74 |
| | | 05/31/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 53061.74 | .00 | 53061.74 |

VENDOR I.D.: \A003 (MARIA AUSTIN)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|------|-----|------|
| 000C40501- | MQ CUSTOMER REFUND FOR AUS0001 | 06/03/24 | 06-24 | Z | 59450 | 3.50 | .00 | 3.50 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 3.50 | .00 | 3.50 |

VENDOR I.D.: \C008 (ALYN CASTELLANOS)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR CAS0103 | 06/03/24 | 06-24 | Z | 59450 | 12.46 | .00 | 12.46 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 12.46 | .00 | 12.46 |

REPORT.: Jun 10 24 Monday
 RUN....: Jun 10 24 Time: 10:59
 Run By.: Wendy Bellinger
 Control Date.: 06/10/24

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: 003
 ID #: PY-RP
 CTL.: 000

Posting Period...: 06-24 Fiscal Period...: (12-24) Cash Account No...: 13110

VENDOR I.D.: \C009 (BRIAN CHEN)

| | | | | Invoice Date | Actual Period | | | | | |
|-----------------------------|--------------------------------|--|--|--------------|---------------|------------------------|--------------|-----------------|------------|-------|
| Invoice No | Description | | | Due Date | Fiscal Tm | G/L Account # Discount | Gross Amount | Discount Amount | Net Amount | |
| 000C40501 | MQ CUSTOMER REFUND FOR CHE0265 | | | 06/03/24 | 06-24 | Z | 59450 | 85.96 | .00 | 85.96 |
| | | | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | | 85.96 | .00 | 85.96 | |

VENDOR I.D.: \C038 (RONALD K. CHOW)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR CHO0060 | 06/03/24 | 06-24 | Z | 59450 | 65.33 | .00 | 65.33 |
| | | 06/03/24 | 12-24 | | | | | |
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VENDOR I.D.: \C039 (JOHN CHOI)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|---|-----------------------------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR CHO0107 | 06/03/24 | 06-24 | Z | 59450 | 36.36 | .00 | 36.36 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | | | | | |
| | | | | | ** Vendor's Subtotal -----> | 36.36 | .00 | 36.36 |

VENDOR I.D.: \C053 (CHARLENE CLEE)

| | | | | | | | | | |
|------------|---------------------------------|----------|-------|---|-------|-----------------------------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND, FOR CLE0011 | 06/03/24 | 06-24 | Z | 59450 | | 52.97 | .00 | 52.97 |
| | | 06/03/24 | 12-24 | | | | | | |
| | | | | | | | | | |
| | | | | | | ** Vendor's Subtotal -----> | 52.97 | .00 | 52.97 |

VENDOR I.D.: \C054 (DAVID AND REKHA COELHO)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|-----------------------------|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR COE0001 | 06/03/24 | 06-24 | Z | 59450 | 87.92 | .00 | 87.92 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | ** Vendor's Subtotal -----> | | 87.92 | .00 | 87.92 |

VENDOR I.D.: \F001 (SHUXIAN FONG)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|-----------------------------|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR FON0057 | 06/03/24 | 06-24 | Z | 59450 | 68.12 | .00 | 68.12 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | ** Vendor's Subtotal -----> | | 68.12 | .00 | 68.12 |

VENDOR I.D.: \F013 (RANDALL FONG)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|-----------------------------|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR FON0065 | 06/03/24 | 06-24 | Z | 59450 | 117.73 | .00 | 117.73 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | ** Vendor's Subtotal -----> | | 117.73 | .00 | 117.73 |

VENDOR I.D.: \F014 (SIMPSON FOO)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|-----------------------------|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR FOO0001 | 06/03/24 | 06-24 | Z | 59450 | 63.87 | .00 | 63.87 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | ** Vendor's Subtotal -----> | | 63.87 | .00 | 63.87 |

VENDOR I.D.: \H016 (CHARLES HAGGARTY)

| | | | | | | | | |
|------------|--------------------------------|----------|-------|---|-----------------------------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR HAG0057 | 06/03/24 | 06-24 | Z | 59450 | 96.96 | .00 | 96.96 |
| | | 06/03/24 | 12-24 | | | | | |
| | | | | | ** Vendor's Subtotal -----> | 96.96 | .00 | 96.96 |

VENDOR I.D.: \H017 (MARCUS HUNG)

REPORT.: Jun 10 24 Monday
 RUN....: Jun 10 24 Time: 10:59
 Run By.: Wendy Bellinger
 Control Date.: 06/10/24

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: 004
 ID #: PY-RP
 CTL.: 000

Posting Period...: 06-24 Fiscal Period...: (12-24) Cash Account No...: 13110

VENDOR I.D.: \H017 (MARCUS HUNG)

| Invoice No | Description | Invoice Date | Actual Period | G/L Account # | Discount | Gross Amount | Discount Amount | Net Amount |
|-----------------------------|--------------------------------|--------------|---------------|---------------|----------|--------------|-----------------|------------|
| | | Due Date | Fiscal Tm | | | | | |
| 000C40501- | MQ CUSTOMER REFUND FOR HUN0024 | 06/03/24 | 06-24 | Z | 59450 | 111.75 | .00 | 111.75 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 111.75 | .00 | 111.75 |

VENDOR I.D.: \L003 (BRUCE LEUNG)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR LEU0055 | 06/03/24 | 06-24 | Z | 59450 | 115.93 | .00 | 115.93 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 115.93 | .00 | 115.93 |

VENDOR I.D.: \L004 (WENYEH LIAO)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR LIA0024 | 06/03/24 | 06-24 | Z | 59450 | 86.98 | .00 | 86.98 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 86.98 | .00 | 86.98 |

VENDOR I.D.: \L028 (CHI FEN LIU)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR LIU0035 | 06/03/24 | 06-24 | Z | 59450 | 87.92 | .00 | 87.92 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 87.92 | .00 | 87.92 |

VENDOR I.D.: \L029 (MIKE KEVIN LIWANAG)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR LIW0001 | 06/03/24 | 06-24 | Z | 59450 | 108.21 | .00 | 108.21 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 108.21 | .00 | 108.21 |

VENDOR I.D.: \M001 (SHRADHA MALAKAR)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR MAL0066 | 06/03/24 | 06-24 | Z | 59450 | 73.51 | .00 | 73.51 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 73.51 | .00 | 73.51 |

VENDOR I.D.: \M002 (ROSELLE MARTINIANO)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR MAR0246 | 06/03/24 | 06-24 | Z | 59450 | 106.00 | .00 | 106.00 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 106.00 | .00 | 106.00 |

VENDOR I.D.: \M004 (NUNE MESROPYAN)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR MES0005 | 06/03/24 | 06-24 | Z | 59450 | 29.15 | .00 | 29.15 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 29.15 | .00 | 29.15 |

VENDOR I.D.: \O005 (JOELIZ DE ALBA & CHRISTIAN ONG)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR ONG0011 | 06/03/24 | 06-24 | Z | 59450 | 29.76 | .00 | 29.76 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 29.76 | .00 | 29.76 |

VENDOR I.D.: \P001 (RONALD POLONSKI)

REPORT.: Jun 10 24 Monday
 RUN....: Jun 10 24 Time: 10:59
 Run By.: Wendy Bellinger

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

PAGE: . 005
 ID #: PY-RP
 CTL.: 000

Control Date.: 06/10/24 Posting Period.: 06-24 Fiscal Period.: (12-24) Cash Account No.: 13110

VENDOR I.D.: \P001 (RONALD POLONSKI)

| Invoice No | Description | Invoice Date | Actual Period | Tm | G/L Account # | Gross Amount | Discount Amount | Net Amount |
|-----------------------------|--------------------------------|--------------|---------------|----|---------------|--------------|-----------------|------------|
| 000C40501- | MQ CUSTOMER REFUND FOR POL0016 | 06/03/24 | 06-24 | Z | 59450 | 87.92 | .00 | 87.92 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 87.92 | .00 | 87.92 |

VENDOR I.D.: \Q001 (EMERSON QUAN)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR QUA0018 | 06/03/24 | 06-24 | Z | 59450 | 102.09 | .00 | 102.09 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 102.09 | .00 | 102.09 |

VENDOR I.D.: \R016 (EFREN & CARMELITA RIVAS)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR RIV0030 | 06/03/24 | 06-24 | Z | 59450 | 65.33 | .00 | 65.33 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 65.33 | .00 | 65.33 |

VENDOR I.D.: \R019 (WINIFREDA AND JUANITO RIVERA)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR RIV0044 | 06/03/24 | 06-24 | Z | 59450 | 41.49 | .00 | 41.49 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 41.49 | .00 | 41.49 |

VENDOR I.D.: \T002 (DANIELLE TAM)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|-------|-----|-------|
| 000C40501- | MQ CUSTOMER REFUND FOR TAM0073 | 06/03/24 | 06-24 | Z | 59450 | 51.76 | .00 | 51.76 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 51.76 | .00 | 51.76 |

VENDOR I.D.: \T003 (NGOC PHUNG TRAN)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR TRA0023 | 06/03/24 | 06-24 | Z | 59450 | 198.23 | .00 | 198.23 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 198.23 | .00 | 198.23 |

VENDOR I.D.: \V003 (JOHN VIRAY)

| | | | | | | | | |
|-----------------------------|--------------------------------|----------|-------|---|-------|--------|-----|--------|
| 000C40501- | MQ CUSTOMER REFUND FOR VIR0012 | 06/03/24 | 06-24 | Z | 59450 | 124.83 | .00 | 124.83 |
| | | 06/03/24 | 12-24 | | | | | |
| ** Vendor's Subtotal -----> | | | | | | 124.83 | .00 | 124.83 |

** Report's Total -----> 99008.62 .00 99008.62
 =====

** Total Vendors On This Report -----> 43
 =====

** Total Vendors Needing Checks -----> 43
 =====

A IMMEDIATE



WESTBOROUGH WATER DISTRICT

Water and Sewer Rate Study

DRAFT REPORT
June 6, 2024



LECHOWICZ + TSENG
MUNICIPAL CONSULTANTS

909 Marina Village Parkway #135
Alameda, CA 94501
(510) 545-3182
www.LTmuniconsultants.com

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SECTION 1: INTRODUCTION

1.1 Background

Westborough Water District (WWD or District) is located approximately 15 miles south of San Francisco in San Mateo County. WWD serves a population of about 15,000 in the Westborough neighborhood of the City of South San Francisco. The District's service area covers about 1 square mile.

WWD purchases all of its water from the San Francisco Public Utilities Commission (SFPUC) and has an agreement with the North San Mateo County Sanitation District (NSMCSD) for wastewater treatment and sewer system maintenance. WWD is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which represents the collective interests of 26 regional water purveyors receiving water supply from the SFPUC.

The District bills for water service bimonthly such that each bill is for two months of water service. The District bills for sewer service annually on the property tax roll for most customers, with the exception of a small number of multi-family residential customers who are billed for sewer service bimonthly concurrently with their bills for water service.

The District has never conducted a comprehensive cost of service study. Previous rate increases have primarily been designed to cover increases from the SFPUC and NSMCSD. The last water rate increase was a 5.3% increase to the Water Charge only and the last sewer rate increase was a 7.3% increase. Both increases went into effect July 1, 2023.

In 2023, the District engaged Lechowicz & Tseng Municipal Consultants to complete a comprehensive water and wastewater (sewer) rate study to recommend utility rates to ensure the financial health and stability of the District's water and sewer funds. This study recommends water and sewer rates for the five-year period beginning in 2024/25 through 2028/29.

1.2 Requirements of Proposition 218

The implementation of utility rates in California is governed by the substantive and procedural requirements of Proposition 218 the "Right to Vote on Taxes Act" which is codified as Articles XIII C and XIII D of the California Constitution. The District must follow the procedural requirements of Proposition 218 for all utility rate increases. These requirements include:

1. **Noticing Requirement** – The District must mail a notice of the proposed rate increases to all affected property owners or ratepayers. The notice must specify the amount of the fee, the basis upon which it was calculated, the reason for the fee, and the date/time/location of a public rate hearing at which the proposed rates will be considered/adopted.

2. **Public Hearing** – The District must hold a public hearing prior to adopting the proposed rate increases. The public hearing must be held not less than 45 days after the required notices are mailed.
3. **Rate Increases Subject to Majority Protest** – At the public hearing, the proposed rate increases are subject to majority protest. If more than 50% of affected property owners or ratepayers submit written protests against the proposed rate increases, the increases cannot be adopted.

Proposition 218 also established substantive requirements that apply to water and sewer rates and charges, including:

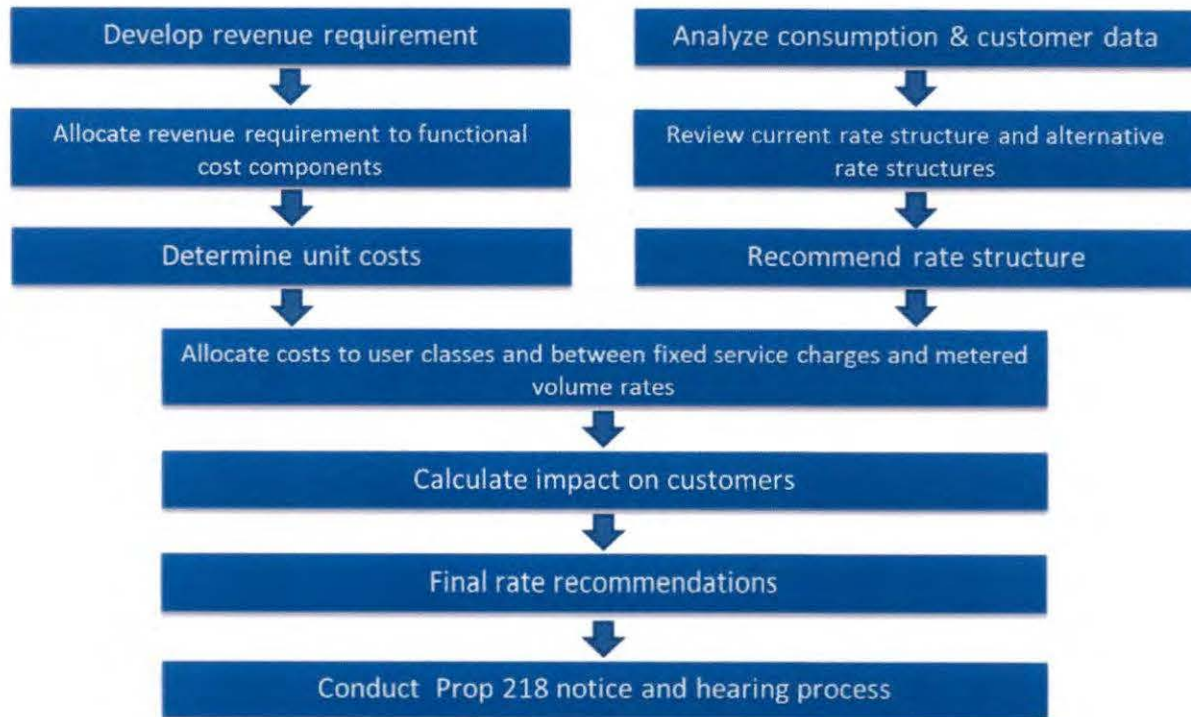
1. **Cost of Service** – Revenues derived from the fee or charge cannot exceed the funds required to provide the service. In essence, fees cannot exceed the “cost of service”.
2. **Intended Purpose** – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
3. **Proportional Cost Recovery** – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer.
4. **Availability of Service** – No fee or charge may be imposed for a service unless that service is used by, or immediately available to, the owner of the property.
5. **General Government Services** – No fee or charge may be imposed for general governmental services where the service is available to the public at large.

Charges for water and sewer collection are exempt from additional voting requirements of Proposition 218, provided the charges do not exceed the cost of providing service and are adopted pursuant to the procedural requirements of Proposition 218.

1.3 Rate Study Process

This section details the development of the District's water and sewer rates via the Proposition 218 process as shown in the following figure.

Figure 1: Comprehensive Cost of Service Study Process



The following is a brief description of the rate study process:

- **Revenue Requirements** - Revenue requirements are analyzed via financial plans developed from the Water and Sewer Fund budgets. Based on the best information currently available, the financial plans incorporate projected operation and maintenance costs, debt service, and growth to estimate annual revenue requirements. The plans serve as a roadmap for funding the District's future operating expenses while maintaining long-term fiscal stability.
- **Cost of Service Allocation** - The cost of service process builds on the financial plan analysis and assigns water and sewer system costs to functional cost components: *metering and customer service, base, and extra* for water, and *customer service, capital, and treatment/disposal* for sewer.

- **Rate Design** - Rate design involves developing a rate structure that proportionately recovers costs from customers. Final rate recommendations are designed to (a) fund the utilities' short- and long-term costs of providing service; (b) proportionately allocate costs to all customers and customer classes; and (c) comply with the substantive requirements of Proposition 218.

The rates developed in this report were based on the best information available at the time of the study. This information was taken from District budgets, audits, billing information, water consumption data, and input from staff. The cost allocations proposed herein are based on American Water Works Association methodologies and industry standard practice. The proposed rates are based on the reasonable cost of providing service and are proportional to the benefits received by each customer.

SECTION 2: COMBINED FUND RESERVES AND BUDGET

The District's budget is divided into three functions: 1) the Water Fund, 2) Sewer Fund, and 3) General & Administrative (G&A). Water expenses include water purchases, field workers' salaries, utilities, and other maintenance costs for the water system. Sewer expenses primarily include treatment costs, utilities, and any other miscellaneous costs related to the sewer system. G&A expenses include costs for office administration, billing, salaries for the General Manager and office staff, and other miscellaneous administrative costs.

The majority of the G&A revenues and expenses have historically been allocated to the Water Fund. To comply with Proposition 218, a key objective of this rate study is to determine each fund's cost of service by allocating the combined reserves and the G&A expenses to each fund.

2.1 Combined Budget

As a whole, the District has remained in good financial standing with positive net income. The District has adopted annual rate increases when needed to cover operating cost inflation and to pay for increases in wholesale water and sewer treatment costs. As shown on Table 1, with the exception of 2020/21, the District's revenues have been fully covering its cost for the past few years.

Table 1: Total Budget - Net Income (Includes Capital)
Westborough Water District
Water and Sewer Rate Study 2024

| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 TY Projected | 2023-2024 Budget |
|-------------------------------|---------------------|---------------------|---------------------|---------------------------|---------------------|
| REVENUES | | | | | |
| Operating Revenues | | | | | |
| Water Sales (41100) | \$3,062,111 | \$2,967,506 | \$3,620,708 | \$4,035,672 | \$4,196,733 |
| Sewer Service Fees (42351) | \$2,977,362 | \$2,971,700 | \$3,099,878 | \$3,278,833 | \$3,284,888 |
| Misc. Operations (42345) | <u>\$18,050</u> | <u>\$4,227</u> | <u>\$12,960</u> | <u>\$23,977</u> | <u>\$19,200</u> |
| Total Operating Revenues | \$6,057,523 | \$5,943,433 | \$6,733,546 | \$7,338,483 | \$7,500,821 |
| Non Operating Revenues | \$893,164 | \$621,464 | \$733,387 | \$922,173 | \$802,848 |
| TOTAL REVENUES | \$6,950,687 | \$6,564,897 | \$7,466,933 | \$8,260,656 | \$8,303,669 |
| EXPENSES | | | | | |
| Operating Expenses | | | | | |
| Water Operating Expenses | \$2,690,649 | \$2,548,555 | \$2,556,354 | \$2,712,875 | \$2,892,667 |
| Sewer Operating Expenses | \$2,418,991 | \$2,474,171 | \$2,622,245 | \$2,661,597 | \$2,925,026 |
| G & A Expenses | <u>\$1,208,044</u> | <u>\$1,448,546</u> | <u>\$1,037,058</u> | <u>\$1,192,560</u> | <u>\$1,302,458</u> |
| Total Operating Expenses | \$6,317,684 | \$6,471,272 | \$6,215,657 | \$6,567,032 | \$7,120,151 |
| Capital Projects [1] | \$328,899 | \$728,883 | \$508,066 | \$200,000 | \$488,000 |
| TOTAL EXPENSES | \$6,646,583 | \$7,200,155 | \$6,723,723 | \$6,767,032 | \$7,608,151 |
| NET INCOME | \$304,104 | (\$635,258) | \$743,210 | \$1,493,624 | \$695,518 |

1 - 2023/24 budget includes \$1.3M in capital projects. Based on actuals as of April 2024, total CIP expenses for 2023/24 are estimated at \$488,000.

2.2 Total Reserves

For accounting purposes, the District combines water and sewer finances into one fund. As of July 1, 2023, total reserves are approximately \$3.3 million. The Water Fund's cash position has declined in recent years as a result of multiple years of drought and reduced water sales. The Water Fund's current cash balance is approximately \$206,000 (per the 2022/23 Annual Financial Report). To help mitigate water rate increases, it is proposed that the Sewer Fund loan the Water Fund \$800,000. This interfund loan will be repaid over 8 years at \$100,000 per year beginning in 2024/25 through 2031/32. Table 2 shows the beginning reserve balances as of July 1, 2023 for both the Water and Sewer Funds.

Table 2: Total Fund Reserves
Westborough Water District
Water and Sewer Rate Study 2024

| | Total Reserves | Water Fund [1] | Sewer Fund |
|-------------------------|----------------|------------------------|------------------------|
| 2023/24 Budget | | <i>Proposed</i> | <i>Proposed</i> |
| Current Reserves | \$3,347,102 | \$1,000,000 | \$2,347,102 |
| <i>Percent of Total</i> | <i>100.0%</i> | <i>29.9%</i> | <i>70.1%</i> |

1 - Estimated beginning cash balance is \$206,000 per the 2022/23 Annual Financial Report. Includes \$800,000 loan from the Sewer Fund to be repaid over 8 years.

2.3 General & Administrative (G&A) Budget

Table 3 includes a projection of G&A expenses over the next five years through 2028/29. Salaries and benefits are estimated to increase by 6.0% each year. Utilities are escalated by 10.0% per year. Most other expenses are escalated by 3.0% each year. Overall, based on the escalation factors shown, total G&A expenses are projected to increase by approximately 5.0% each year.

**Table 3: Projected General & Administrative (G&A) Expenses
Westborough Water District
Water and Sewer Rate Study 2024**

| | Budget 2023/24 | Escalation Factor | PROJECTED | | | | |
|---|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Salaries (56110) [1] | \$266,684 | 6.0% | \$283,000 | \$300,000 | \$318,000 | \$337,000 | \$357,000 |
| General Manager's Salary | \$265,888 | 6.0% | \$282,000 | \$299,000 | \$317,000 | \$336,000 | \$356,000 |
| Salaries Temp (56112) | \$2,000 | 6.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Salaries OT (56113) | \$1,500 | 6.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Employee Benefits (56400) [1] | \$58,452 | 6.0% | \$62,000 | \$66,000 | \$70,000 | \$74,000 | \$78,000 |
| Medical - General Manager | \$30,733 | 6.0% | \$33,000 | \$35,000 | \$37,000 | \$39,000 | \$41,000 |
| Delta Dental - General Manager | \$24,088 | 6.0% | \$26,000 | \$28,000 | \$30,000 | \$32,000 | \$34,000 |
| Vision - General Manager | \$2,736 | 6.0% | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Employee Life Insurance - General Manager | \$696 | 6.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| OPEB - Prefunding (56450) [1] | \$3,126 | 6.0% | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| General Manager's Share | \$1,563 | 6.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| CalPERS (56115) [1] | \$59,625 | 6.0% | \$63,000 | \$67,000 | \$71,000 | \$75,000 | \$80,000 |
| General Manager's Retirement | \$30,771 | 6.0% | \$33,000 | \$35,000 | \$37,000 | \$39,000 | \$41,000 |
| Payroll Taxes (56410) [1] | \$22,318 | 6.0% | \$24,000 | \$25,000 | \$27,000 | \$29,000 | \$31,000 |
| FICA @ 7.65% | \$20,340 | 6.0% | \$22,000 | \$23,000 | \$24,000 | \$25,000 | \$27,000 |
| SUI / \$7,000 cap @ 1.6% x 3 employees | \$112 | 6.0% | \$100 | \$100 | \$100 | \$100 | \$100 |
| Office Supplies & Postage (56210) | \$14,151 | 3.0% | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Memberships (56230) | \$1,620 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| BAWSCA Assessment | \$27,985 | 9.0% | \$31,000 | \$34,000 | \$37,000 | \$40,000 | \$44,000 |
| A.C.W.A. | \$18,524 | 5.0% | \$19,000 | \$20,000 | \$21,000 | \$22,000 | \$23,000 |
| Travel & Education (56250) | \$3,000 | 3.0% | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| ACWA Spring and Fall Conferences - Registration | \$3,586 | 3.0% | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| ACWA Spring and Fall Conferences - Housing | \$7,040 | 3.0% | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 |
| Utilities (56280) | \$1,559 | 10.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Telephone (56290) | \$4,534 | 3.0% | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| GASB75 Contra Exp.(Income)(56470) | \$0 | 3.0% | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Conservation (56500) | \$10,000 | 3.0% | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Bldg. & Grounds Maint (56700) | \$11,687 | 3.0% | \$12,000 | \$12,000 | \$12,000 | \$12,000 | \$12,000 |
| Porta-Potty - Skyline Tank Site | \$1,993 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Skyline Tank Site Gate Maint. | \$500 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Parking Rental Fees (56750) | \$5,760 | 3.0% | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| Directors Fees (56810) | \$9,600 | 3.0% | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| ACWA Spring | \$500 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| ACWA Fall | \$500 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Region 5 mtg | \$500 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Suburban Tour | \$200 | 3.0% | \$200 | \$200 | \$200 | \$200 | \$200 |
| Engineering Svs. (56830) | \$55,000 | 3.0% | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| Accounting Svs (56840) | \$7,500 | 3.0% | \$8,000 | \$8,000 | \$8,000 | \$8,000 | \$8,000 |
| Accountant | \$15,000 | 3.0% | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Auditor | \$15,460 | 3.0% | \$16,000 | \$16,000 | \$16,000 | \$16,000 | \$16,000 |
| Legal Svs. (56841) | \$20,000 | 3.0% | \$21,000 | \$22,000 | \$23,000 | \$24,000 | \$25,000 |
| Retainer | \$5,400 | 3.0% | \$6,000 | \$6,000 | \$6,000 | \$6,000 | \$6,000 |
| Billing (56850) | \$24,604 | 3.0% | \$25,000 | \$26,000 | \$27,000 | \$28,000 | \$29,000 |
| Billing Forms and Envelopes | \$9,000 | 3.0% | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$9,000 |
| Postage for Bills | \$14,339 | 3.0% | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Stuffing and Mailing Bills (6 x \$630) | \$3,780 | 3.0% | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 |
| Reminder Notices and Envelopes | \$2,200 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Postage for Reminders | \$1,424 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Communications (56860) | \$25,592 | 3.0% | \$26,000 | \$27,000 | \$28,000 | \$29,000 | \$30,000 |
| Water Quality Report | \$1,296 | 3.0% | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$1,000 |
| Water Quality Report Postage | \$1,745 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| General Election (56865) | \$0 | 3.0% | \$0 | \$0 | \$0 | \$0 | \$0 |
| Insurance (56870) | \$78,777 | 3.0% | \$81,000 | \$83,000 | \$85,000 | \$88,000 | \$91,000 |
| Bad Debts (56880) | \$2,000 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| Miscellaneous (56890) | \$45,200 | 3.0% | \$47,000 | \$48,000 | \$49,000 | \$50,000 | \$52,000 |
| Property Tax | \$2,370 | 3.0% | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 |
| LAFCO Assessment - Water | \$2,900 | 3.0% | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| Banking and Cr.Card Fees (56875) | \$55,000 | 3.0% | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| <u>GASB 87 Adjustments (Net)</u> | <u>\$0</u> | <u>3.0%</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Total G&A Operating Expenses | \$1,302,458 | | \$1,373,300 | \$1,437,300 | \$1,504,300 | \$1,574,300 | \$1,650,300 |
| Annual % Change | | | 5.4% | 4.7% | 4.7% | 4.7% | 4.8% |

2.4 Allocation of G&A Revenues & Expenses

The G&A budget has traditionally been allocated solely to the Water Fund. However, a portion of these expenses are for sewer and therefore should be assigned to the Sewer Fund. After a thorough review of the G&A budget with District staff, this study proposes the following allocations beginning in 2024/25:

- In total, approximately 83.0% of total G&A expenses are assigned to the Water Fund and 17.0% are allocated to the Sewer Fund.
- The General Manager's salary and benefits are allocated 66.7% to the Water Fund and 33.3% to the Sewer Fund.
- Unless the expense is 100% allocated to the Water Fund, the split for all other G&A expenses is 70.0% to the Water Fund and 30.0% to the Sewer Fund.
- For G&A revenues, 30% of *Taxes & Assessments (49300)* are allocated to the Sewer Fund and 70.0% to the Water Fund. *Misc. Operations (42345)* and *Rental Income (49910)* are assigned 100.0% to the Water Fund.

Table 4 shows a breakdown of the G&A expenses between the Water Fund and Sewer Fund. A detailed list of each G&A expense is included in the Appendix.

Table 4: Allocation of General & Administrative (G&A) Expenses
Westborough Water District
Water and Sewer Rate Study 2024

| | PROJECTED | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| TOTAL G&A EXPENSES | | | | | |
| Salaries & Benefits | \$841,100 | \$891,100 | \$944,100 | \$999,100 | \$1,058,100 |
| Engineering Svs. (56830) | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| Billing (56850) | \$56,000 | \$57,000 | \$58,000 | \$59,000 | \$60,000 |
| Insurance (56870) | \$81,000 | \$83,000 | \$85,000 | \$88,000 | \$91,000 |
| Miscellaneous (56890) | \$52,000 | \$53,000 | \$54,000 | \$55,000 | \$57,000 |
| Banking and Cr.Card Fees (56875) | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| <u>Other Expenses</u> | <u>\$229,200</u> | <u>\$235,200</u> | <u>\$241,200</u> | <u>\$247,200</u> | <u>\$254,200</u> |
| Total G&A Operating Expenses | \$1,373,300 | \$1,437,300 | \$1,504,300 | \$1,574,300 | \$1,650,300 |
| <i>Annual % Change</i> | 5.4% | 4.7% | 4.7% | 4.7% | 4.8% |
| WATER G&A EXPENSES | | | | | |
| Salaries & Benefits | \$715,100 | \$757,100 | \$802,100 | \$849,100 | \$900,100 |
| Engineering Svs. (56830) | \$40,000 | \$41,000 | \$42,000 | \$43,000 | \$44,000 |
| Billing (56850) | \$47,000 | \$48,000 | \$49,000 | \$50,000 | \$51,000 |
| Insurance (56870) | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| Miscellaneous (56890) | \$38,000 | \$39,000 | \$40,000 | \$41,000 | \$42,000 |
| Banking and Cr.Card Fees (56875) | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| <u>Other Expenses</u> | <u>\$187,200</u> | <u>\$190,200</u> | <u>\$194,200</u> | <u>\$198,200</u> | <u>\$202,200</u> |
| Total Water G&A Expenses | \$1,141,300 | \$1,193,300 | \$1,249,300 | \$1,307,300 | \$1,369,300 |
| <i>Annual % Change</i> | --- | 4.6% | 4.7% | 4.6% | 4.7% |
| SEWER G&A EXPENSES | | | | | |
| Salaries & Benefits | \$123,000 | \$131,000 | \$139,000 | \$148,000 | \$157,000 |
| Engineering Svs. (56830) | \$17,000 | \$18,000 | \$19,000 | \$20,000 | \$21,000 |
| Billing (56850) | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$9,000 |
| Insurance (56870) | \$24,000 | \$25,000 | \$26,000 | \$27,000 | \$28,000 |
| Miscellaneous (56890) | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$14,000 |
| Banking and Cr.Card Fees (56875) | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>Other Expenses</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> |
| Total Sewer G&A Expenses | \$223,000 | \$233,000 | \$243,000 | \$254,000 | \$265,000 |
| <i>Annual % Change</i> | --- | 4.5% | 4.3% | 4.5% | 4.3% |

SECTION 3: WATER RATE STUDY

Westborough Water District provides water service to approximately 4,000 accounts. On average, the District consumes over 320,000 ccf (hundred cubic feet) of water each year. Based on District billing records, the current average monthly residential water use is 5 ccf per month, or a total of 10 ccf per bimonthly billing period. The average water bill is currently \$134.40 per bimonthly billing period.

3.1 Current Water Rates

Schedules of bimonthly water rates over the past three years are provided in Table 5. The District's current water rate structure includes two components: (a) a Meter Service Charge and (b) a Water Charge. Over the past three years, the Meter Service Charge has remained the same while the Water Charge has been increased annually as shown in Table 5.

3.1.1 Meter Service Charge

All customers are charged a base service charge based on the size of their water meter. The Meter Service Charge is levied regardless of water consumption and recognizes that even when a customer does not use any water, the District incurs fixed costs associated with maintaining the ability or readiness to serve each connection.

The Meter Service Charges are designed to recover the District's fixed expenses and currently generate about 30% of total water rate revenues. Fixed costs include staffing, customer service, system maintenance, and repairs.

3.1.2 Water Charge

In addition to the Meter Service Charges, all customers pay a Water Charge per ccf of water consumption per billing period. One ccf is equal to 748 gallons of water. The charges for water usage are based on a uniform rate where the price per unit of water is the same regardless of total water consumption.

The Water Charge is intended to recover costs that vary based on the amount of water consumed and currently generates roughly 70% of total water rate revenues. Variable expenses include water purchases, utilities, and chemicals.

Table 5: Historic and Current Bimonthly Water Rates
Westborough Water District
Water and Sewer Rate Study 2024

| | 2021/22 [1] | 2022/23 [2] | 2023/24 [3] |
|-----------------------------|-------------|-------------|-------------|
| METER SERVICE CHARGE | | | |
| <u>Meter Size</u> | | | |
| 5/8" | \$44.00 | \$44.00 | \$44.00 |
| 3/4" | \$58.41 | \$58.41 | \$58.41 |
| 1" | \$76.01 | \$76.01 | \$76.01 |
| 1-1/2" | \$137.61 | \$137.61 | \$137.61 |
| 2" | \$183.81 | \$183.81 | \$183.81 |
| 3" | \$322.41 | \$322.41 | \$322.41 |
| 4" | \$692.01 | \$692.01 | \$692.01 |
| 6" | \$1,033.89 | \$1,033.89 | \$1,033.89 |
| 8" | \$1,526.14 | \$1,526.14 | \$1,526.14 |
| WATER CHARGE | | | |
| All usage per ccf | \$7.28 | \$8.58 | \$9.04 |
| % Change | | 17.9% | 5.4% |

1 - Effective July 1, 2021

2 - Effective July 1, 2022

3 - Effective July 1, 2023

3.2 Water System Overview

3.2.1 Water System

The District obtains all of its water from the San Francisco Public Utilities Commission (SFPUC) through one service connection to the SFPUC system. Approximately 80% of the SFPUC's water supply is from the Hetch Hetchy Reservoir in Yosemite National Park, with the Alameda and Peninsula Watersheds supplying the remainder. The District owns and operates a water distribution system which includes 3 pressure zones, 2 water pump stations, 3 steel water storage tanks, 5 pressure regulating valves, and 24 miles of water mains.

3.2.2 Water Customers

The District provides water service to approximately 4,000 water accounts as shown in Table 6. The majority of customers are single family residential customers, representing about 95% of the customer base. The most common meter size is 5/8".

Table 6: Number of Water Accounts by Meter Size and Customer Class for May/June 2023
Westborough Water District
Water and Sewer Rate Study

| CUSTOMER CLASS | 5/8" | 3/4" | 1" | 1-1/2" | 2" | 3" | 4" | 6" | 8" | TOTAL | % of Total |
|-----------------------------|--------------|------------|-----------|-----------|-----------|----------|----------|----------|----------|--------------|---------------|
| Single Family Residential | 3,476 | 278 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 3,755 | 94.9% |
| Multi-Family Residential | 0 | 0 | 0 | 6 | 6 | 0 | 1 | 0 | 1 | 14 | 0.4% |
| Commercial | 9 | 2 | 5 | 6 | 11 | 5 | 0 | 1 | 0 | 39 | 1.0% |
| Irrigation | 3 | 0 | 14 | 41 | 34 | 0 | 0 | 0 | 0 | 92 | 2.3% |
| Fire Protection | 29 | 0 | 26 | 2 | 0 | 0 | 0 | 0 | 0 | 57 | 1.4% |
| TOTAL WATER ACCOUNTS | 3,517 | 280 | 46 | 55 | 51 | 5 | 1 | 1 | 1 | 3,957 | 100.0% |

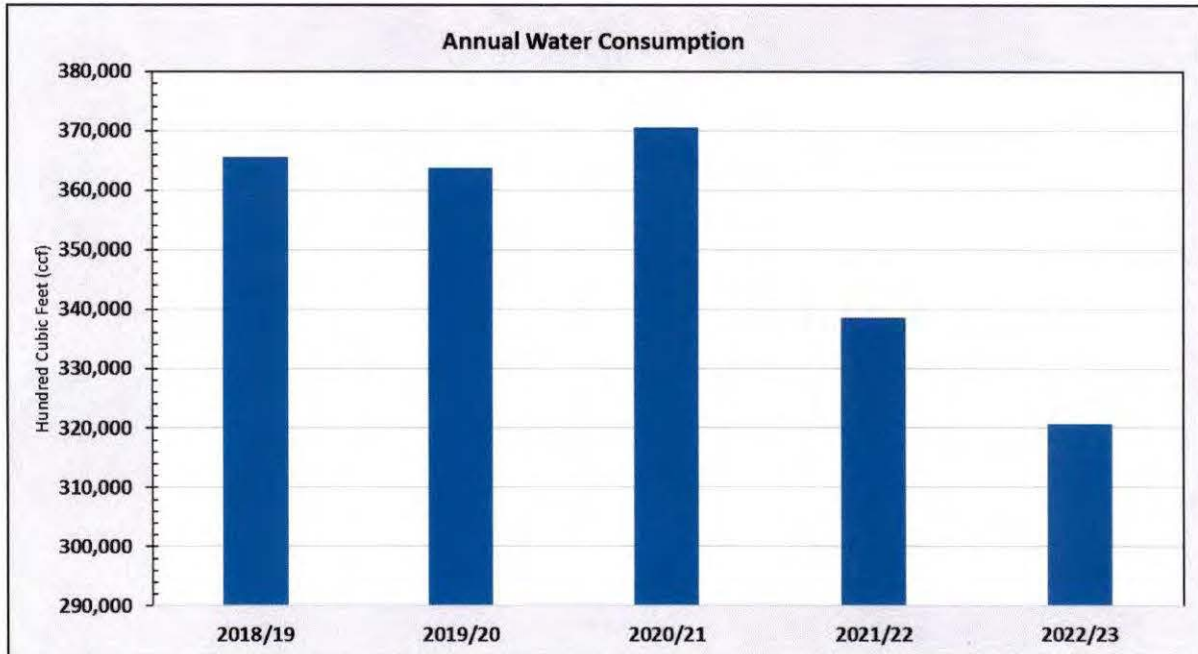
3.2.3 Water Consumption

Table 7 summarizes annual water consumption and estimated sewer flow for the past 5 fiscal years. In 2022/23, total consumption decreased by approximately 5.3%. Annual water consumption is summarized graphically in Figure 2.

Table 7: History of Water Consumption
Westborough Water District
Water and Sewer Rate Study 2024

| WATER CONSUMPTION | | | ESTIMATED SEWER FLOW | | |
|-------------------|-------------------|----------|----------------------|-------------------|----------|
| Fiscal Year | Consumption (ccf) | % Change | Month | Consumption (ccf) | % Change |
| 2018/19 | 365,505 | | Jan/Feb 2019 | 50,112 | |
| 2019/20 | 363,719 | -0.49% | Jan/Feb 2020 | 50,811 | 1.39% |
| 2020/21 | 370,550 | 1.88% | Jan/Feb 2021 | 50,226 | -1.15% |
| 2021/22 | 338,638 | -8.61% | Jan/Feb 2022 | 48,278 | -3.88% |
| 2022/23 | 320,721 | -5.29% | Jan/Feb 2023 | 47,001 | -2.65% |

Figure 2: Annual Water Consumption
Westborough Water District
Water and Sewer Rate Study 2024



3.3 Water Financial Plan

3.3.1 History of Water Revenues & Expenses

Table 8 shows a history of water revenues and expenses for the past four fiscal years as well as the projected revenues and expenses for 2023/24. Historically, the District has allocated 100% of non-operating income and the majority of all G&A expenses to the Water Fund. On average over the past two years, operating expenses have increased by over 6% each year. G&A expenses have increased at a higher rate, with a 9.3% increase estimated for 2023/24. Due to reduced water sales, capital project spending has been minimal, resulting in deferred investments in necessary infrastructure improvements.

Table 8: History of Water Revenues & Expenses
Westborough Water District
Water and Sewer Rate Study 2024

| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 TY Projected | 2023-2024 Budget |
|--|---------------------|----------------------|---------------------|---------------------------|---------------------|
| WATER REVENUES | | | | | |
| Water Sales (41100) | \$3,062,111 | \$2,967,506 | \$3,620,708 | \$4,035,672 | \$4,196,733 |
| <i>Annual % Change</i> | | -3.1% | 22.0% | 11.5% | 4.0% |
| Non-Operating Revenues [1] | | | | | |
| Misc. Operations (42345) | \$18,050 | \$4,227 | \$12,960 | \$23,977 | \$19,200 |
| Interest (49210) | \$97,688 | (\$873) | (\$24,011) | \$32,219 | \$90,107 |
| Taxes & Assessments (49300) | \$531,179 | \$556,454 | \$624,157 | \$681,621 | \$676,549 |
| Other Income (49700) | \$345,345 | \$70,032 | \$113,944 | \$184,873 | \$0 |
| Rental Income (49910) [2] | \$0 | \$0 | \$0 | \$24,127 | \$36,192 |
| Cap Facilities Income (49800) | \$0 | \$0 | \$5,915 | \$0 | \$0 |
| Capital Facility Expense (56885) | (\$81,048) | (\$4,149) | (\$7,715) | (\$667) | \$0 |
| Subtotal Non-Operating Revenues | \$911,214 | \$625,691 | \$725,250 | \$946,151 | \$822,048 |
| <i>Annual % Change</i> | | -31.3% | 15.9% | 30.5% | -13.1% |
| Total Water Revenues | \$3,973,325 | \$3,593,197 | \$4,345,958 | \$4,981,823 | \$5,018,781 |
| <i>Annual % Change</i> | | -9.6% | 20.9% | 14.6% | 0.7% |
| WATER EXPENSES | | | | | |
| Operating Expenses | | | | | |
| Salaries (51110) | \$331,517 | \$375,566 | \$371,286 | \$409,485 | \$440,371 |
| Sal. Temp (51112) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sal. OT (51113) | \$7,214 | \$8,737 | \$9,534 | \$8,092 | \$9,000 |
| CalPERS (51115) | \$67,315 | \$71,828 | \$55,419 | \$71,060 | \$64,865 |
| Benefits (51400) | \$46,993 | \$51,477 | \$55,637 | \$51,856 | \$58,458 |
| Payroll Tax (51410) | \$26,336 | \$27,663 | \$28,653 | \$31,440 | \$34,825 |
| OPEB - Prefunding (51450) | \$21,335 | \$16,435 | \$7,748 | \$18,697 | \$2,808 |
| GASB75 Contra Exp.(Income)(51470) | (\$27,522) | (\$3,768) | \$0 | \$0 | \$0 |
| Utilities (51130) | \$130,777 | \$126,362 | \$143,292 | \$156,559 | \$162,716 |
| Supplies (51140) | \$11,376 | \$14,504 | \$11,862 | \$13,281 | \$15,000 |
| Special Services (51150) | \$59,597 | \$55,257 | \$49,868 | \$86,557 | \$91,717 |
| Vehicle Expense (51170) | \$23,451 | \$15,503 | \$45,387 | \$24,773 | \$35,000 |
| Maint. Of System (51200) | \$67,962 | \$63,357 | \$232,843 | \$42,784 | \$59,905 |
| Water Purchases (51300) | \$1,917,544 | \$1,719,047 | \$1,536,804 | \$1,788,760 | \$1,906,743 |
| Tech. Communications (51860) | \$6,754 | \$6,589 | \$8,020 | \$9,529 | \$11,260 |
| Total Water Operating Expenses | \$2,690,649 | \$2,548,555 | \$2,556,354 | \$2,712,875 | \$2,892,667 |
| <i>Annual % Change</i> | | -5.3% | 0.3% | 6.1% | 6.6% |
| Total G & A Operating Expense [2] | \$1,208,044 | \$1,444,397 | \$1,029,343 | \$1,192,060 | \$1,302,458 |
| <i>Annual % Change</i> | | 19.6% | -28.7% | 15.8% | 9.3% |
| Capital Projects [3] | \$227,494 | \$726,605 | \$491,886 | \$0 | \$175,000 |
| <i>Annual % Change</i> | | 219.4% | -32.3% | -100.0% | - |
| Total Water Expenses | \$4,126,187 | \$4,719,557 | \$4,077,583 | \$3,904,935 | \$4,370,125 |
| <i>Annual % Change</i> | | 14.4% | -13.6% | -4.2% | 11.9% |
| Net Operating Income (Loss) | (\$152,862) | (\$1,126,360) | \$268,375 | \$1,076,888 | \$648,656 |

1 - Includes 100% of Non-Operating Income

2 - Includes 100% of G&A Expenses except for expenses allocated to sewer per Annual Financial Reports

3 - 2023/24 budget includes \$1.3M in capital projects. Based on actuals as of April 2024, total CIP expenses for 2023/24 are estimated at \$175,000.

3.3.2 Water Reserves

The District has historically combined the water and sewer finances into one fund. As of July 1, 2023, the total reserve fund balance for the District was approximately \$3.3 million. Based on recommendation from the District's accountant, the District will begin separating the Water and Sewer Funds beginning in 2024/25. Because the Water Fund has minimal reserves, it is proposed that the Sewer Fund loan the Water Fund \$800,000 to be repaid over 8 years to mitigate rate impacts. The resulting beginning fund balance for the Water Fund is \$1.0 million for the purposes of this study.

Table 9: Water Fund Reserves
Westborough Water District
Water and Sewer Rate Study 2024

| | Water Fund |
|---------------------------------------|-------------|
| Beginning Reserves as of July 1, 2023 | \$1,000,000 |

The accumulation and maintenance of reasonable reserves is one factor to consider when determining the cost of service. Adequate fund reserves protect the District when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the District to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during drought conditions or other unexpected situations. It is acceptable if reserves dip below the target on a temporary basis, provided the District takes action to attain the target over the longer run.

The recommended reserve fund targets are as follows:

- **Operating Reserve:** The proposed minimum fund balance target is equal to 25% of annual operating expenses. This is in line with industry standards that recommend an operating reserve target of at least 25% of annual expenses to account for the time (at least 3 months) that it would take an agency to approve new rate increases to comply with Proposition 218.
- **Capital Reserve:** In addition to the operating reserve target, it is proposed that the District maintain additional reserves equal to 50% of annual depreciation at minimum. Per the District's accountant, depreciation for the water system is projected at \$275,093. Thus, the capital reserve target for 2024/25 is \$137,547.

- Debt Service Reserve: Beginning in 2025/26, it is proposed that the District maintain the amount of the total debt service payment for one year in reserves in addition to its operating and capital reserves.

3.3.3 Water Revenues

The primary source of revenues for the Water Fund is revenues from water rates. Table 10 includes a summary of estimated annual water rate revenues for 2022/23 based on the District's billing data records. The majority of revenues, or about 75%, were collected from single family residential customers.

The District collected approximately \$3.9 million in total water rate revenues in 2022/23. About 30% of revenues were collected from Meter Service Charges. The remaining 70% of revenues were collected from Water Charges billed based on metered water consumption.

Table 10: Total Estimated Water Sales Revenues
Westborough Water District
Water and Sewer Rate Study

| FY 2022/23 ESTIMATED WATER SALES REVENUES | | | | |
|---|-----------------------|---------------|----------------------------|-------------|
| Customer Class | Meter Service Charges | Water Charges | Total Water Sales Revenues | % of Total |
| Single Family Residential | \$1,015,548 | \$1,935,871 | \$2,951,419 | 75.1% |
| Multi-Family Residential | \$24,880 | \$304,041 | \$328,921 | 8.4% |
| Commercial | \$38,318 | \$288,391 | \$326,709 | 8.3% |
| Irrigation | \$78,526 | \$223,483 | \$302,009 | 7.7% |
| <u>Fire Protection</u> | <u>\$21,165</u> | <u>\$0</u> | <u>\$21,165</u> | <u>0.5%</u> |
| Total | \$1,178,437 | \$2,751,786 | \$3,930,223 | 100.0% |
| % of Total | 30.0% | 70.0% | 100.0% | |

3.3.4 Water G&A Revenues

In the past, all G&A revenues have been assigned to the Water Fund. Beginning in 2024/25, 70.0% of *Taxes & Assessments (49300)* will be allocated to the Water Fund and 30% to the Sewer Fund. The Water Fund will continue to receive all of the income from *Misc. Operations (42345)* and *Rental Income (49910)*. Revenues are projected to increase by 3.0% each year.

3.3.5 Wholesale Water Purchases

Table 11 summarizes wholesale water purchases from the SFPUC since 2019/20. Water purchases are the largest expense for the Water Fund, accounting for approximately 66.0% of total operating expenses.

Table 11: SFPUC Water Purchases
Westborough Water District
Water and Sewer Rate Study

| | Actual | | | | Projected | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| SFPUC Rate (\$ per ccf) [1] | \$4.49 | \$4.50 | \$4.50 | \$5.15 | \$5.61 | \$6.07 |
| % Increase | | 0.2% | 0.0% | 14.5% | 8.9% | 8.2% |
| Total Water Purchased (ccf) [2] | 426,355 | 382,590 | 332,197 | 340,055 | 350,700 | 350,700 |
| % Increase | | -10.3% | -13.2% | 2.4% | 3.1% | 0.0% |
| Total Cost for Water Purchases [2] | \$1,877,800 | \$1,740,639 | \$1,448,500 | \$1,730,108 | \$1,906,743 | \$2,021,000 |
| % Increase | | -7.3% | -16.8% | 19.4% | 10.2% | 6.0% |
| Total Water Operating Expenses | \$2,690,649 | \$2,548,555 | \$2,556,354 | \$2,712,875 | \$2,892,667 | \$3,067,000 |
| % Increase | | -5.3% | 0.3% | 6.1% | 6.6% | 6.0% |
| % of Water Purchases / Total Operating Expenses | 69.8% | 68.3% | 56.7% | 63.8% | 65.9% | 65.9% |

1 - Rate includes BAWSCA Bond Surcharge.

2 - Source: *SFPUC Purchases* spreadsheet. Usage for 2023/24 from Budget.

The SFPUC sets its rates annually, and the District has no control over these costs. For 2024/25, the SFPUC's wholesale water rate is increasing to \$5.67 per ccf, representing an 8.8% increase from the previous year. Figure 3 shows SFPUC's historical wholesale water rates since 2013/14. Since 2013/14, SFPUC wholesale rates have increased from \$2.45 per ccf to \$5.67 per ccf, representing a 131.0% increase. The chart shows the actual wholesale water rate as well as the separate BAWSCA bond surcharge.

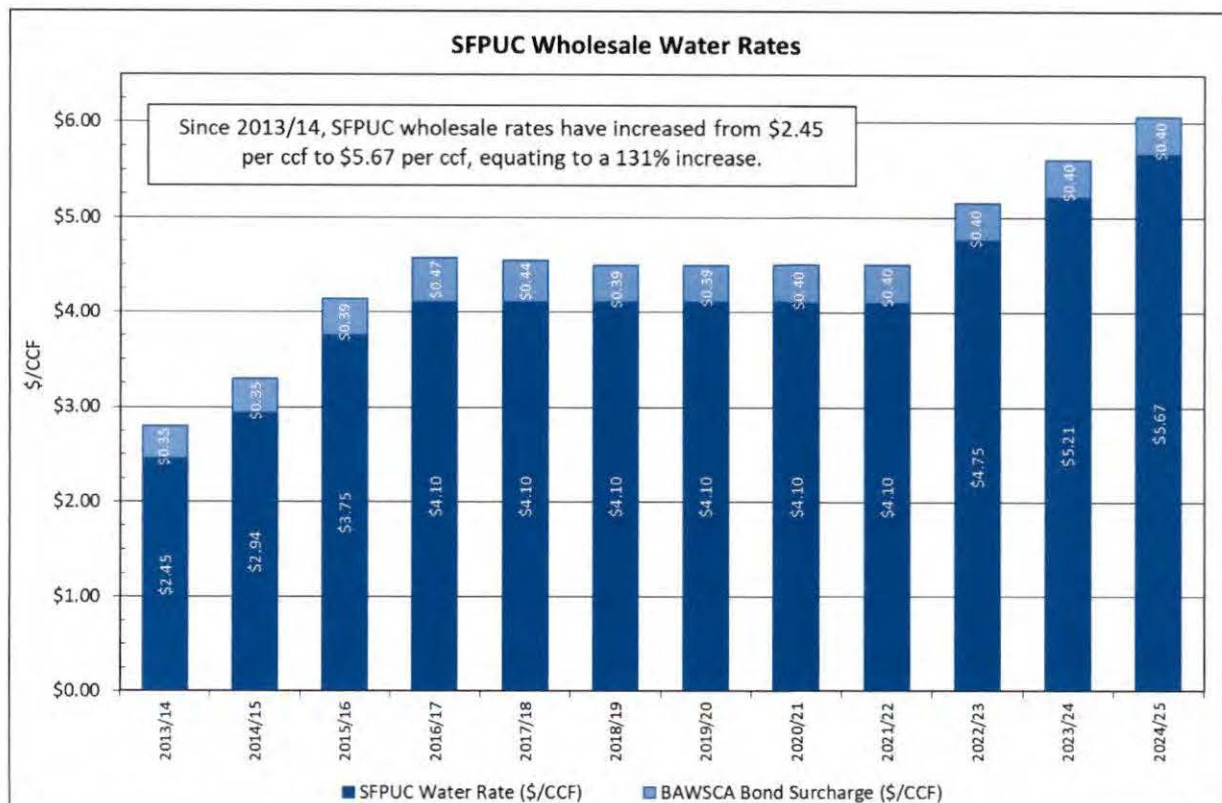
In 2013, BAWSCA issued Revenue Bonds (Series 2013A and 2013B) to prepay the remaining capital cost recovery payments that the BAWSCA member agencies owed the SFPUC as of June 30, 2013. Beginning

in 2013/14, BAWSCA began collecting a fixed bond surcharge from each member agency as a separate item on their monthly water bills from the SFPUC. The payments are used to make debt service payments on the revenue bonds, reimburse bond administration expenses, and, as necessary, replenish a stabilization fund set up to limit the volatility in annual changes in the payments.

The allocation of the bond surcharge among the BAWSCA member agencies in a given year is based on the prior year's actual water sales to each agency. The following year, a financial reconciliation is performed where each agency's final payments are adjusted based on actual water sales during the prior year. The projected BAWSCA bond surcharge is \$0.40 per ccf.

The SFPUC is nearing its completion of the \$4.8 billion Water System Improvement Project (WSIP) to upgrade the Hetch Hetchy Water System, and the SFPUC is forecasting significant increases to its operating costs. The SFPUC has projected that its wholesale rate will increase 27.0% over the next five years.

**Figure 3: Historical SFPUC Wholesale Water Rates
Westborough Water District
Water and Sewer Rate Study 2024**



3.3.6 Water Operating Expenses

Table 12 includes a projection of future water operating expenses over the next five years through 2028/29. Escalation factors were determined using input from District staff. The largest expense for the Water Fund is Water Purchases, which are projected to increase by 6.0% each year. Utilities are projected to increase by 10.0% each year. Expenses related to salaries and benefits for the District's employees are projected to increase by 6.0% each year. Remaining expenses for supplies and services are projected to increase by 3.0% each year. Overall, water operating expenses are projected to increase by approximately 6.0% each year.

**Table 12: Projected Water Operating Expenses
Westborough Water District
Water and Sewer Rate Study**

| | Budget 2023/24 | Escalation Factor | PROJECTED | | | | |
|---------------------------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Water Operating Expenses | | | | | | | |
| Salaries (51110) | \$440,371 | 6.0% | \$467,000 | \$495,000 | \$525,000 | \$557,000 | \$590,000 |
| Sal. Temp (51112) | \$0 | 6.0% | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sal. OT (51113) | \$9,000 | 6.0% | \$10,000 | \$11,000 | \$12,000 | \$13,000 | \$14,000 |
| CalPERS (51115) | \$64,865 | 6.0% | \$69,000 | \$73,000 | \$77,000 | \$82,000 | \$87,000 |
| Benefits (51400) | \$58,458 | 6.0% | \$62,000 | \$66,000 | \$70,000 | \$74,000 | \$78,000 |
| Payroll Tax (51410) | \$34,825 | 6.0% | \$37,000 | \$39,000 | \$41,000 | \$43,000 | \$46,000 |
| OPEB - Prefunding (51450) | \$2,808 | 6.0% | \$3,000 | \$3,000 | \$3,000 | \$3,000 | \$3,000 |
| GASB75 Contra Exp.(Income)(51470) | \$0 | 6.0% | \$0 | \$0 | \$0 | \$0 | \$0 |
| Utilities (51130) | \$162,716 | 10.0% | \$179,000 | \$197,000 | \$217,000 | \$239,000 | \$263,000 |
| Supplies (51140) | \$15,000 | 3.0% | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 |
| Special Services (51150) | \$91,717 | 3.0% | \$94,000 | \$97,000 | \$100,000 | \$103,000 | \$106,000 |
| Vehicle Expense (51170) | \$35,000 | 3.0% | \$36,000 | \$37,000 | \$38,000 | \$39,000 | \$40,000 |
| Maint. Of System (51200) | \$59,905 | 3.0% | \$62,000 | \$64,000 | \$66,000 | \$68,000 | \$70,000 |
| Water Purchases (51300) | \$1,906,743 | 6.0% | \$2,021,000 | \$2,142,000 | \$2,271,000 | \$2,407,000 | \$2,551,000 |
| <u>Tech. Communications (51860)</u> | <u>\$11,260</u> | 3.0% | <u>\$12,000</u> | <u>\$12,000</u> | <u>\$12,000</u> | <u>\$12,000</u> | <u>\$12,000</u> |
| Total Water Operating Expenses | \$2,892,667 | | \$3,067,000 | \$3,251,000 | \$3,447,000 | \$3,655,000 | \$3,875,000 |
| <i>Annual % Change</i> | | | <i>6.0%</i> | <i>6.0%</i> | <i>6.0%</i> | <i>6.0%</i> | <i>6.0%</i> |
| Percent of Total | | | | | | | |
| Salaries & Benefits | 21.1% | | 21.1% | 21.1% | 21.1% | 21.1% | 21.1% |
| Utilities (51130) | 5.6% | | 5.8% | 6.1% | 6.3% | 6.5% | 6.8% |
| Water Purchases (51300) | 65.9% | | 65.9% | 65.9% | 65.9% | 65.9% | 65.8% |
| Special Services (51150) | 3.2% | | 3.1% | 3.0% | 2.9% | 2.8% | 2.7% |
| <u>Other Expenses</u> | <u>4.2%</u> | | <u>4.1%</u> | <u>3.9%</u> | <u>3.8%</u> | <u>3.7%</u> | <u>3.5%</u> |
| Total Water Operating Expenses | 100.0% | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

As shown on the bottom half of Table 12, water purchases account for 66.0% of total water operating expenditures. Wholesale water expenses are determined by the SFPUC. Therefore, the District has no control over these costs.

3.3.7 Water G&A Expenses

Table 33 includes a projection of future G&A expenses assigned to the Water Fund. Beginning in 2024/25, approximately 83.0% of total G&A expenses are allocated to water. On average, G&A expenses are projected to increase nearly 5.0% each year.

**Table 13: SFPUC Water Purchases
Westborough Water District
Water and Sewer Rate Study**

| | Budget 2023/24 | PROJECTED | | | | |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Salaries & Benefits | \$674,956 | \$715,100 | \$757,100 | \$802,100 | \$849,100 | \$900,100 |
| Engineering Svs. (56830) | \$38,500 | \$40,000 | \$41,000 | \$42,000 | \$43,000 | \$44,000 |
| Billing (56850) | \$46,124 | \$47,000 | \$48,000 | \$49,000 | \$50,000 | \$51,000 |
| Insurance (56870) | \$55,144 | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| Miscellaneous (56890) | \$36,910 | \$38,000 | \$39,000 | \$40,000 | \$41,000 | \$42,000 |
| Banking and Cr.Card Fees (56875) | \$55,000 | \$57,000 | \$59,000 | \$61,000 | \$63,000 | \$65,000 |
| <u>Other Expenses</u> | <u>\$182,731</u> | <u>\$187,200</u> | <u>\$190,200</u> | <u>\$194,200</u> | <u>\$198,200</u> | <u>\$202,200</u> |
| Total Water G&A Expenses | \$1,089,366 | \$1,141,300 | \$1,193,300 | \$1,249,300 | \$1,307,300 | \$1,369,300 |
| <i>Annual % Change</i> | | 4.8% | 4.6% | 4.7% | 4.6% | 4.7% |

3.3.8 Water Capital Improvement Plan and Debt Service Assumptions

Over the next five years, the District proposes to spend approximately \$11.0 million on water capital projects to repair failing pipelines and to rehabilitate equipment and other water infrastructure. The water system is over 50 years old and is in need of significant upgrades to avoid leaks, equipment failures, and costly emergency repairs.

Beginning in 2025/26, the District will borrow \$1.25 million—about 50% of the annual CIP—each year for 5 years with a bank loan or line of credit (LOC). The plan is to debt-fund half of the annual water CIP beginning in 2025/26 through 2029/30 with the long-term objective of paying for capital projects on a cash basis after these initial borrowings. Table 14 summarizes the debt assumptions used in this study. It is assumed each borrowing would have a 15-year term with an interest rate of 7.0%, resulting in an annual debt service payment of \$137,000.

**Table 14: Water Debt Scenarios
Westborough Water District
Water and Sewer Rate Study 2024**

| | \$2.5M Annual Water CIP |
|---|--------------------------------|
| Total Annual CIP Total Water Annual CIP | \$2,500,000 |
| Debt Funded Portion Water Annual CIP - Debt Funded | 50% \$1,250,000 |
| Loan Terms (Estimated) Loan Amount Term (years) Interest Rate | \$1,250,000 15 7.0% |
| Annual Loan Payment | \$137,000 |
| Reserve Fund Requirement Equal to Annual Debt Service | \$137,000 |

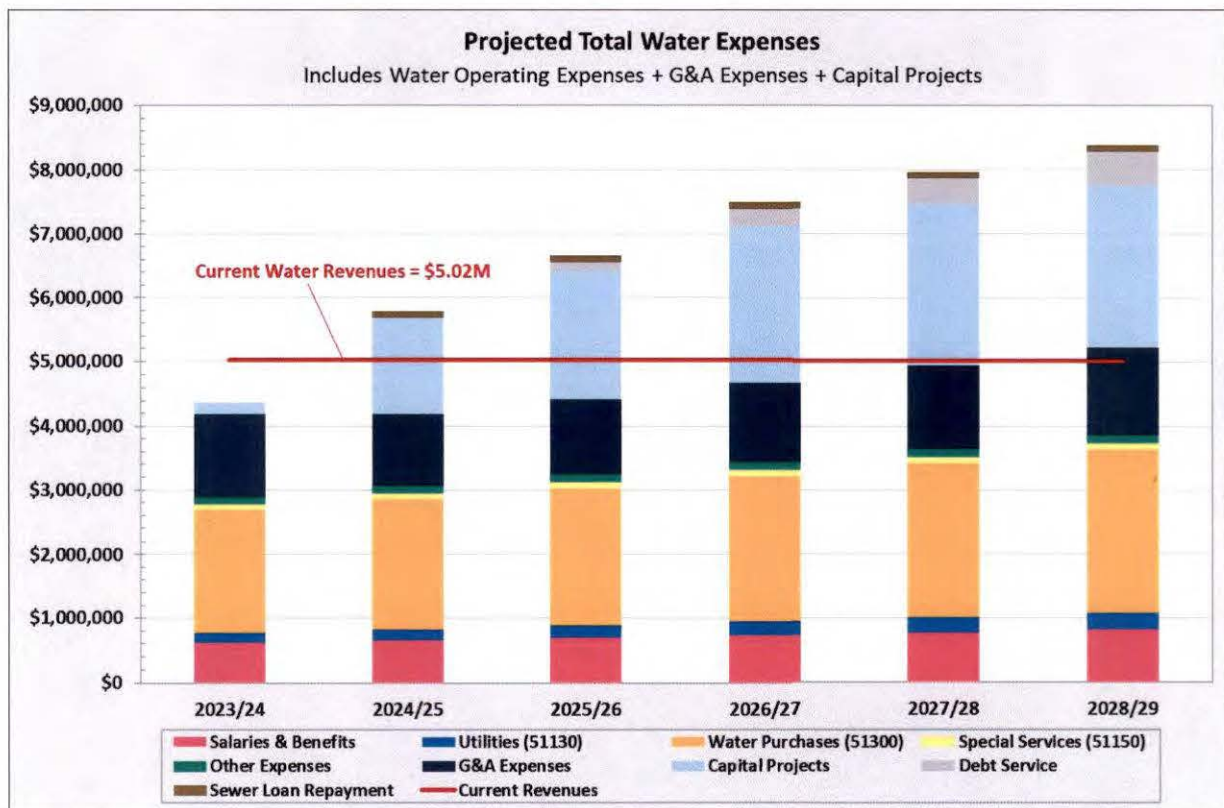
Debt Service Coverage

A chief covenant for the District to secure State loans/grants or revenue bonds/Certificates of Participation (COPs) is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. The ratio requires that annual water net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default. Thus, rates and fees must be set to meet this legal requirement. Moreover, failing to meet debt service coverage may hinder the District's ability to qualify for future debt funding.

3.3.9 Total Water Expenses

Figure 4 graphically shows the Water Fund's projected total expenses including operating expenses, G&A expenses, the interfund loan repayment to the Sewer Fund, estimated debt service, and capital projects. As shown in the chart, expenses would exceed revenues beginning in 2024/25 absent a rate increase.

Figure 4: Projected Total Water Expenses
Westborough Water District
Water and Sewer Rate Study 2024



3.3.10 Water Cash Flow Objectives

The Water Fund cash flow projection for the five-year period beginning in 2024/25 through 2028/29 is provided in Table 15. Over the five years, water rate revenue increases are proposed as needed to meet the following three goals which are indicators of the overall fiscal health of the Water Fund:

1. Meet debt service coverage ratio (1.25x)
 - a. A standard financial measure of an agency's ability to repay outstanding debt

- b. Annual net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all parity obligations
- 2. Total revenues cover expenses (Positive net revenues)
 - a. To ensure that the Water Fund is covering its cost of service (operating and capital expenses)
 - b. To avoid an operating deficit and dipping into reserves
- 3. Meet proposed Water Fund reserve targets by 2028/29
 - a. Operating: 25% of annual O&M costs
 - b. Capital: 50% of annual depreciation (\$137,547 for 2024/25)
 - c. Debt Service: Total debt service for one year

3.3.11 Water Cash Flow Projection

As shown in Table 15, the recommended rate revenue increases for the Water Fund are 18.0% in 2024/25 followed by 8.0% annual rate increases through 2028/29. The first rate increase will go into effect on July 1, 2024 with subsequent increases July 1 of each year through 2028. These increases are necessary to pay for water operating expenses and to fund water infrastructure improvements. It should be noted that the proposed rate increase percentages shown apply to the District's total water rate revenues and do not necessarily reflect the level of increase for individual customers' bimonthly water bills. Each customer's bill will vary depending on their meter size and water usage.

As of July 1, 2023, beginning Water Fund reserves total \$1,000,000 based on an \$800,000 interfund loan from the Sewer Fund. To repay the interfund loan, the Water Fund will pay the Sewer Fund \$100,000 per year for 8 years through 2031/32. The projections are based on the 2023/24 budget and include the following assumptions:

Revenues

- Beginning in 2024/25, Taxes & Assessments (49300) revenues are split 70.0% for water and 30.0% for sewer.
- Misc. Operations (42345), Rental Income (49910), and Other Income (49700) are increased by 3.0% each year and are allocated 100% to the Water Fund.
- Interest (49210) is projected at 2.0% per year.
- No Cap Facilities Income (49800) are anticipated over the next 5 years.
- Assumes no growth or any major changes in the customer base
- Water consumption is based on 2022/23 usage and is not anticipated to increase over the next 5 years due to conservation.

Expenses

- Salaries & Benefits are increased by 6.0% each year.
- Utilities are increased by 10% each year.
- Water Purchases are increased by 6.0% each year based on the projected SFPUC wholesale water rates as of April 2024.
- All other expenses increased by 3.0% each year.
- Beginning in 2024/25, 1/3 (33.3%) of the General Manager's salary and benefits is allocated to the Sewer Fund.
- Beginning in 2024/25, unless the expense is 100% allocated to water, all other G&A Operating Expenses are split 70% to water and 30% to sewer.
- Beginning in 2024/25, the Water Fund will pay the Sewer Fund \$100,000 per year for 8 years through 2031/32 to repay the interfund loan.

Table 15: Water Cash Flow Projection
Westborough Water District
Water and Sewer Rate Study 2024

| | Budget 2023/24 | Projected | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Revenue Adjustment | | 18.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Rate Increase Effective | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
| BEGINNING FUND BALANCE | \$1,000,000 | \$1,648,656 | \$1,370,256 | \$1,880,956 | \$1,982,156 | \$2,098,356 |
| REVENUES | | | | | | |
| Operating Revenues [1] | | | | | | |
| Water Sales (41100) | 4,196,733 | 4,952,000 | 5,348,000 | 5,776,000 | 6,238,000 | 6,737,000 |
| Misc. Operations (42345) | 19,200 | 20,000 | 21,000 | 22,000 | 23,000 | 24,000 |
| Interest (49210) | 90,107 | 33,000 | 27,000 | 37,000 | 39,000 | 41,000 |
| Taxes & Assessments (49300) | 676,549 | 487,900 | 503,000 | 518,000 | 534,000 | 550,000 |
| Other Income (49700) | 0 | 0 | 0 | 0 | 0 | 0 |
| Rental Income (49910) | 36,192 | 37,000 | 38,000 | 39,000 | 40,000 | 41,000 |
| Cap Facilities Income (49800) | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Capital Facility Expense (56885)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Subtotal Operating Revenues | 5,018,781 | 5,529,900 | 5,937,000 | 6,393,000 | 6,875,000 | 7,394,000 |
| Debt Proceeds | 0 | 0 | 1,250,000 | 1,221,500 | 1,221,500 | 1,221,500 |
| Total Revenues | 5,018,781 | 5,529,900 | 7,187,000 | 7,614,500 | 8,096,500 | 8,615,500 |
| EXPENSES | | | | | | |
| Water Operating Expenses | | | | | | |
| Salaries & Benefits | 610,327 | 648,000 | 687,000 | 728,000 | 772,000 | 818,000 |
| Utilities (51130) | 162,716 | 179,000 | 197,000 | 217,000 | 239,000 | 263,000 |
| Water Purchases (51300) | 1,906,743 | 2,021,000 | 2,142,000 | 2,271,000 | 2,407,000 | 2,551,000 |
| Special Services (51150) | 91,717 | 94,000 | 97,000 | 100,000 | 103,000 | 106,000 |
| <u>Other Expenses</u> | <u>121,165</u> | <u>125,000</u> | <u>128,000</u> | <u>131,000</u> | <u>134,000</u> | <u>137,000</u> |
| Subtotal Water Operating Expenses | 2,892,667 | 3,067,000 | 3,251,000 | 3,447,000 | 3,655,000 | 3,875,000 |
| General & Administrative (G&A) Expenses [2] | | | | | | |
| Salaries & Benefits | 790,632 | 715,100 | 757,100 | 802,100 | 849,100 | 900,100 |
| Engineering Svs. (56830) | 55,000 | 40,000 | 41,000 | 42,000 | 43,000 | 44,000 |
| Billing (56850) | 55,347 | 47,000 | 48,000 | 49,000 | 50,000 | 51,000 |
| Insurance (56870) | 78,777 | 57,000 | 59,000 | 61,000 | 63,000 | 65,000 |
| Miscellaneous (56890) | 50,470 | 38,000 | 39,000 | 40,000 | 41,000 | 42,000 |
| Banking and Cr.Card Fees (56875) | 55,000 | 57,000 | 59,000 | 61,000 | 63,000 | 65,000 |
| <u>Other Expenses</u> | <u>217,232</u> | <u>187,200</u> | <u>190,200</u> | <u>194,200</u> | <u>198,200</u> | <u>202,200</u> |
| Subtotal G&A Operating Expenses | 1,302,458 | 1,141,300 | 1,193,300 | 1,249,300 | 1,307,300 | 1,369,300 |
| Total Operating Expenses | 4,195,125 | 4,208,300 | 4,444,300 | 4,696,300 | 4,962,300 | 5,244,300 |
| Net Operating Revenues | 823,656 | 1,321,600 | 1,492,700 | 1,696,700 | 1,912,700 | 2,149,700 |
| Non-Operating Expenses | | | | | | |
| Water Capital Projects [3] | 175,000 | 1,500,000 | 1,995,000 | 2,443,000 | 2,507,000 | 2,509,000 |
| <u>Debt Service</u> | <u>0</u> | <u>0</u> | <u>137,000</u> | <u>274,000</u> | <u>411,000</u> | <u>548,000</u> |
| Subtotal Non-Operating Expenses | 175,000 | 1,500,000 | 2,132,000 | 2,717,000 | 2,918,000 | 3,057,000 |
| Sewer Fund Loan Repayment | 0 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Expenses | 4,370,125 | 5,808,300 | 6,676,300 | 7,513,300 | 7,980,300 | 8,401,300 |
| NET REVENUES | 648,656 | (278,400) | 510,700 | 101,200 | 116,200 | 214,200 |
| ENDING FUND BALANCE | 1,648,656 | 1,370,256 | 1,880,956 | 1,982,156 | 2,098,356 | 2,312,556 |

| | Budget 2023/24 | Projected | | | | |
|----|---|----------------|----------------|----------------|----------------|----------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| 59 | | | | | | |
| 60 | RESERVE FUNDS | | | | | |
| 61 | Proposed Operating Reserve Target (25% of O&M) | 1,048,781 | 1,052,075 | 1,111,075 | 1,174,075 | 1,240,575 |
| 62 | Proposed Capital Reserve Target (50% of Depreciation) | <u>137,547</u> | <u>137,547</u> | <u>137,547</u> | <u>137,547</u> | <u>137,547</u> |
| 63 | Total Water Reserve Funds | 1,231,281 | 1,189,622 | 1,248,622 | 1,311,622 | 1,378,122 |
| 64 | Target Met | yes | yes | yes | yes | yes |
| 65 | | | | | | |
| 66 | DEBT SERVICE COVERAGE | | | | | |
| 67 | Debt Service Coverage Target - 1.25x (4) | - | - | 10.90 | 6.19 | 4.65 |
| 68 | Target Met? | - | - | yes | yes | yes |
| 69 | | | | | | |

1 - Interest is estimated at 2% of fund balance. All Other Revenues escalated by 3%. Beginning in 2024/25, Taxes & Assessments (49300) are allocated 70% to water and 30% to sewer.

2 - Beginning in 2024/25, 30% of the General Manager's salary & expenses is allocated to the Sewer Fund. Unless designated 100% to water, most G&A expenses are split 70% to water and 30% to sewer.

3 - 2023/24 budget includes \$1.3M in capital projects. Based on actuals as of April 2024, total CIP expenses for 2023/24 are estimated at \$175,000.

4 - Net Operating Revenues / Debt Service

3.4 Water Cost Allocation

The water revenue requirement detailed in the previous section determines the total cost of providing service to be recovered from water rates. The cost of service allocation determines how that revenue requirement will be assigned to fixed and consumption charges to fairly recover costs from customers based on how they use the water system. Proposition 218 requires that agencies providing “property-related services” (including water utility service) set rates and charges that are based on the cost of providing those services and are proportional to how customers use the system.

3.4.1 Overview of Water Cost of Service Methodology

The purpose of the cost allocation is to classify costs and to determine the amount of revenue that will be recovered from fixed rates and from consumption charges. The American Water Works Association (AWWA) recommends methods to classify costs among various customers. Using the Base-Extra Capacity Method as recommended by the AWWA, water operating expenses are allocated to the following categories: (a) *Base*, (b) *Extra*, (c) *Meters and Services*, and (d) *Customer Service*. The *Base* and *Extra* categories are intended to recover variable (consumption) costs, while the *Customer Service* and *Meters and Services* categories are intended to recover fixed expenses that are incurred regardless of water used.

- *Base*: Base costs include the expenses related to providing water under average, “base” demand conditions.
- *Extra*: The extra category includes costs related to providing water above the system average demand (ie. related to peak, “extra” usage).
- *Meters and Services*: These include costs related to maintaining and replacing water meters.
- *Customer Service*: This category contains costs associated with serving customers, such as billing and answering customer inquiries.

3.4.2 Cost Allocation

Table 16 provides the proposed cost allocation for the Water Fund based on input from District staff. The 2024/25 Budget is used as the test year for the cost allocation. Costs are allocated according to how they are incurred by the District. Based on Table 16, 35.0% of costs are proposed to be recovered from the Fixed Charges while the remaining 65.0% will be recovered from the Consumption Charges.

Table 16: Water Cost Allocation
Westborough Water District
Water and Sewer Rate Study 2024

| | Budget 2024/25 | FIXED CHARGES | | CONSUMPTION CHARGES | Total |
|---|--------------------|--------------------|--------------------|---------------------|--------------------|
| | | Meters & Services | Customer Service | Base + Extra | |
| Operating Expenses | | | | | |
| <u>Water Operating Expenses</u> | | | | | |
| Salaries & Benefits | \$648,000 | 33.3% | 33.3% | 33.3% | 100% |
| Utilities (51130) | \$179,000 | 33.3% | 33.3% | 33.3% | 100% |
| Water Purchases (51300) | \$2,021,000 | 0.0% | 0.0% | 100.0% | 100% |
| Special Services (51150) | \$94,000 | 33.3% | 33.3% | 33.3% | 100% |
| <u>Other Expenses</u> | <u>\$125,000</u> | <u>33.3%</u> | <u>33.3%</u> | <u>33.3%</u> | <u>100%</u> |
| Subtotal Water Operating Expenses | \$3,067,000 | \$348,667 | \$348,667 | \$2,369,667 | \$3,067,000 |
| Allocation % | | 11.4% | 11.4% | 77.3% | 100.0% |
| <u>General & Administrative (G&A) Operating Exp</u> | | | | | |
| Salaries & Benefits | \$715,100 | 33.3% | 33.3% | 33.3% | 100% |
| Engineering Svcs. (56830) | \$40,000 | 33.3% | 33.3% | 33.3% | 100% |
| Billing (56850) | \$47,000 | 0.0% | 100.0% | 0.0% | 100% |
| Insurance (56870) | \$57,000 | 33.3% | 33.3% | 33.3% | 100% |
| <u>Other Expenses</u> | <u>\$282,200</u> | <u>33.3%</u> | <u>33.3%</u> | <u>33.3%</u> | <u>100%</u> |
| Subtotal G&A Operating Expenses | \$1,141,300 | \$364,767 | \$411,767 | \$364,767 | \$1,141,300 |
| Allocation % | | 32.0% | 36.1% | 32.0% | 100.0% |
| Total Operating Expenses | \$4,208,300 | \$713,433 | \$760,433 | \$2,734,433 | \$4,208,300 |
| Allocation % | | 17.0% | 18.1% | 65.0% | 100.0% |
| Non-Operating Expenses | | | | | |
| Capital Projects (1) | \$2,190,800 | 17.0% | 18.1% | 65.0% | 100% |
| <u>Debt Service</u> | <u>\$274,000</u> | <u>17.0%</u> | <u>18.1%</u> | <u>65.0%</u> | <u>100%</u> |
| Subtotal Non-Operating Expenses | \$2,464,800 | \$417,900 | \$445,400 | \$1,601,600 | \$2,464,900 |
| Allocation % | | 17.0% | 18.1% | 65.0% | 100.0% |
| TOTAL WATER EXPENSES | \$6,673,100 | \$1,131,333 | \$1,205,833 | \$4,336,033 | \$6,673,200 |
| Total Allocation % | | 17.0% | 18.1% | 65.0% | 100.0% |

1 - Average 5-year CIP costs

3.5 Water Rate Design Considerations

Following the allocation of costs, the next step is to derive the total cost responsibility for each customer class by developing unit costs of service for each cost function and then assigning those costs to the customer classes based on the respective service requirements of each.

To comply with Proposition 218, the District is updating rates to reflect the current cost of service for each customer. Changes to the cost of service have resulted in the following proposed modifications to the existing rate structure:

- Fixed vs. Variable Revenue Recovery: Currently, approximately 30% of water rate revenues are collected from the fixed Meter Service Charge and the remaining 70% are collected from the variable Water Charge. Based on the proposed cost allocation (Table 16), the percentage of rate revenues collected from the fixed Meter Service Charge is proposed to increase to 35% beginning in 2024/25. Revenues collected from the Water Charge are thus proposed to decrease to about 65%.
- Meter Equivalent Ratios: Beginning in 2024/25, it is proposed that the District update the underlying meter capacity ratios used to calculate the Meter Service Charge for each meter size. AWWA meter capacity ratios will be used to realign the fixed charges so that each meter size will be charged based on their proportional impact on the system.

3.5.1 Meter Equivalents

As noted above, the Meter Service Charges are proposed to be updated to reflect the maximum capacity of each meter size. The most common method to levy fixed charges is by meter size. AWWA guidelines recommend using meter equivalents to assign demand-related costs to larger meter sizes. The ratio at which the meter charge increases is typically a function of either meter investment (estimated cost) or the meter's safe operating capacity. Larger meters have the ability to place a greater demand on the water system and are therefore charged based on that potential demand. For example, based on the AWWA meter capacity ratios, a customer that has a 6" meter has 50 times the capacity equivalency of a customer with a 5/8" meter. (A 6" meter has a safe operating capacity of 1,000 gallons per minute (gpm) compared to a 5/8" meter which has a safe operating capacity of 20 gpm).

Table 17 shows the proposed meter equivalents (Column G) based on the District's existing number of meters (see Table 6) and the safe operating capacity of each. The current Meter Service Charges and corresponding equivalent meter ratios are shown in columns C through E for comparison.

Table 17: Current & Proposed Meter Equivalents
Westborough Water District
Water and Sewer Rate Study 2024

| Meter Size | Total Number of Meters | CURRENT | | | PROPOSED | | | | Difference (Proposed Rates - Current Fixed Rates) |
|------------|------------------------|----------------------|---------------------|-------------------------------------|------------------------------|---------------------------|--|--------------------------------------|---|
| | | Current Meter Ratios | Current Fixed Rates | Total Current Equivalent Meters [1] | Operating Capacity (gpm) [2] | Proposed Meter Ratios [2] | Current Fixed Rates Based on Proposed Meter Ratios [3] | Total Proposed Equivalent Meters [4] | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
| 5/8" | 3,517 | 1.00 | \$44.00 | 3,517 | 20 | 1.00 | \$44.00 | 3,517 | \$0.00 |
| 3/4" | 280 | 1.33 | \$58.41 | 372 | 30 | 1.50 | \$66.00 | 420 | \$7.59 |
| 1" | 46 | 1.73 | \$76.01 | 79 | 50 | 2.50 | \$110.00 | 115 | \$33.99 |
| 1.5" | 55 | 3.13 | \$137.61 | 172 | 100 | 5.00 | \$220.00 | 275 | \$82.39 |
| 2" | 51 | 4.18 | \$183.81 | 213 | 160 | 8.00 | \$352.00 | 408 | \$168.19 |
| 3" | 5 | 7.33 | \$322.41 | 37 | 300 | 15.00 | \$660.00 | 75 | \$337.59 |
| 4" | 1 | 15.73 | \$692.01 | 16 | 500 | 25.00 | \$1,100.00 | 25 | \$407.99 |
| 6" | 1 | 23.50 | \$1,033.89 | 23 | 1,000 | 50.00 | \$2,200.00 | 50 | \$1,166.11 |
| 8" | 1 | 34.69 | \$1,526.14 | 35 | 1,600 | 80.00 | \$3,520.00 | 80 | \$1,993.86 |
| Total | 3,957 | | | 4,464 | | | | 4,965 | |

1 - Total Number of Meters (Column B) x Current Meter Ratios (Column C)

2 - Safe Max Operating Capacity for C712-10 Singlejet Type (gpm) based on American Water Works Association (AWWA) M1 Manual

3 - Current Fixed Rates (Column E) x Proposed Meter Ratios (Column G)

4 - Total Number of Meters (Column B) Proposed Meter Ratios (Column G)

3.6 Water Rate Design

3.6.1 Annual Revenue Requirement Allocation

Table 18 shows the annual revenue requirement for the rate study period based on the cost allocation percentages from Table 16 and the total water rate revenue requirements for each year from the cash flow projection (Table 15). The fixed charge revenue requirement is based on the *Meters and Services* and *Customer Service* categories from the cost allocation. The consumption charge revenue requirement is based on the *Base + Extra* categories.

Table 18: Annual Revenue Requirement Allocation
Westborough Water District
Water and Sewer Rate Study 2024

| | Cost Allocation % | PROJECTED | | | | |
|--------------------------------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Total Revenue Requirement [1] | | \$4,952,000 | \$5,348,000 | \$5,776,000 | \$6,238,000 | \$6,737,000 |
| FIXED CHARGES | | | | | | |
| Meters & Services | 17.0% | \$839,364 | \$906,486 | \$979,032 | \$1,057,341 | \$1,141,922 |
| Customer Service Charge | 18.1% | \$894,826 | \$966,384 | \$1,043,723 | \$1,127,207 | \$1,217,376 |
| Total Fixed Charges | 35.0% | \$1,734,190 | \$1,872,870 | \$2,022,755 | \$2,184,548 | \$2,359,297 |
| CONSUMPTION CHARGES | | | | | | |
| Base + Extra | 65.0% | \$3,217,810 | \$3,475,130 | \$3,753,245 | \$4,053,452 | \$4,377,703 |
| Total Consumption Charges | 65.0% | \$3,217,810 | \$3,475,130 | \$3,753,245 | \$4,053,452 | \$4,377,703 |
| TOTAL | 100.0% | \$4,952,000 | \$5,348,000 | \$5,776,000 | \$6,238,000 | \$6,737,000 |

1 - From Cash Flow (Table 15, line 9)

3.6.2 Water Fixed Charge Derivation

The rate derivation for the Fixed Charges is shown on Table 19. The total revenue requirement for *Meters & Services* is divided by the *Total Number of Meter Equivalents* from Table 17. *Customer Service* costs are divided amongst the *Total Number of Meters* because they do not vary based on meter size. These two categories are then combined into a single bimonthly Meter Service Charge that increases based on meter size.

For 2024/25, the proposed meter equivalent charge of \$28.18 is multiplied by the corresponding meter equivalent ratio to calculate a charge for each meter size. The customer service charge of \$37.69 is added to the meter equivalent charge to derive a total charge. The proposed total bimonthly Meter Service Charge for a 5/8" meter is \$65.87 for 2024/25.

**Table 19: Water Fixed Charge Derivation
Westborough Water District
Water and Sewer Rate Study 2024**

| | | PROJECTED | | | | |
|---|----------------------|------------------|------------------|--------------------|--------------------|--------------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| REVENUE REQUIREMENT | | | | | | |
| Meters & Services | | \$839,364 | \$906,486 | \$979,032 | \$1,057,341 | \$1,141,922 |
| <u>Customer Service Charge</u> | | <u>\$894,826</u> | <u>\$966,384</u> | <u>\$1,043,723</u> | <u>\$1,127,207</u> | <u>\$1,217,376</u> |
| Total Fixed Charge Revenue Requirement | | \$1,734,190 | \$1,872,870 | \$2,022,755 | \$2,184,548 | \$2,359,297 |
| METER EQUIVALENT CHARGE | | | | | | |
| Total Meters & Service Revenue Requirement | | \$839,364 | \$906,486 | \$979,032 | \$1,057,341 | \$1,141,922 |
| <u>Total Number of Meter Equivalents</u> | | <u>4,965</u> | <u>4,965</u> | <u>4,965</u> | <u>4,965</u> | <u>4,965</u> |
| Total Meter Equivalent Charge | | \$28.18 | \$30.43 | \$32.86 | \$35.49 | \$38.33 |
| Meter Equivalent Charge by Meter Size | | | | | | |
| <u>Meter Size</u> | <u>Meter Ratio</u> | | | | | |
| 5/8" | 1.00 | \$28.18 | \$30.43 | \$32.86 | \$35.49 | \$38.33 |
| 3/4" | 1.50 | \$42.27 | \$45.65 | \$49.29 | \$53.24 | \$57.50 |
| 1" | 2.50 | \$70.45 | \$76.08 | \$82.15 | \$88.73 | \$95.83 |
| 1-1/2" | 5.00 | \$140.90 | \$152.15 | \$164.30 | \$177.45 | \$191.65 |
| 2" | 8.00 | \$225.44 | \$243.44 | \$262.88 | \$283.92 | \$306.64 |
| 3" | 15.00 | \$422.70 | \$456.45 | \$492.90 | \$532.35 | \$574.95 |
| 4" | 25.00 | \$704.50 | \$760.75 | \$821.50 | \$887.25 | \$958.25 |
| 6" | 50.00 | \$1,409.00 | \$1,521.50 | \$1,643.00 | \$1,774.50 | \$1,916.50 |
| 8" | 80.00 | \$2,254.40 | \$2,434.40 | \$2,628.80 | \$2,839.20 | \$3,066.40 |
| CUSTOMER SERVICE CHARGE | | | | | | |
| Total Customer Service Charge Rev Requirement | | \$894,826 | \$966,384 | \$1,043,723 | \$1,127,207 | \$1,217,376 |
| <u>Total Number of Meters</u> | | <u>3,957</u> | <u>3,957</u> | <u>3,957</u> | <u>3,957</u> | <u>3,957</u> |
| Total Customer Service Charge per Account | | \$37.69 | \$40.70 | \$43.96 | \$47.48 | \$51.28 |
| TOTAL BIMONTHLY METER SERVICE CHARGE [1] | | | | | | |
| <u>Meter Size</u> | <u>Current Rates</u> | | | | | |
| 5/8" | \$44.00 | \$65.87 | \$71.13 | \$76.82 | \$82.97 | \$89.61 |
| 3/4" | \$58.41 | \$79.96 | \$86.35 | \$93.25 | \$100.72 | \$108.78 |
| 1" | \$76.01 | \$108.14 | \$116.78 | \$126.11 | \$136.21 | \$147.11 |
| 1-1/2" | \$137.61 | \$178.59 | \$192.85 | \$208.26 | \$224.93 | \$242.93 |
| 2" | \$183.81 | \$263.13 | \$284.14 | \$306.84 | \$331.40 | \$357.92 |
| 3" | \$322.41 | \$460.39 | \$497.15 | \$536.86 | \$579.83 | \$626.23 |
| 4" | \$692.01 | \$742.19 | \$801.45 | \$865.46 | \$934.73 | \$1,009.53 |
| 6" | \$1,033.89 | \$1,446.69 | \$1,562.20 | \$1,686.96 | \$1,821.98 | \$1,967.78 |
| 8" | \$1,526.14 | \$2,292.09 | \$2,475.10 | \$2,672.76 | \$2,886.68 | \$3,117.68 |

1 - Total Bimonthly Meter Service Charge is the sum of the "Meter Equivalent Charge" by meter size plus the "Total Customer Service Charge per Account"

3.6.3 Consumption Charge Derivation

Consumption charges are calculated based on the *Base + Extra* revenue requirements for each year derived in Table 18 divided by projected total water consumption. The projected total water consumption is based on 2022/23 usage (see Table 7) and is projected to remain the same over the next five years to be conservative. Similar to the current rate structure, the proposed Water Charge is based on a single uniform rate for all customers where all usage is billed the same rate for each unit of water consumed. One unit is equal to 1 ccf which equates to about 748 gallons. For 2024/25, the proposed Water Charge is \$10.02 per ccf.

Table 20: Water Charge Derivation
Westborough Water District
Water and Sewer Rate Study 2024

| | PROJECTED | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| REVENUE REQUIREMENT | | | | | |
| Base + Extra Revenue Requirement | \$3,217,810 | \$3,475,130 | \$3,753,245 | \$4,053,452 | \$4,377,703 |
| WATER CHARGE DERIVATION | | | | | |
| Total Revenue Requirement | \$3,217,810 | \$3,475,130 | \$3,753,245 | \$4,053,452 | \$4,377,703 |
| <u>Projected Consumption (ccf) [1]</u> | <u>321,000</u> | <u>321,000</u> | <u>321,000</u> | <u>321,000</u> | <u>321,000</u> |
| Water Charge per ccf | \$10.02 | \$10.83 | \$11.69 | \$12.63 | \$13.64 |

1 - Based on 2022/23 total consumption

3.6.4 Proposed 5-Year Schedule of Rates

Table 21 summarizes the proposed bimonthly water rates. All customers including residential, commercial, and irrigation customers are proposed to be charged according to the proposed rate schedule shown. The first rate change is proposed to take effect on July 1, 2024, with subsequent rate increases each July 1 through 2028.

Table 21: Proposed Bimonthly Water Rates
Westborough Water District
Water and Sewer Rate Study 2024

| | Current | PROPOSED | | | | |
|------------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Effective Date | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
| METER SERVICE CHARGE | | | | | | |
| <u>Meter Size</u> | | | | | | |
| 5/8" | \$44.00 | \$65.87 | \$71.13 | \$76.82 | \$82.97 | \$89.61 |
| 3/4" | \$58.41 | \$79.96 | \$86.35 | \$93.25 | \$100.72 | \$108.78 |
| 1" | \$76.01 | \$108.14 | \$116.78 | \$126.11 | \$136.21 | \$147.11 |
| 1-1/2" | \$137.61 | \$178.59 | \$192.85 | \$208.26 | \$224.93 | \$242.93 |
| 2" | \$183.81 | \$263.13 | \$284.14 | \$306.84 | \$331.40 | \$357.92 |
| 3" | \$322.41 | \$460.39 | \$497.15 | \$536.86 | \$579.83 | \$626.23 |
| 4" | \$692.01 | \$742.19 | \$801.45 | \$865.46 | \$934.73 | \$1,009.53 |
| 6" | \$1,033.89 | \$1,446.69 | \$1,562.20 | \$1,686.96 | \$1,821.98 | \$1,967.78 |
| 8" | \$1,526.14 | \$2,292.09 | \$2,475.10 | \$2,672.76 | \$2,886.68 | \$3,117.68 |
| WATER CHARGE (\$/CCF) | | | | | | |
| All consumption per ccf | \$9.04 | \$10.02 | \$10.83 | \$11.69 | \$12.63 | \$13.64 |

*1 ccf = one hundred cubic feet or approximately 748 gallons.

3.6.5 Water Bill Impacts

For 2024/25, the proposed 18.0% revenue adjustment in the cash flow does not directly correlate to an 18.0% increase in rates due to the cost of service reallocation. As required by Proposition 218, the study assigns costs to customers in proportion to the benefit they receive from the water system which has resulted in modifications to the Meter Service Charge. As a result, the bill impacts to customers for the first year will vary based on meter size and actual consumption. Moreover, water consumption, particularly for single family customers, typically varies due to seasonal variations in weather and/or other factors. Hence, a single customer could face a range of impacts throughout the year. Table 22 includes a sample of bill impacts for customers with 5/8" or 3/4" meters at different levels of water use.

The majority of the District's customers are single family residential customers with a 5/8" meter and averaging 10 ccf of water use per bimonthly billing cycle. Based on the proposed water rates, the average customer will see a \$31.67 bimonthly increase in 2024/25, see Table 22.

**Table 22: Sample Bimonthly Water Bill Impacts
Westborough Water District
Water and Sewer Rate Study 2024**

5/8" METER SAMPLE BILLS

| | Bimonthly Use (ccf) | Current | PROPOSED | | | | |
|----------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| | | | | | | | |
| 5/8" Meter, 6 ccf | | | | | | | |
| Meter Service Charge | 6 | \$44.00 | \$65.87 | \$71.13 | \$76.82 | \$82.97 | \$89.61 |
| Water Charge | | <u>\$54.24</u> | <u>\$60.12</u> | <u>\$64.98</u> | <u>\$70.14</u> | <u>\$75.78</u> | <u>\$81.84</u> |
| Total Bimonthly Water Bill | | \$98.24 | \$125.99 | \$136.11 | \$146.96 | \$158.75 | \$171.45 |
| \$ Change | | | \$27.75 | \$10.12 | \$10.85 | \$11.79 | \$12.70 |
| % Change | | | 28.2% | 8.0% | 8.0% | 8.0% | 8.0% |
| | | | | | | | |
| 5/8" Meter, 10 ccf | | | | | | | |
| Meter Service Charge | 10 | \$44.00 | \$65.87 | \$71.13 | \$76.82 | \$82.97 | \$89.61 |
| Water Charge | | <u>\$90.40</u> | <u>\$100.20</u> | <u>\$108.30</u> | <u>\$116.90</u> | <u>\$126.30</u> | <u>\$136.40</u> |
| Total Bimonthly Water Bill | | \$134.40 | \$166.07 | \$179.43 | \$193.72 | \$209.27 | \$226.01 |
| \$ Change | | | \$31.67 | \$13.36 | \$14.29 | \$15.55 | \$16.74 |
| % Change | | | 23.6% | 8.0% | 8.0% | 8.0% | 8.0% |
| | | | | | | | |
| 5/8" Meter, 20 ccf | | | | | | | |
| Meter Service Charge | 20 | \$44.00 | \$65.87 | \$71.13 | \$76.82 | \$82.97 | \$89.61 |
| Water Charge | | <u>\$180.80</u> | <u>\$200.40</u> | <u>\$216.60</u> | <u>\$233.80</u> | <u>\$252.60</u> | <u>\$272.80</u> |
| Total Bimonthly Water Bill | | \$224.80 | \$266.27 | \$287.73 | \$310.62 | \$335.57 | \$362.41 |
| \$ Change | | | \$41.47 | \$21.46 | \$22.89 | \$24.95 | \$26.84 |
| % Change | | | 18.4% | 8.1% | 8.0% | 8.0% | 8.0% |

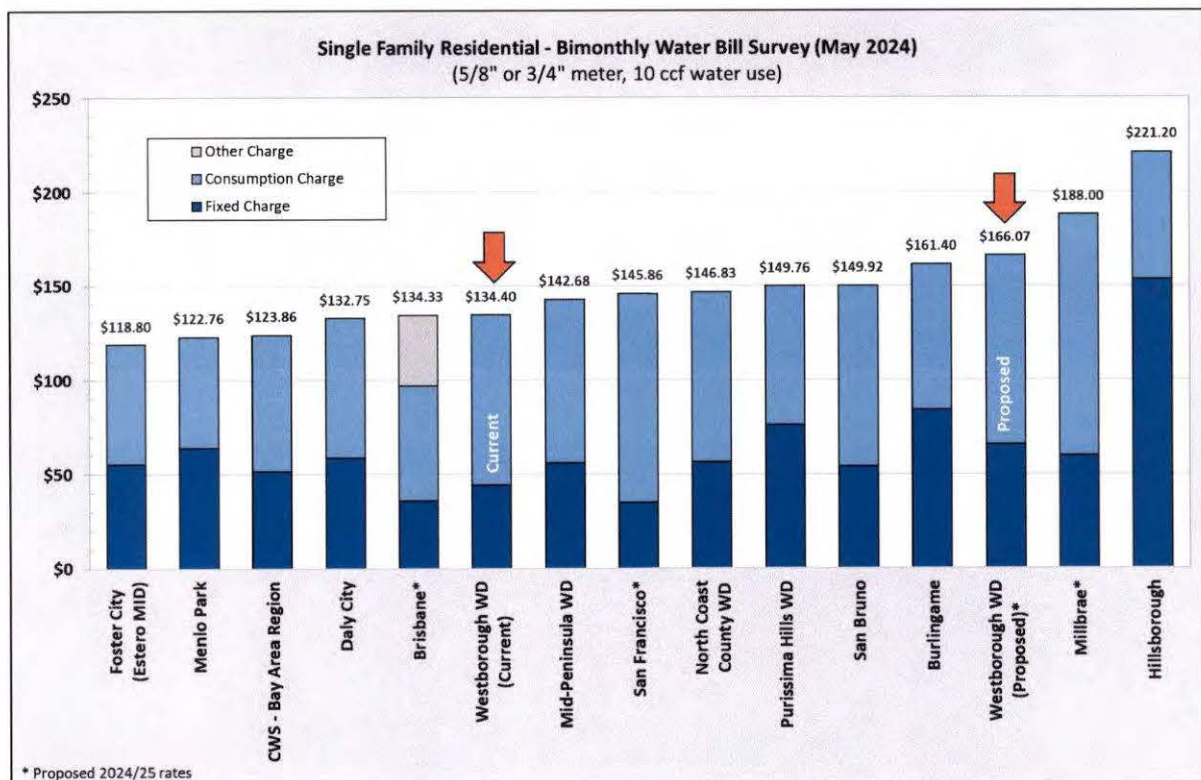
3/4" METER SAMPLE BILLS

| | Bimonthly Use (ccf) | Current | PROPOSED | | | | |
|----------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| 3/4" Meter, 8 ccf | | | | | | | |
| Meter Service Charge | 8 | \$58.41 | \$79.96 | \$86.35 | \$93.25 | \$100.72 | \$108.78 |
| Water Charge | | <u>\$72.32</u> | <u>\$80.16</u> | <u>\$86.64</u> | <u>\$93.52</u> | <u>\$101.04</u> | <u>\$109.12</u> |
| Total Bimonthly Water Bill | | \$130.73 | \$160.12 | \$172.99 | \$186.77 | \$201.76 | \$217.90 |
| \$ Change | | \$29.39 | \$12.87 | \$13.78 | \$14.99 | \$16.14 | |
| % Change | | 22.5% | 8.0% | 8.0% | 8.0% | 8.0% | |
| 3/4" Meter, 14 ccf | | | | | | | |
| Meter Service Charge | 14 | \$58.41 | \$79.96 | \$86.35 | \$93.25 | \$100.72 | \$108.78 |
| Water Charge | | <u>\$126.56</u> | <u>\$140.28</u> | <u>\$151.62</u> | <u>\$163.66</u> | <u>\$176.82</u> | <u>\$190.96</u> |
| Total Bimonthly Water Bill | | \$184.97 | \$220.24 | \$237.97 | \$256.91 | \$277.54 | \$299.74 |
| \$ Change | | \$35.27 | \$17.73 | \$18.94 | \$20.63 | \$22.20 | |
| % Change | | 19.1% | 8.1% | 8.0% | 8.0% | 8.0% | |
| 3/4" Meter, 26 ccf | | | | | | | |
| Meter Service Charge | 26 | \$58.41 | \$79.96 | \$86.35 | \$93.25 | \$100.72 | \$108.78 |
| Water Charge | | <u>\$235.04</u> | <u>\$260.52</u> | <u>\$281.58</u> | <u>\$303.94</u> | <u>\$328.38</u> | <u>\$354.64</u> |
| Total Bimonthly Water Bill | | \$293.45 | \$340.48 | \$367.93 | \$397.19 | \$429.10 | \$463.42 |
| \$ Change | | \$47.03 | \$27.45 | \$29.26 | \$31.91 | \$34.32 | |
| % Change | | 16.0% | 8.1% | 8.0% | 8.0% | 8.0% | |

3.6.6 Regional Water Bill Survey

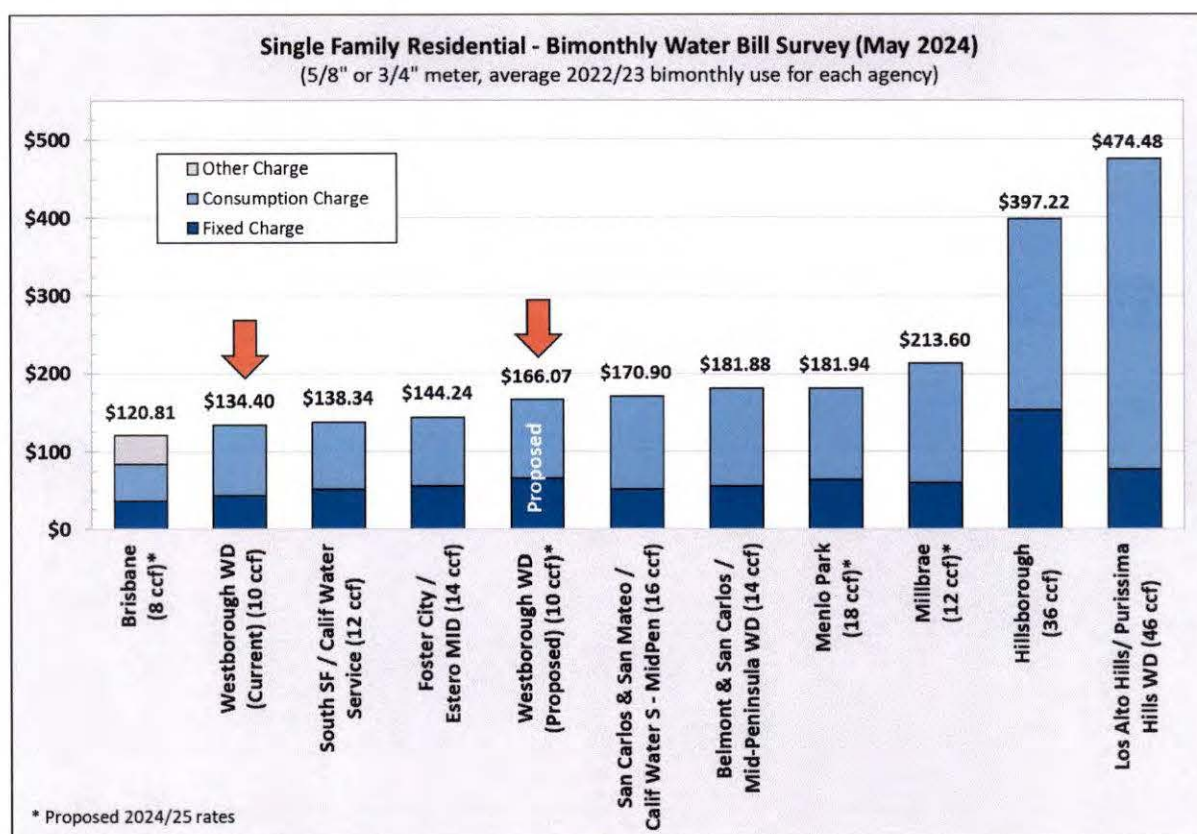
The bar graph in Figure 5 below compares the District's current typical bimonthly residential water bill based on a 5/8" meter using 10 ccf over a 2-month period with the proposed 2024/25 bill. The District's bill is compared with those of other local agencies. For some other agencies, the smallest meter size is 3/4". The figure shows the smallest meter size available for each agency.

Figure 5: Single Family Residential Bimonthly Water Bill Survey (10 ccf water use)
Westborough Water District
Water and Sewer Rate Study 2024



The average bimonthly water usage for WWD customers is low compared to the average usage for other agencies within the San Francisco Regional Water System (RWS). Figure 6 compares the District's current and proposed bimonthly water bills for the average customer with a 5/8" meter using 10 ccf of water per billing period to the bills for the average customer of other local agencies who obtain all of their water from the San Francisco RWS. The average use for each agency is based on 2022/23 water usage data from BAWSCA.

Figure 6: Single Family Residential Bimonthly Water Bill Survey
Westborough Water District
Water and Sewer Rate Study 2024



3.7 Drought Rates

Drought rates are temporary additional water charges that would only be implemented during a drought or water shortage emergency. The purpose of drought surcharges is to remain financially sustainable in the event of a future drought or water shortage emergency that results in reductions in customer water usage and associated revenue losses. During times of water shortages, a water utility has two core objectives: 1) to reduce the amount of water customers consume, and 2) to maintain an adequate amount of revenue to continue operations. The two competing objectives work against each other because as less water is sold, it becomes more difficult to maintain adequate revenue to cover an agency's costs.

Drought rates are designed to cover costs at decreased levels of consumption. Under drought conditions, the Meter Service Charge is proposed to remain the same, but the Water Charge would increase according to the cutback levels outlined in the District's existing *Water Shortage Contingency Plan*. The District recognizes that ratepayers are already doing their part to conserve. Therefore, applying the drought surcharge to only the Water Charge component gives customers the increased ability to control a portion of their water bills.

It should be noted that under drought conditions, certain expenses will decrease relative to the decrease in water use such as electricity and water purchases. However, other costs to operate the water system such as staffing remain the same. The reduction in cost during drought conditions is reflected in the drought cost allocation provided below in Table 23. Because the drought surcharges are proposed to be applied to the Water Charge only, the cost allocation below only includes *Base + Extra* expenses which are estimated at various levels of water cutback. The District's remaining expenses are recovered from the Meter Service Charge.

Table 23: Drought Cost Allocation - Base & Extra Expenses Only
Westborough Water District
Water and Sewer Rate Study 2024

| | Normal Water Year | WATER CUT BACK SCENARIO | | | | |
|---|----------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 10% | 20% | 30% | 40% | 50% |
| Operating Expenses | | | | | | |
| <u>Water Operating Expenses</u> | | | | | | |
| Salaries & Benefits | \$216,000 | \$216,000 | \$216,000 | \$216,000 | \$216,000 | \$216,000 |
| Utilities (51130) | \$59,667 | \$53,700 | \$47,733 | \$41,767 | \$35,800 | \$29,833 |
| Water Purchases (51300) | \$2,021,000 | \$1,818,900 | \$1,616,800 | \$1,414,700 | \$1,212,600 | \$1,010,500 |
| Special Services (51150) | \$31,333 | \$31,333 | \$31,333 | \$31,333 | \$31,333 | \$31,333 |
| <u>Other Expenses</u> | <u>\$41,667</u> | <u>\$41,667</u> | <u>\$41,667</u> | <u>\$41,667</u> | <u>\$41,667</u> | <u>\$41,667</u> |
| Subtotal Water Operating Expenses | \$2,369,667 | \$2,161,600 | \$1,953,533 | \$1,745,467 | \$1,537,400 | \$1,329,333 |
| <u>General & Administrative (G&A) Operating Exp</u> | | | | | | |
| Salaries & Benefits | \$238,367 | \$238,367 | \$238,367 | \$238,367 | \$238,367 | \$238,367 |
| Engineering Svs. (56830) | \$13,333 | \$13,333 | \$13,333 | \$13,333 | \$13,333 | \$13,333 |
| Billing (56850) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Insurance (56870) | \$19,000 | \$19,000 | \$19,000 | \$19,000 | \$19,000 | \$19,000 |
| <u>Other Expenses</u> | <u>\$94,067</u> | <u>\$94,067</u> | <u>\$94,067</u> | <u>\$94,067</u> | <u>\$94,067</u> | <u>\$94,067</u> |
| Subtotal G&A Operating Expenses | \$364,767 | \$364,767 | \$364,767 | \$364,767 | \$364,767 | \$364,767 |
| Total Operating Expenses | \$2,734,433 | \$2,526,367 | \$2,318,300 | \$2,110,233 | \$1,902,167 | \$1,694,100 |
| Non-Operating Expenses | | | | | | |
| Capital Projects [1] | \$1,423,519 | \$1,423,519 | \$1,423,519 | \$1,423,519 | \$1,423,519 | \$1,423,519 |
| <u>Debt Service [2]</u> | <u>\$178,037</u> | <u>\$178,037</u> | <u>\$178,037</u> | <u>\$178,037</u> | <u>\$178,037</u> | <u>\$178,037</u> |
| Subtotal Non-Operating Expenses | \$1,601,557 | \$1,601,557 | \$1,601,557 | \$1,601,557 | \$1,601,557 | \$1,601,557 |
| TOTAL BASE + EXTRA WATER EXPENSES | \$4,335,990 | \$4,127,923 | \$3,919,857 | \$3,711,790 | \$3,503,723 | \$3,295,657 |
| Reduction in Cost Relative to Normal Year | | -4.8% | -9.6% | -14.4% | -19.2% | -24.0% |

1 - Average 5-year CIP costs
2 - Estimated

Table 24 shows the drought rate derivation for varying levels of reduction in overall consumption. To calculate the total drought rate under each cutback scenario, the *Base + Extra* revenue requirement is reduced by the estimated reduction in cost relative to a normal water year (Table 23) and divided by projected total water consumption which has been reduced by the cutback percentage.

Table 24: Water Charge Derivation -- Drought Rates
Westborough Water District
Water and Sewer Rate Study 2024

| | PROJECTED | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| WATER CHARGE DERIVATION - 10% Cutback | | | | | |
| Revenue Requirement | \$3,063,400 | \$3,308,373 | \$3,573,142 | \$3,858,944 | \$4,167,634 |
| <u>Projected Consumption (ccf)</u> | <u>288,900</u> | <u>288,900</u> | <u>288,900</u> | <u>288,900</u> | <u>288,900</u> |
| Water Charge per ccf | \$10.60 | \$11.45 | \$12.37 | \$13.36 | \$14.43 |
| WATER CHARGE DERIVATION - 20% Cutback | | | | | |
| Revenue Requirement | \$2,908,990 | \$3,141,615 | \$3,393,039 | \$3,664,435 | \$3,957,566 |
| <u>Projected Consumption (ccf)</u> | <u>256,800</u> | <u>256,800</u> | <u>256,800</u> | <u>256,800</u> | <u>256,800</u> |
| Water Charge per ccf | \$11.33 | \$12.23 | \$13.21 | \$14.27 | \$15.41 |
| WATER CHARGE DERIVATION - 30% Cutback | | | | | |
| Revenue Requirement | \$2,754,581 | \$2,974,858 | \$3,212,936 | \$3,469,926 | \$3,747,498 |
| <u>Projected Consumption (ccf)</u> | <u>224,700</u> | <u>224,700</u> | <u>224,700</u> | <u>224,700</u> | <u>224,700</u> |
| Water Charge per ccf | \$12.26 | \$13.24 | \$14.30 | \$15.44 | \$16.68 |
| WATER CHARGE DERIVATION - 40% Cutback | | | | | |
| Revenue Requirement | \$2,600,171 | \$2,808,100 | \$3,032,833 | \$3,275,417 | \$3,537,429 |
| <u>Projected Consumption (ccf)</u> | <u>192,600</u> | <u>192,600</u> | <u>192,600</u> | <u>192,600</u> | <u>192,600</u> |
| Water Charge per ccf | \$13.50 | \$14.58 | \$15.75 | \$17.01 | \$18.37 |
| WATER CHARGE DERIVATION - 50% Cutback | | | | | |
| Revenue Requirement | \$2,445,761 | \$2,641,343 | \$2,852,729 | \$3,080,908 | \$3,327,361 |
| <u>Projected Consumption (ccf)</u> | <u>160,500</u> | <u>160,500</u> | <u>160,500</u> | <u>160,500</u> | <u>160,500</u> |
| Water Charge per ccf | \$15.24 | \$16.46 | \$17.77 | \$19.20 | \$20.73 |

Table 25 details the proposed drought surcharges for the various stages of the District's *Water Shortage Contingency Plan*. The proposed drought surcharge is equal to the drought rate calculated in Table 24 less the proposed Water Charge for a normal water year shown in Table 21. Similar to the regular Water Charge, the drought surcharge is a uniform rate that would be charged for each ccf of water usage.

The drought surcharges shown represent the maximum rates for each stage. The actual drought surcharge will be calculated based on the actual water conservation target that must be met. The proposed drought surcharges would be charged on a temporary basis and would be phased out when the District determined that water supply conditions had returned to normal and drought-related costs and revenue reductions had been recovered.

Table 25: Proposed Drought Surcharges
Westborough Water District
Water and Sewer Rate Study 2024

| | | PROPOSED | | | | |
|---|-----------|----------|---------|---------|---------|---------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| <i>Water Shortage Contingency Plan - Required Water Cutback Percentage</i> | | | | | | |
| Stage 1: Up to 10% | All Usage | \$0.58 | \$0.62 | \$0.68 | \$0.73 | \$0.79 |
| Stage 2: Up to 20% | All Usage | \$1.31 | \$1.40 | \$1.52 | \$1.64 | \$1.77 |
| Stage 3: Up to 30% | All Usage | \$2.24 | \$2.41 | \$2.61 | \$2.81 | \$3.04 |
| Stage 4: Up to 40% | All Usage | \$3.48 | \$3.75 | \$4.06 | \$4.38 | \$4.73 |
| Stage 5: Up to 50% | All Usage | \$5.22 | \$5.63 | \$6.08 | \$6.57 | \$7.09 |

SECTION 4: SEWER RATE STUDY

The District provides sewer service to approximately 3,800 residents and commercial accounts. The District operates a sewer collection system consisting of 20 miles of sewer mains and 3 sewer pumping stations that delivers the sewage to the North San Mateo County Sanitation District (NSMCSD) for treatment. The last sewer rate increase was in 2023/24. Based on District billing records, the current average monthly residential sewer flow is 5 ccf per month, or a total of 10 ccf per bimonthly billing period. The average sewer bill is currently \$118.60 per bimonthly billing period.

4.1 Current Sewer Rates

A history of the District's bimonthly wastewater rates is provided in Table 26. All customers are charged the same rate per ccf based on their estimated sewer flow. Because sewage is not metered, sewer flow is approximated using winter consumption for the two-months of January and February when the least amount of landscape irrigation occurs. Water used for landscape irrigation does not enter the sewer system.

To calculate one's annual bill, total water consumption during January and February is multiplied by six months. The minimum charge is 12 ccf annually. The sewer service charges are billed annually through the County's property tax bill. There are 18 multi-family accounts that are billed bimonthly. The last rate adjustment in 2022/23 was 7.3% to cover increased costs from the NSMCSD.

Table 26: History of Sewer Rates
Westborough Water District
Water and Sewer Rate Study 2024

| Fiscal Year | Total Sewer Rate per ccf* | % Annual Increase |
|--------------------|--------------------------------------|--------------------------|
| 2007/08 | \$5.03 | |
| 2008/09 | \$5.27 | 4.8% |
| 2009/10 | \$5.73 | 8.7% |
| 2010/11 | \$5.73 | 0.0% |
| 2011/12 | \$5.73 | 0.0% |
| 2012/13 | \$5.73 | 0.0% |
| 2013/14 | \$6.17 | 7.7% |
| 2014/15 | \$6.87 | 11.3% |
| 2015/16 | \$7.52 | 9.5% |
| 2016/27 | \$8.02 | 6.6% |
| 2017/18 | \$8.87 | 10.6% |
| 2018/19 | \$9.87 | 11.3% |
| 2019/20 | \$9.87 | 0.0% |
| 2020/21 | \$9.87 | 0.0% |
| 2021/22 | \$10.30 | 4.4% |
| 2022/23 | \$11.05 | 7.3% |
| 2023/24 | \$11.86 | 7.3% |

*Based on January and February water consumption
Minimum Charge is for 12 units (ccf). 2023/24 minimum charge is \$142.32

4.2 Wastewater System Overview

4.2.1 Wastewater System

The District contracts with the City of Daly City (North San Mateo County Sanitation District) for general maintenance, emergency response, collection and treatment. The North San Mateo County Sanitation District (NSMCSD) is a subsidiary agency of the City of Daly City that collects and treats wastewater for Daly City and Westborough Water District. The District does not physically perform any of the maintenance, repairs or treatment of the sanitary sewer system as those responsibilities are conducted by agreement through the NSMCSD.

The District has three sewer lift stations which pump sewage from the District to the NSMCSD's treatment plant. The Avalon Sewer Lift Station has two pumps and both the Westborough and Rowntree Lift Stations have three pumps at each station. The District has about 18.8 miles of gravity sanitary sewer mains and a three-quarter mile of sewer force main. Total sanitary sewer flow averages

approximately 884,722 gallons per day during wet weather compared to 782,716 gallons during dry weather.

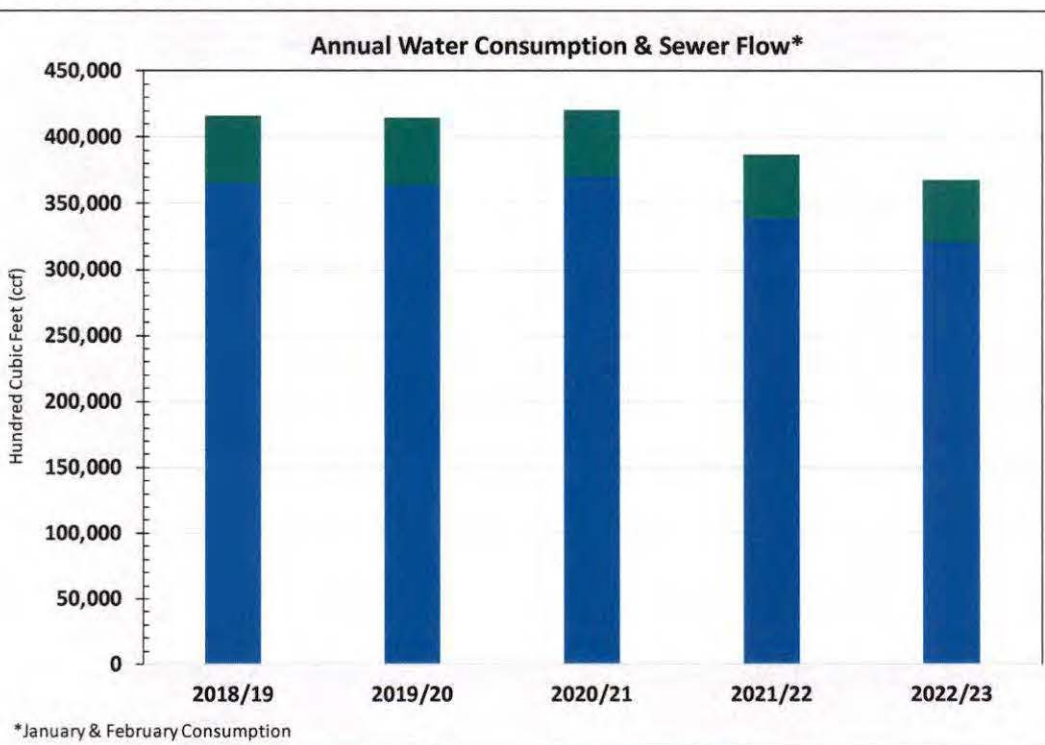
4.2.2 Sewer Customers and Flow

The District currently has 3,813 sewer customers including 18 multi-family accounts that are billed bimonthly. Table 27 includes a history of total consumption and sewer flow for the months of January and February. For 2022/23, total sewer flow was roughly 47,000 ccf, representing nearly 15.0% of total consumption. Due to conservation efforts over the past few years, flow is anticipated to remain level over the five-year rate study period.

**Table 27: Annual Sewer Flow
Westborough Water District
Water and Sewer Rate Study 2024**

| Fiscal Year | Total Consumption | Sewer Flow [1] (Jan & Feb Usage) | % of Total Consumption |
|-------------|-------------------|-------------------------------------|---------------------------|
| 2018/19 | 365,505 | 50,112 | 13.7% |
| 2019/20 | 363,719 | 50,811 | 14.0% |
| 2020/21 | 370,550 | 50,226 | 13.6% |
| 2021/22 | 338,638 | 48,278 | 14.3% |
| 2022/23 | 320,721 | 47,001 | 14.7% |

1 - January and February Consumption



4.3 Wastewater Financial Plan

4.3.1 History of Sewer Revenues & Expenses

Table 8 shows a history of sewer revenues and expenses for the past four fiscal years as well as the projected revenues and expenses for 2023/24. Historically, the District has not allocated any G&A revenues to the Sewer Fund while only a minimal amount of G&A expenses has been assigned to the Sewer Fund.

Table 28: History of Sewer Revenues & Expenses
Westborough Water District
Water and Sewer Rate Study 2024

| | 2019-2020 Actual | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 TY Projected | 2023-2024 Budget |
|---|---------------------|---------------------|---------------------|---------------------------|---------------------|
| SEWER REVENUES | | | | | |
| Sewer Service Fees (42351) | \$2,977,362 | \$2,971,700 | \$3,099,878 | \$3,278,833 | \$3,284,888 |
| <i>Annual % Change</i> | | -0.2% | 4.3% | 5.8% | 0.2% |
| Non-Operating Revenues [1] | | | | | |
| Misc. Operations (42345) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest (49210) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Taxes & Assessments (49300) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Income (49700) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Rental Income (49910) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cap Facilities Income (49800) | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>Capital Facility Expense (56885)</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Subtotal Non-Operating Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| <i>Annual % Change</i> | | - | - | - | - |
| Total Sewer Revenues | \$2,977,362 | \$2,971,700 | \$3,099,878 | \$3,278,833 | \$3,284,888 |
| <i>Annual % Change</i> | | -0.2% | 4.3% | 5.8% | 0.2% |
| SEWER EXPENSES | | | | | |
| Operating Expenses | | | | | |
| Treatment & Disposal (57310) | \$2,306,435 | \$2,372,264 | \$2,442,977 | \$2,466,087 | \$2,715,565 |
| Utilities (57320) | \$98,129 | \$89,760 | \$99,978 | \$117,980 | \$137,600 |
| Repair of Pipelines (57340) | \$0 | \$0 | \$0 | \$0 | \$5,000 |
| Repair of Pumps (57350) | \$14,427 | \$12,147 | \$52,740 | \$21,751 | \$20,000 |
| <u>Misc. Sewer Expenses (57390)</u> | <u>\$0</u> | <u>\$0</u> | <u>\$26,550</u> | <u>\$55,780</u> | <u>\$46,861</u> |
| Total Sewer Operating Expense | \$2,418,991 | \$2,474,171 | \$2,622,245 | \$2,661,597 | \$2,925,026 |
| <i>Annual % Change</i> | | 2.3% | 6.0% | 1.5% | 9.9% |
| Total G & A Operating Expenses [1] | \$0 | \$4,149 | \$7,715 | \$500 | \$0 |
| <i>Annual % Change</i> | | - | 85.9% | -93.5% | -100.0% |
| Capital Projects [2] | \$101,405 | \$2,278 | \$16,180 | \$200,000 | \$313,000 |
| <i>Annual % Change</i> | | -97.8% | 610.3% | 1136.1% | 56.5% |
| Total Sewer Operating Expenses | \$2,520,396 | \$2,480,598 | \$2,646,140 | \$2,862,097 | \$3,238,026 |
| <i>Annual % Change</i> | | -1.6% | 6.7% | 8.2% | 13.1% |
| Net Operating Income (Loss) | \$456,966 | \$491,102 | \$453,738 | \$416,736 | \$46,862 |

1 - Annual Financial Report For the Fiscal Years Ended June 30, 2023 (draft), 2022 and 2021

2 - Per January 26, 2024 email

4.3.2 Sewer Reserves

The District has historically combined the water and sewer finances into one fund. As of July 1, 2023, the total reserve fund balance for the District was approximately \$3.3 million. Based on recommendation from the District's accountant, the District will begin separating the Water and Sewer Funds beginning in 2024/25. Because the Water Fund has minimal reserves, it is proposed that the Sewer Fund loan the Water Fund \$800,000 to be repaid over 8 years to mitigate rate impacts. The resulting beginning fund balance for the Sewer Fund is about \$2.3 million for the purposes of this study.

**Table 29: Sewer Fund Reserves
Westborough Water District
Water and Sewer Rate Study 2024**

| | Sewer Fund |
|---------------------------------------|-------------|
| Beginning Reserves as of July 1, 2023 | \$2,347,102 |

Adequate fund reserves protect the District when faced with unforeseen financial challenges such as emergency expenses or revenue deficits. Fund reserves allow the District to maintain its financial health and positive credit ratings, especially during emergencies. Moreover, funding can be drawn from reserves to supplement rate revenues lost during drought conditions or other unexpected situations. It is acceptable if reserves dip below the target on a temporary basis, provided the District takes action to attain the target over the longer run.

The recommended reserve fund targets are as follows:

- Operating Reserve: The proposed minimum fund balance target is equal to 25% of annual operating expenses. This is in line with industry standards that recommend an operating reserve target of at least 25% of annual expenses to account for the time (at least 3 months) that it would take an agency to approve new rate increases and to comply with Proposition 218.
- Capital Reserve: In addition to the operating reserve target, it is proposed that the District maintain additional reserves equal to 50% of annual depreciation at minimum. Per the District's accountant, depreciation for the sewer system is projected at \$66,169. Thus, the capital reserve target for 2024/25 is \$33,090.

4.3.3 Sewer Revenues

The Sewer Fund's primary source of revenues are *Sewer Service Fees* and *Interest*. Table 30 includes a summary of estimated sewer charge revenues for 2022/23 based on the District's billing data records. The District collected approximately \$3.1 million in total sewer rate revenues in 2022/23. The majority of revenues, or about 92%, are collected from the property tax roll. Total budgeted Sewer Service Charge revenues for 2023/24 are \$3.2 million.

Table 30: Total Estimated Sewer Charge Revenues
Westborough Water District
Water and Sewer Rate Study 2024

| FY 2022/23 ESTIMATED SEWER CHARGE REVENUES | | | | |
|--|-----------------------|---------------------------|---------------------------|-------------|
| Customer Class | Sewer Charge (\$/ccf) | Jan/Feb Consumption (ccf) | Sewer Charge Revenue (\$) | % of Total |
| Property Tax Roll | \$11.05 | 43,359 | \$2,874,679 | 92.3% |
| Multi-Family Billed Bimonthly | \$11.05 | <u>3,642</u> | <u>\$241,487</u> | <u>7.7%</u> |
| Total | | 47,001 | \$3,116,166 | 100.0% |

4.3.4 Sewer G&A Revenues

In the past, all G&A revenues have been assigned to the Water Fund. Beginning in 2024/25, 30.0% of *Taxes & Assessments (49300)* will be allocated to the Sewer Fund and 70.0% to the Water Fund. Revenues are projected to increase by 3.0% each year.

4.3.5 Sewer Treatment Costs

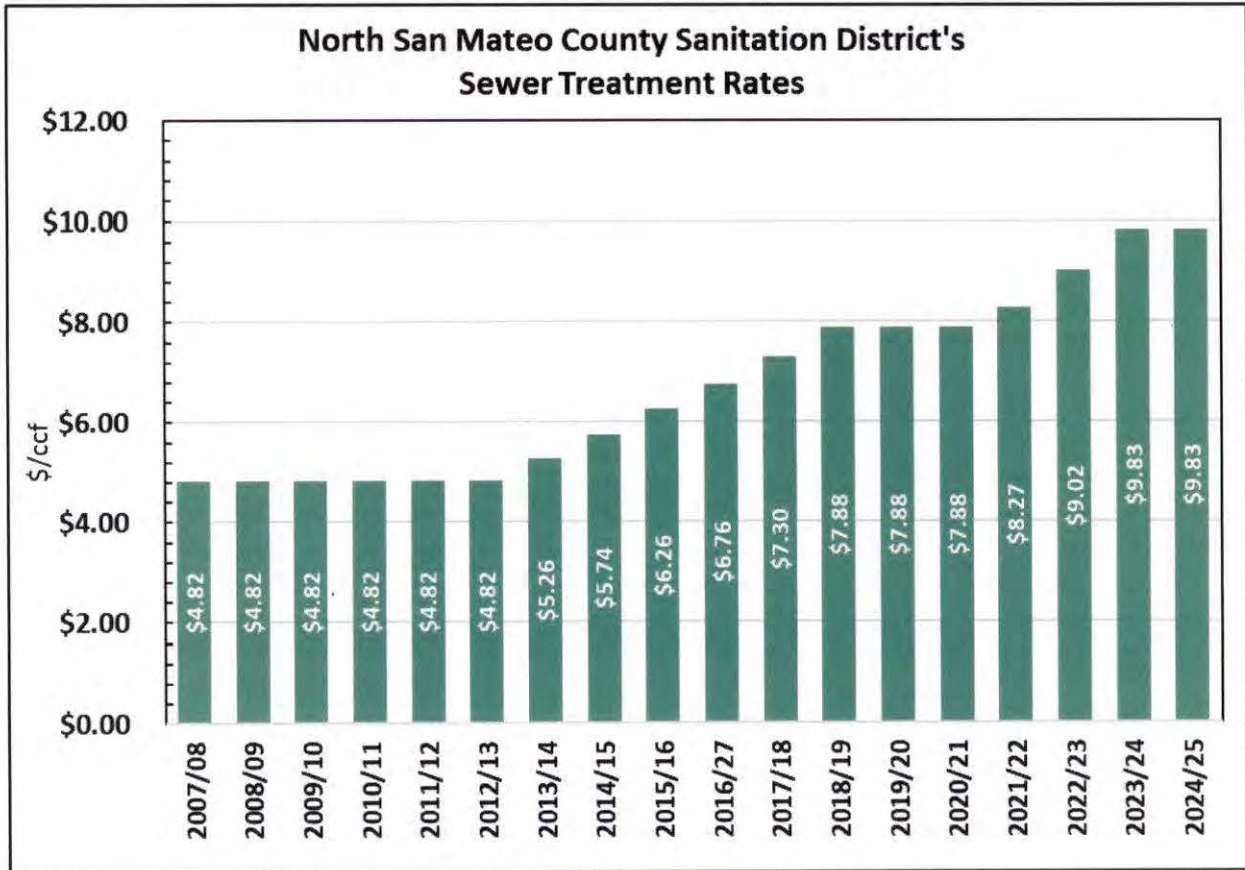
Table 31 shows a history of sewer treatment costs which are the largest expense for the Sewer Fund. For the past 2 years, NSMCSD has increased its rate by 9.0%. The City of Daly City is currently in the process of conducting a sewer rate study and has informed the District that the rate for treatment will not increase for 2024/25. For future rate increases, the City of Daly City anticipates 10.0% annual adjustments beginning on July 1, 2025 through July 1, 2029. For this study, treatment costs are estimated to increase by 3.0% for 2024/25 and by 10.0% each year thereafter through 2028/29.

Table 31: Sewer Treatment Costs
Westborough Water District
Water and Sewer Rate Study 2024

| | Actual | | | | Projected |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Est. Annual Sewer Flow (ccf) | 292,695 | 301,049 | 295,402 | 273,402 | 276,253 |
| <i>Annual % Increase</i> | | 2.9% | -1.9% | -7.4% | 1.0% |
| NSMCSD Sewer Rate | \$7.88 | \$7.88 | \$8.27 | \$9.02 | \$9.83 |
| <i>Annual % Increase</i> | | 0.0% | 4.9% | 9.1% | 9.0% |
| Total Treatment Costs | \$2,306,435 | \$2,372,264 | \$2,442,977 | \$2,466,087 | \$2,715,565 |
| <i>Annual % Increase</i> | | 2.9% | 3.0% | 0.9% | 10.1% |

Figure 7 shows a history of treatment processing rates set by the NSMCSD. Since 2007/08, the cost for treatment has more than doubled from \$4.82 per ccf to \$9.83 per ccf for 2024/25.

Figure 7: History of NSMCSD Treatment Processing Rates
Westborough Water District
Water and Sewer Rate Study 2024



4.3.6 Sewer Operating Expenses

Table 32 includes a projection of future sewer operating expenses over the next five years through 2028/29. For 2024/25, sewer treatment is estimated to increase by 3.0%. For 2025/26 through 2028/29, sewer treatment is projected to increase by 10.0% each year. Utilities are estimated to increase by 10.0% for the next five years. All other expenses are projected to increase by 3.0% annually. Overall, based on the escalation factors shown, total sewer operating expenses are projected to increase by approximately 3.0% in 2024/25 and then 10.0% each year thereafter.

As shown on the bottom half of Table 32, treatment expenses account for 93.0% of total sewer operating expenditures. The cost for sewer treatment is determined by the NSMCSD, and therefore, the District has no control over these costs.

Table 32: Projected Sewer Operating Expenses
Westborough Water District
Water and Sewer Rate Study 2024

| | Budget 2023/24 | Escalation Factor | PROJECTED | | | | |
|--------------------------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Sewer Operating Expenses | | | | | | | |
| Treatment & Disposal (57310) [1] | \$2,715,565 | 10.0% | \$2,797,032 | \$3,077,000 | \$3,385,000 | \$3,724,000 | \$4,096,000 |
| Utilities (57320) | \$137,600 | 10.0% | \$151,000 | \$166,000 | \$183,000 | \$201,000 | \$221,000 |
| Repair of Pipelines (57340) | \$5,000 | 3.0% | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| Repair of Pumps (57350) | \$20,000 | 3.0% | \$21,000 | \$22,000 | \$23,000 | \$24,000 | \$25,000 |
| Misc. Sewer Expenses (57390) | \$46,861 | 3.0% | \$48,000 | \$49,000 | \$50,000 | \$52,000 | \$54,000 |
| Total Sewer Operating Expense | \$2,925,026 | | \$3,022,032 | \$3,319,000 | \$3,646,000 | \$4,006,000 | \$4,401,000 |
| <i>Annual % Change</i> | | | 3.3% | 9.8% | 9.9% | 9.9% | 9.9% |
| Percent of Total | | | | | | | |
| Treatment & Disposal (57310) | 92.8% | | 92.6% | 92.7% | 92.8% | 93.0% | 93.1% |
| Utilities (57320) | 4.7% | | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| Repair of Pipelines (57340) | 0.2% | | 0.2% | 0.2% | 0.1% | 0.1% | 0.1% |
| Repair of Pumps (57350) | 0.7% | | 0.7% | 0.7% | 0.6% | 0.6% | 0.6% |
| Misc. Sewer Expenses (57390) | 1.6% | | 1.6% | 1.5% | 1.4% | 1.3% | 1.2% |
| Total Sewer Operating Expense | 100.0% | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

1 - For 2024/25, the escalation rate is 3%. For future years, escalation rate is 10%.

4.3.7 Sewer G&A Expenses

Table 33 includes a projection of future G&A expenses assigned to the Sewer Fund. Beginning in 2024/25, approximately 17.0% of total G&A expenses are allocated to sewer. On average, G&A expenses are projected to increase nearly 5.0% each year.

**Table 33: G&A Expenses Allocated to Sewer
Westborough Water District
Water and Sewer Rate Study 2024**

| | Budget 2023/24 | PROJECTED | | | | |
|-------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Sewer G&A Expenses | | | | | | |
| Salaries & Benefits | \$0 | \$123,000 | \$131,000 | \$139,000 | \$148,000 | \$157,000 |
| Engineering Svs. (56830) | \$0 | \$17,000 | \$18,000 | \$19,000 | \$20,000 | \$21,000 |
| Billing (56850) | \$0 | \$9,000 | \$9,000 | \$9,000 | \$9,000 | \$9,000 |
| Insurance (56870) | \$0 | \$24,000 | \$25,000 | \$26,000 | \$27,000 | \$28,000 |
| Miscellaneous (56890) | \$0 | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$14,000 |
| Banking and Cr.Card Fees (56875) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>Other Expenses</u> | <u>\$0</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> | <u>\$36,000</u> |
| Total Sewer G&A Expenses | \$0 | \$223,000 | \$233,000 | \$243,000 | \$254,000 | \$265,000 |
| <i>Annual % Change</i> | | - | 4.5% | 4.3% | 4.5% | 4.3% |

4.3.8 Sewer Capital Improvement Plan & Debt Assumptions

Beginning in 2024/25, the District will spend \$1 million each year on capital projects to repair and upgrade the aging sewer system. To fund these projects, the District will borrow 50% (\$500,000) of the annual CIP beginning in 2025/26 with a bank loan or line of credit (LOC). The plan is to debt-fund half or 50% of the annual sewer CIP for 5 years beginning in 2025/26 through 2029/30. Total anticipated debt funding is \$2.5 million through 2029/30. After 5 years, the goal is to cash fund capital projects each year. Table 34 summarizes the debt assumptions. Based on a loan amount of \$500,000 at an interest rate of 7.0% with a 15-year payback term, annual debt service is \$55,000.

Table 34: Sewer Debt Estimates
Westborough Water District
Water and Sewer Rate Study 2024

| | \$1M Annual Sewer CIP |
|---|------------------------------|
| Total Annual CIP Total Sewer Annual CIP | \$1,000,000 |
| Debt Funded Portion Sewer Annual CIP - Debt Funded | 50% \$500,000 |
| Loan Terms (Estimated) Loan Amount Term (years) Interest Rate | \$500,000 15 7.0% |
| Annual Loan Payment | \$55,000 |
| Reserve Fund Requirement Equal to Annual Debt Service | \$55,000 |

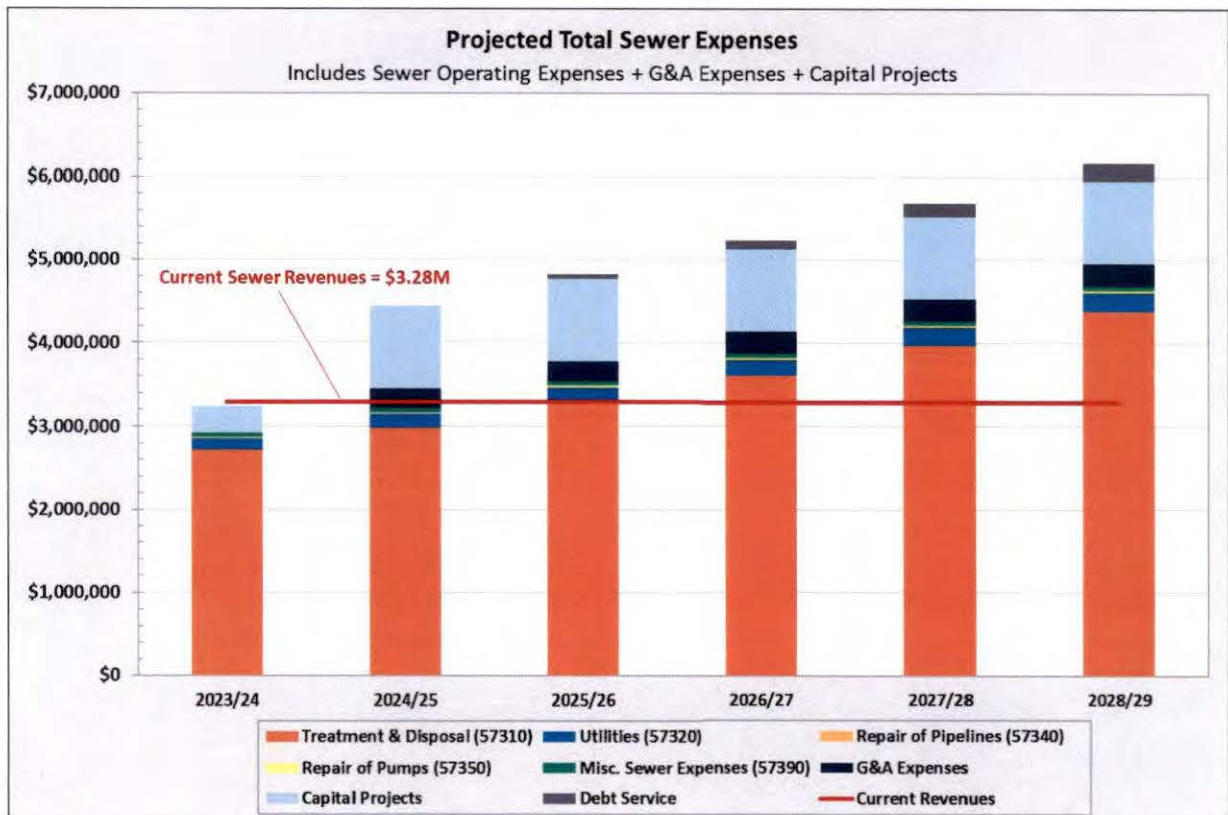
Debt Service Coverage

A chief covenant for the District to secure State loans/grants or revenue bonds/Certificates of Participation (COPs) is to maintain a specific debt service coverage ratio. A debt service coverage ratio is a financial measure of an agency's ability to repay outstanding debt. The ratio requires that annual water net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all parity obligations. Failure to meet the debt service coverage ratio on an annual basis is considered to be technical default. Thus, rates and fees must be set to meet this legal requirement. Moreover, failing to meet debt service coverage may hinder the District's ability to qualify for future debt funding.

4.3.9 Total Sewer Expenses

Figure 8 graphically shows the Sewer Fund's projected total expenses including operating expenses, G&A expenses, estimated debt service, and capital projects. As shown in the chart, expenses would exceed revenues beginning in 2024/25 absent a rate increase.

Figure 8: Projected Total Sewer Expenses
Westborough Water District
Water and Sewer Rate Study 2024



4.3.10 Sewer Cash Flow Objectives

Over the five-year rate study period, the proposed sewer rate increases are needed to meet the following objectives. These goals are indicators of the overall fiscal health of the Sewer Fund:

1. Meet debt service coverage ratio (1.25x)
 - a. A standard financial measure of an agency's ability to repay outstanding debt
 - b. Annual net revenues (gross revenues less operating and maintenance expenses) must be at least 1.25 times the combined annual debt service payments on all parity obligations
2. Revenues cover expenses (Positive net revenues)
 - a. To ensure that the Sewer Fund is covering its cost of service (operating and capital expenses)
 - b. To avoid an operating deficit and dipping into reserves

3. Meet proposed Sewer Fund reserve targets by 2028/29
 - a. Operating: 25% of annual O&M costs
 - b. Capital: 50% of annual depreciation (\$33,090 for 2024/25)
 - c. Debt Service: Total debt service for one year

4.3.11 Sewer Cash Flow

As shown on the cash flow Table 35, the recommended revenue adjustments are 5.0% for 2024/25, followed by 10.0% annual increases beginning in 2025/26 through 2028/29. These increases are necessary to pay for sewer treatment and other operating expenses and to perform critical infrastructure repairs. The first rate increase will go into effect on July 1 of each year beginning in 2024 through 2028. As of July 1, 2023, beginning Sewer Fund reserves total \$2,347,102. The projections are based on the 2023/24 budget and include the following assumptions:

Revenues

- Beginning in 2024/25, Taxes & Assessments (49300) revenues are split 70.0% for water and 30.0% for sewer.
- Taxes & Assessments (49300) and Other Income (49700) are increased by 3.0% each year.
- Interest (49210) is projected at 2.0% per year.
- No Cap Facilities Income (49800) are anticipated over the next 5 years.
- Assumes no growth or any major changes in the customer base.
- Winter flow (Jan/Feb consumption) is based on 2022/23 flow and is not anticipated to increase over the next 5 years.
- Beginning in 2024/25, the Water Fund will pay the Sewer Fund \$100,000 each year over 8 years through 2031/32 to repay the \$800,000 interfund loan.

Expenses

- Salaries & Benefits are increased by 6.0% each year.
- Utilities are increased by 10.0% each year.
- Treatment & Disposal (57310) is escalated by 3.0% for 2024/25. Beginning in 2025/26, Treatment & Disposal is increased by 10.0% each year through 2028/29.
- All other expenses increased by 3.0% each year.
- Beginning in 2024/25, 30% of the General Manager's salary and benefits is allocated to the Sewer Fund.
- Beginning in 2024/25, unless the expense is 100% allocated to water, all other G&A Operating Expenses are split 70% to water and 30% to sewer.

Table 35: Sewer Cash Flow Projection
Westborough Water District
Water and Sewer Rate Study 2024

| | Budget 2023/24 | Projected | | | | |
|--|-------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Revenue Adjustment | | 5.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Rate Increase Effective | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
| BEGINNING FUND BALANCE | \$2,347,102 | \$2,393,964 | \$1,955,064 | \$1,996,064 | \$2,031,064 | \$2,065,064 |
| REVENUES | | | | | | |
| Operating Revenues [1] | | | | | | |
| Sewer Service Fees (42351) | 3,284,888 | 3,449,000 | 3,794,000 | 4,173,000 | 4,590,000 | 5,049,000 |
| Misc. Operations (42345) | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest (49210) | 0 | 48,000 | 39,000 | 39,000 | 39,000 | 39,000 |
| Taxes & Assessments (49300) | 0 | 209,100 | 215,000 | 221,000 | 228,000 | 235,000 |
| Other Income (49700) | 0 | 0 | 0 | 0 | 0 | 0 |
| Rental Income (49910) | 0 | 0 | 0 | 0 | 0 | 0 |
| Cap Facilities Income (49800) | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Facility Expense (56885) | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Interfund Loan Repayment</u> | <u>0</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |
| Subtotal Operating Revenues | 3,284,888 | 3,806,100 | 4,148,000 | 4,534,000 | 4,959,000 | 5,425,000 |
| Debt Proceeds | 0 | 0 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Revenues | 3,284,888 | 3,806,100 | 4,648,000 | 5,034,000 | 5,459,000 | 5,925,000 |
| EXPENSES | | | | | | |
| Sewer Operating Expenses | | | | | | |
| Treatment & Disposal (57310) | 2,715,565 | 2,797,032 | 3,077,000 | 3,385,000 | 3,724,000 | 4,096,000 |
| Utilities (57320) | 137,600 | 151,000 | 166,000 | 183,000 | 201,000 | 221,000 |
| Repair of Pipelines (57340) | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Repair of Pumps (57350) | 20,000 | 21,000 | 22,000 | 23,000 | 24,000 | 25,000 |
| <u>Misc. Sewer Expenses (57390)</u> | <u>46,861</u> | <u>48,000</u> | <u>49,000</u> | <u>50,000</u> | <u>52,000</u> | <u>54,000</u> |
| Subtotal Sewer Operating Expenses | 2,925,026 | 3,022,032 | 3,319,000 | 3,646,000 | 4,006,000 | 4,401,000 |
| General & Administrative (G&A) Expenses [2] | | | | | | |
| Salaries & Benefits | 0 | 123,000 | 131,000 | 139,000 | 148,000 | 157,000 |
| Engineering Svs. (56830) | 0 | 17,000 | 18,000 | 19,000 | 20,000 | 21,000 |
| Billing (56850) | 0 | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 |
| Insurance (56870) | 0 | 24,000 | 25,000 | 26,000 | 27,000 | 28,000 |
| Miscellaneous (56890) | 0 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Banking and Cr.Card Fees (56875) | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>Other Expenses</u> | <u>0</u> | <u>36,000</u> | <u>36,000</u> | <u>36,000</u> | <u>36,000</u> | <u>36,000</u> |
| Subtotal G&A Operating Expenses | 0 | 223,000 | 233,000 | 243,000 | 254,000 | 265,000 |
| Total Operating Expenses | 2,925,026 | 3,245,000 | 3,552,000 | 3,889,000 | 4,260,000 | 4,666,000 |
| Net Operating Revenues | 359,862 | 561,100 | 596,000 | 645,000 | 699,000 | 759,000 |
| Non-Operating Expenses | | | | | | |
| Sewer Capital Projects | 313,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| <u>Debt Service</u> | <u>0</u> | <u>0</u> | <u>55,000</u> | <u>110,000</u> | <u>165,000</u> | <u>220,000</u> |
| Subtotal Non-Operating Expenses | 313,000 | 1,000,000 | 1,055,000 | 1,110,000 | 1,165,000 | 1,220,000 |
| Total Expenses | 3,238,026 | 4,245,000 | 4,607,000 | 4,999,000 | 5,425,000 | 5,886,000 |
| NET REVENUES | 46,862 | (438,900) | 41,000 | 35,000 | 34,000 | 39,000 |
| ENDING FUND BALANCE | 2,393,964 | 1,955,064 | 1,996,064 | 2,031,064 | 2,065,064 | 2,104,064 |

| | Budget | Projected | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| RESERVE FUNDS | | | | | | |
| Proposed Operating Reserve Target (25% of O&M) | 731,256 | 813,008 | 889,750 | 974,000 | 1,066,750 | 1,168,500 |
| <u>Proposed Capital Reserve Target (50% of Depreciation)</u> | <u>33,090</u> | <u>33,090</u> | <u>33,090</u> | <u>33,090</u> | <u>33,090</u> | <u>33,090</u> |
| Total Sewer Reserve Fund Target | 764,346 | 844,340 | 921,090 | 1,005,340 | 1,098,090 | 1,199,590 |
| Target Met | yes | yes | yes | yes | yes | yes |
| DEBT SERVICE COVERAGE | | | | | | |
| Debt Service Coverage Target - 1.25x [3] | - | - | 10.84 | 5.86 | 4.24 | 3.45 |
| Target Met? | - | - | yes | yes | yes | yes |

1 - Interest is estimated at 2% of fund balance. All Other Revenues escalated by 3%. Beginning in 2024/25, Taxes & Assessments (49300) are allocated 70% to water and 30% to sewer.

2 - Beginning in 2024/25, 30% of the General Manager's salary & expenses is allocated to the Sewer Fund. Unless designated 100% to water, most G&A expenses are split 70% to water and 30% to sewer.

3 - Net Operating Revenues / Debt Service

4.4 Sewer Rate Calculation

The revenue requirement detailed on the cash flow projection determines the amount of revenue to be recovered from sewer rates. Table 36 calculates the proposed sewer rates for the next five years. The *Sewer Service Fees* (Total Revenue Requirement) from the cash flow (line 9, Table 35) for each year is divided by the *Projected Flow* and then divided by 6 months to derive a bimonthly *Sewer Rate per ccf*. Projected flow is 47,000 ccf based on 2022/23 consumption and is not projected to increase over the next few years. The proposed 2024/25 sewer rate for all customers is \$12.23 per ccf, representing a \$0.37 (or 3.1%) increase from the current sewer rate of \$11.86.

The rates have been calculated to increase total *Sewer Service Fee* revenues by 5.0% for 2024/25. However, the proposed revenue adjustments in the cash flow do not directly correlate to the same increase in rates because the rates have been updated with current flow data. As shown on Table 27, total consumption and sewer flow has decreased in recent years due to conservation. The proposed sewer rates reflect the current cost of service for each customer as required by Proposition 218.

Table 36: Sewer Rate Calculation
Westborough Water District
Water and Sewer Rate Study 2024

| | PROJECTED | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Total Sewer Service Fees/ Revenue Requirement [1] | \$3,449,000 | \$3,794,000 | \$4,173,000 | \$4,590,000 | \$5,049,000 |
| Projected Jan/Feb Flow (ccf) | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 |
| Sewer Rate per ccf | \$12.23 | \$13.45 | \$14.80 | \$16.28 | \$17.90 |

1 - From Cash Flow - Table 35, Line 9

4.4.1 Proposed Sewer Rates

Table 37 shows the proposed sewer rates for the next five years beginning July 1, 2024 through July 1, 2028. The sewer service charges are billed annually through the County's property tax bill.

Table 37: Proposed Sewer Rates
Westborough Water District
Water and Sewer Rate Study 2024

| | Current | PROPOSED | | | | |
|---------------------|---------|--------------|--------------|--------------|--------------|--------------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Effective Date | | July 1, 2024 | July 1, 2025 | July 1, 2026 | July 1, 2027 | July 1, 2028 |
| Sewer Rate per ccf* | \$11.86 | \$12.23 | \$13.45 | \$14.80 | \$16.28 | \$17.90 |
| Percent Change | | 3.1% | 10.0% | 10.0% | 10.0% | 10.0% |

* 1 ccf = one hundred cubic feet or 748 gallons. Based on January and February consumption.

4.4.2 Sewer Bill Impacts

Sample bill impacts are included on Table 38. The average flow for the typical single family customer is 10 ccf every two months. Actual bill impacts will vary based on January/February consumption.

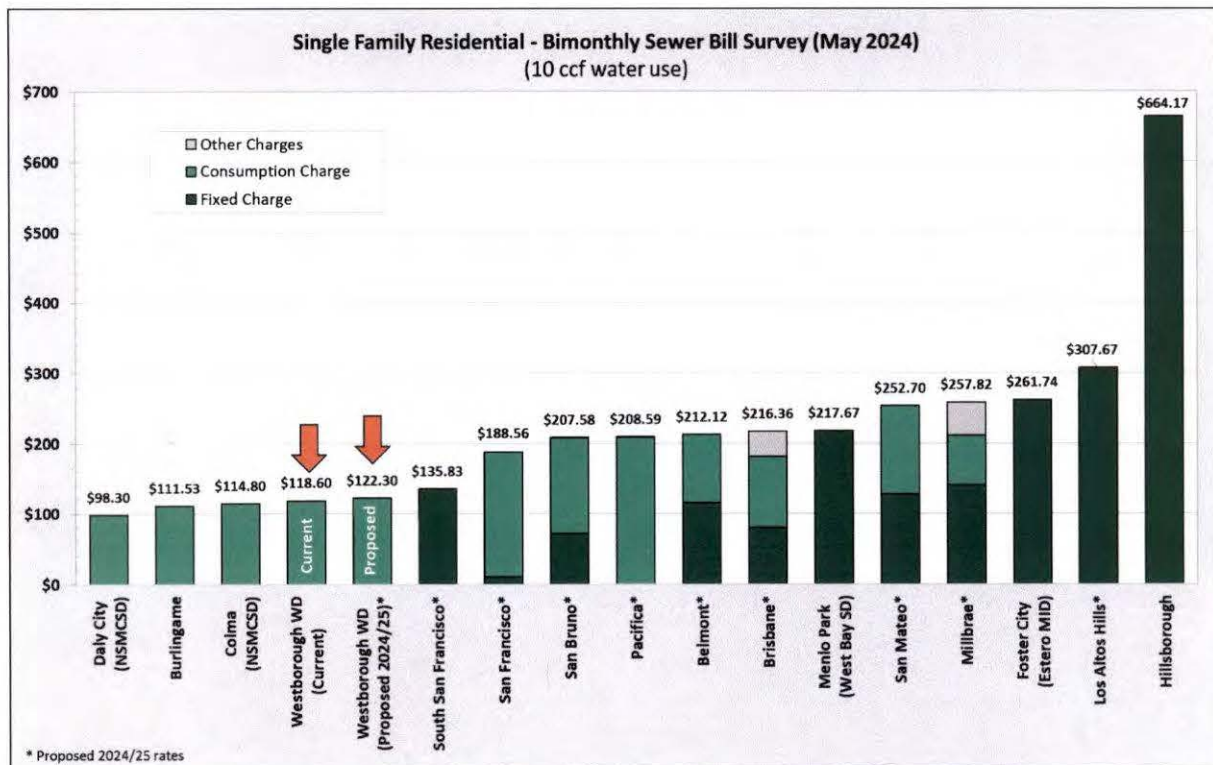
Table 38: Sample Bimonthly Sewer Bills
Westborough Water District

| | Current | PROJECTED | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| 2 CCF BIMONTHLY (MINIMUM CHARGE) | | | | | | |
| Sewer Rate per ccf | \$11.86 | \$12.23 | \$13.45 | \$14.80 | \$16.28 | \$17.90 |
| Bimonthly Flow (ccf) | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total Bimonthly Sewer Bill | \$23.72 | \$24.46 | \$26.90 | \$29.60 | \$32.56 | \$35.80 |
| Increase to Bimonthly Bill | | \$0.74 | \$2.44 | \$2.70 | \$2.96 | \$3.24 |
| % Change | | 3.1% | 10.0% | 10.0% | 10.0% | 10.0% |
| | | | | | | |
| 10 CCF BIMONTHLY (AVERAGE CUSTOMER) | | | | | | |
| Sewer Rate per ccf | \$11.86 | \$12.23 | \$13.45 | \$14.80 | \$16.28 | \$17.90 |
| Bimonthly Flow (ccf) | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> | <u>10</u> |
| Total Bimonthly Sewer Bill | \$118.60 | \$122.30 | \$134.50 | \$148.00 | \$162.80 | \$179.00 |
| Increase to Bimonthly Bill | | \$3.70 | \$12.20 | \$13.50 | \$14.80 | \$16.20 |
| % Change | | 3.1% | 10.0% | 10.0% | 10.0% | 10.0% |
| | | | | | | |
| 20 CCF BIMONTHLY | | | | | | |
| Sewer Rate per ccf | \$11.86 | \$12.23 | \$13.45 | \$14.80 | \$16.28 | \$17.90 |
| Bimonthly Flow (ccf) | <u>20</u> | <u>20</u> | <u>20</u> | <u>20</u> | <u>20</u> | <u>20</u> |
| Total Bimonthly Sewer Bill | \$237.20 | \$244.60 | \$269.00 | \$296.00 | \$325.60 | \$358.00 |
| Increase to Bimonthly Bill | | \$7.40 | \$24.40 | \$27.00 | \$29.60 | \$32.40 |
| % Change | | 3.1% | 10.0% | 10.0% | 10.0% | 10.0% |

4.4.3 Regional Sewer Bill Survey

Figure 9 compares the District's current typical bimonthly residential sewer bill using 10 ccf over a 2-month period with those of surrounding agencies. It should be noted that many of the agencies shown on the chart will likely also be increasing their sewer rates over the next few years.

Figure 9: Regional Sewer Bill Survey
Westborough Water District
Water and Sewer Rate Study 2024



APPENDIX

**List of G&A Expenses Allocated to Water and Sewer
Westborough Water District
Water and Sewer Rate Study 2024**

| | Expense Category | Allocation to Water | Allocation to Sewer | Notes |
|----|--|---------------------|---------------------|--|
| 1 | Salaries (56110) | | | |
| | General Manager | 66.7% | 33.3% | 1/3 of the General Manager's share is allocated to sewer |
| | Plus Car Allowance | 66.7% | 33.3% | 1/3 of the General Manager's share is allocated to sewer |
| | Office Supervisor | 100.0% | 0.0% | |
| | Operations Assistant | 100.0% | 0.0% | |
| | Cost of living | 100.0% | 0.0% | |
| | Incentive awards/Merit Increase | 100.0% | 0.0% | |
| | Sick Leave - Buy Out | 100.0% | 0.0% | |
| 2 | Salaries Temp (56112) | | | |
| | Temporary Office Employees | 100.0% | 0.0% | |
| 3 | Salaries Overtime (56113) | | | |
| | Overtime | 100.0% | 0.0% | |
| 4 | Employee Benefits (56400) | | | |
| | Medical | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Delta Dental | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Vision | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Employee Life Ins. | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Directors Life Ins. | 100.0% | 0.0% | |
| | Retiree Medical | 100.0% | 0.0% | |
| 5 | Employee OPEB Benefits (56450) | | | |
| | Pre-Funding Retiree Health Benefits | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Less Retiree Medical Payments Made | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| 6 | Employee CalPERS Benefits (56115) | | | |
| | Retirement - Classic @ 11.34% | 66.7% | 33.3% | |
| | Retirement - PEPR @ 7.59% | 100.0% | 0.0% | |
| | CalPERS - UAL | 100.0% | 0.0% | |
| 7 | Payroll Tax (56410) | | | |
| | FICA @ 7.65% | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Directors @ 7.65% | 100.0% | 0.0% | |
| | SUI / \$7,000 cap @ 1.6% x 3 employees | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | SUI / \$7,000 cap @ 1.6% x 5 directors | 100.0% | 0.0% | |
| 8 | Employee OPEB Benefits (56450) | | | |
| | Pre-Funding Retiree Health Benefits | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| | Less Retiree Medical Payments Made | 100.0% | 0.0% | 1/3 of the General Manager's share is allocated to sewer |
| 9 | Office Supplies (56210) | | | |
| | Copier Maintenance Agreement | 70.0% | 30.0% | |
| | Printer Toners | 70.0% | 30.0% | |
| | Postage Meter Rental | 70.0% | 30.0% | |
| | Postage for Meter | 70.0% | 30.0% | |
| | Office Supplies | 70.0% | 30.0% | |
| | Year-end Forms | 70.0% | 30.0% | |
| | P.O. Box Fee | 70.0% | 30.0% | |
| | Payroll and Vendor Checks | 70.0% | 30.0% | |
| | Miscellaneous Supplies | 70.0% | 30.0% | |
| 10 | Memberships (56230) | | | |
| | BAWSCA Assessment | 100.0% | 0.0% | |
| | SSF Chamber of Commerce | 70.0% | 30.0% | |
| | A.C.W.A. | 100.0% | 0.0% | |
| | Costco | 70.0% | 30.0% | |
| | SMC CSD | 70.0% | 30.0% | |
| | Miscellaneous | 70.0% | 30.0% | |

| | Expense Category | Allocation to Water | Allocation to Sewer | Notes |
|----|---|---|--|--|
| 11 | Travel and Education (56250) ACWA Spring and Fall Conferences - Registration ACWA Spring and Fall Conferences - Housing Region 5 x 4 /accomodation, meals State Legislator Conf (Sacramento) Staff Attendance to Training Conferences Staff Continuing Ed & Seminars CSDA Meetings Miscellaneous | 100.0% 100.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% | 0.0% 0.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% | |
| 12 | Utilities (56280) PG&E - Main Office - Gas Meter | 70.0% | 30.0% | |
| 13 | Telephone/Internet (56290) Comcast - Phone and Internet | 70.0% | 30.0% | |
| 14 | Water Conservation (56500) Water Conservation Items Toilet/Washing Rebate Program | 70.0% 70.0% | 30.0% 30.0% | |
| 15 | Buildings and Grounds Maint (56700) Alarm Monitoring - Skyline (2) & Office: Burglar and Fire Alarm Maintenance SSF Scavenger Porta-Potty - Skyline Tank Site Fire Extinguishers Annual Maint. Skyline Tank Site Gate Maint. Supplies/Equipment Maintenance Miscellaneous | 70.0% 70.0% 70.0% 100.0% 70.0% 100.0% 70.0% | 30.0% 30.0% 30.0% 0.0% 30.0% 0.0% 30.0% | |
| 16 | Parking Rentals (56750) Colina Parking - 3 ea @ \$160 x 12 months | 70.0% | 30.0% | |
| 17 | Directors' Fees (56810) ACWA Spring ACWA Fall Regular Meetings Committee Mtgs. Special Meetings SMC CSD Region 5 mtg Suburban Tour | 100.0% 100.0% 70.0% 70.0% 70.0% 70.0% 100.0% 100.0% | 0.0% 0.0% 30.0% 30.0% 30.0% 30.0% 0.0% 0.0% | |
| 18 | Engineering Services (56830) Misc. Engineering Projects | 70.0% | 30.0% | |
| 19 | Accountant Services (56840) Accountant Auditor Misc. CWS (Programming) OPEB Actuarial (Only GASB75) | 100.0% 100.0% 70.0% 70.0% | 0.0% 0.0% 30.0% 30.0% | Sewer's share already included in the sewer budget Sewer's share already included in the sewer budget |
| 20 | Legal Services (56841) Retainer (1/2 Water) Misc. | 100.0% 70.0% | 0.0% 30.0% | Sewer's share already included in the sewer budget |
| 21 | Billing (56850) Billing Forms and Envelopes Postage for Bills Stuffing and Mailing Bills (6 x \$630) Reminder Notices and Envelopes Postage for Reminders Other Printed Materials Misc. Supplies Billing Software Maintenance (4 x \$2,676) Hardware Maintenance Envelope Stuffer Maintenance Check Endorser Maint. Agreement Hand Held Sensus Support Other Software IT Support | 100.0% 100.0% 100.0% 100.0% 100.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% 70.0% | 0.0% 0.0% 0.0% 0.0% 0.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% 30.0% | |

| | Expense Category | Allocation to Water | Allocation to Sewer | Notes |
|----|---|---------------------|---------------------|--|
| 22 | Communications (56860) | | | |
| | Newsletters (3x\$2000) | 70.0% | 30.0% | |
| | Postage for Newsletters | 70.0% | 30.0% | |
| | Water Quality Report | 100.0% | 0.0% | |
| | Water Quality Report Postage | 100.0% | 0.0% | |
| | Prop. 218 Notice (1/2 of Cost) | 70.0% | 30.0% | |
| | Prop. 218 Notice Mailing (1/2 of Cost) | 70.0% | 30.0% | |
| | Public Hearing Ads & Ordinances (1/2 of Cost) | 70.0% | 30.0% | |
| | Internet Service (\$65x6x12) | 70.0% | 30.0% | |
| | Website Hosting | 70.0% | 30.0% | |
| | Water Conservation Banner - Permit | 70.0% | 30.0% | |
| | GoDaddy - Licenses | 70.0% | 30.0% | |
| | Miscellaneous | 70.0% | 30.0% | |
| | Zoom (\$15.99 per month) | 70.0% | 30.0% | |
| 23 | General Election (56865) | | | |
| | Annual District Election (1/2 Election) | 100.0% | 0.0% | Sewer's share already included in the sewer budget |
| 24 | Insurance (56870) | | | |
| | Workers Compensation | 70.0% | 30.0% | |
| | Property Insurance | 70.0% | 30.0% | |
| | Auto and General Liability | 70.0% | 30.0% | |
| 25 | Banking and Credit Card Fees (56875) | | | |
| | TCB Bank Fees | 100.0% | 0.0% | |
| | Evalon CC Fees | 100.0% | 0.0% | |
| | CWS Online Processing Fees | 100.0% | 0.0% | |
| 26 | Bad Debt (56880) | | | |
| | Bad Debts Written Off | 100.0% | 0.0% | |
| 26 | Miscellaneous (56890) | | | |
| | Property Tax | 100.0% | 0.0% | |
| | LAFCO Assessment - Water | 100.0% | 0.0% | |
| | Employee Appreciation/Recruitment | 70.0% | 30.0% | |
| | Misc. Petty Cash | 70.0% | 30.0% | |
| | Rate Study | 50.0% | 50.0% | One-time expense for FY 2023/24 |
| | Other Misc. | 70.0% | 30.0% | |

STAFF REPORT

TO: Board of Directors

FROM: Patricia Mairena, General Manager

DATE: June 8, 2024

RE: Adopt FY 2024-2025 Operating Budget

SUMMARY

Every year, prior to the start of the next fiscal year, the Board reviews and approves the Operating Budget for the upcoming fiscal year. Attached is the proposed FY 2024-2025 Operating Budget for the Board's review.

FISCAL IMPACT

The proposed budget for FY 2024-2025 includes revenues of \$4,973,010 for the water fund and \$3,376,361 for the sewer fund, for a combined total of \$8,349,371, and operating expenses of \$4,259,674 for the water fund and \$3,302,786 for the sewer fund, for a combined total of \$7,562,460. In addition, the proposed budget for FY 2024-2025 includes non-operating income/expense of \$477,849 for the water fund and \$388,524 for the sewer fund, for a combined total of \$866,373. Depreciation for FY 2024-2025 is estimated at \$341,272 combined for both funds.

ADDITIONAL INFORMATION

In 2024, the District conducted a Water and Sewer Rate Study, and plans on modifying the rates according to its results. To estimate operating revenues, staff accounted for the planned rate adjustments that are scheduled to take place on July 1, 2024. The District will also be adjusting its Fixed Vs. Variable Revenue Recovery to 35% Fixed and 65% Variable, so meter charges will increase based on the American Water Works Association (AWWA) recommended meter capacity ratios. Each meter size will be charged based on their proportional impact on the system.

To estimate expenses, staff used most of the numbers from the Water and Sewer Rate Study, which already incorporated 3%, 6%, and 10% escalation factors, depending on the expense. For example: PG&E costs have an estimated 10% escalation factor due to its rising costs. There were a few expenses that were higher than anticipated such as Special Services due to regulatory compliance and Engineering, due to proposed updates to the District's water and sewer maps.

Per the Rate Study results, G&A expenses will be split between the water and sewer funds beginning in 2024/25:

- 1/3 of the General Manager's Salary & Benefits will be allocated to the Sewer Fund.
- Unless designated 100% to water, most G&A expenses are split 70% to water and 30% to sewer.
- All Other Revenues (except for Rental Income) will be split 70% to water and 30% to sewer.
- Total Proposed G&A Allocation = 83% Water / 17% Sewer

The following table provides a summary between the Approved 2023-2024 Budget and the Proposed 2024-2025 Budget:

Table of Proposed FY 2024-2025 Operating Budget

Westborough Water District
Budget for Fiscal Year 2024-2025

| Item & Account Number | 2023-2024 Budget | 2024-2025 Budget |
|--|------------------|--------------------|
| WATER FUND | | |
| Operating Water Revenue | | |
| Total Water Operating Revenue | \$4,215,933 | \$4,973,010 |
| Total Water Operating Expenses | \$4,195,125 | \$4,259,674 |
| Water Operating Income (Loss) Before Depreciaton | \$20,808 | \$713,336 |
| Water Depreciation Expense | \$365,000 | \$275,093 |
| Water Operating Income (Loss) | (\$344,192) | \$438,243 |
| Total Water Non-Operating Income | \$802,848 | \$577,849 |
| Interloan Repymt. from Water to Sewer (xxxxx) | \$0 | (\$100,000) |
| Water Net Income (Loss) | \$458,656 | \$916,091 |
| SEWER FUND | | |
| Total Sewer Operating Revenue | \$3,284,888 | \$3,376,361 |
| Total Sewer Operating Expenses | \$2,925,026 | \$3,302,786 |
| Sewer Operating Income (Loss) Before Depreciaton | \$359,862 | \$73,574 |
| Sewer Depreciation Expense (xxxxx) | \$0 | \$66,179 |
| Sewer Operating Income (Loss) | \$359,862 | \$7,395 |
| Total Sewer Non-Operating Income | \$0 | \$388,524 |
| Sewer Net Income (Loss) | \$359,862 | \$395,919 |
| Water and Sewer | | |
| Combined Net Income/Loss | \$818,518 | \$1,312,010 |

RECOMMENDATIONS:

The proposed budget for FY 2024-2025 has been prepared in collaboration with the Budget Committee. Staff recommends that the Board review and adopt the proposed FY 2024-2025 Operating Budget.

Westborough Water District
Budget for Fiscal Year 2024-2025

| Item & Account Number | 2023-2024 YTD Mar.2024 | 2023-2024 TY Projected | 2020-2021 Actual | 2021-2022 Actual | 2022-2023 Actual | 2023-2024 Budget | 2024-2025 Budget |
|--|---------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| WATER FUND | | | | | | | |
| Operating Water Revenue | | | | | | | |
| Water Sales (41100) | \$3,110,332 | \$4,147,109 | \$2,967,506 | \$3,620,708 | \$4,011,005 | \$4,196,733 | \$4,953,010 |
| Misc. Operations (42345) | \$17,932 | \$23,909 | \$4,227 | \$12,960 | \$23,995 | \$19,200 | \$20,000 |
| Total Water Operating Revenue | \$3,128,264 | \$4,171,019 | \$2,971,733 | \$3,633,668 | \$4,035,000 | \$4,215,933 | \$4,973,010 |
| Water Operating Expense | | | | | | | |
| Salaries (51110) | \$332,061 | \$442,748 | \$375,566 | \$371,286 | \$406,205 | \$440,371 | \$464,924 |
| Sal. Temp (51112) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sal. OT (51113) | \$7,098 | \$9,464 | \$8,737 | \$9,534 | \$8,241 | \$9,000 | \$9,000 |
| CalPERS (51115) | \$61,319 | \$81,759 | \$71,828 | \$55,419 | \$173,989 | \$64,865 | \$70,184 |
| Benefits (51400) | \$40,086 | \$53,448 | \$51,477 | \$55,637 | \$51,746 | \$58,458 | \$64,508 |
| Payroll Tax (51410) | \$25,552 | \$34,069 | \$27,663 | \$28,653 | \$31,258 | \$34,825 | \$43,575 |
| OPEB - Prefunding (51450) | \$3,587 | \$4,783 | \$16,435 | \$7,748 | \$18,131 | \$2,808 | \$0 |
| GASB75 Contra Exp.(Income)(51470) | \$0 | \$0 | (\$3,768) | \$0 | (\$27,262) | \$0 | \$0 |
| Utilities (51130) | \$129,698 | \$172,931 | \$126,362 | \$143,292 | \$154,843 | \$162,716 | \$203,679 |
| Supplies (51140) | \$11,224 | \$14,965 | \$14,504 | \$11,862 | \$13,047 | \$15,000 | \$15,000 |
| Special Services (51150) | \$72,795 | \$97,060 | \$55,257 | \$49,868 | \$68,394 | \$91,717 | \$116,394 |
| Vehicle Expense (51170) | \$24,582 | \$32,776 | \$15,503 | \$45,387 | \$48,944 | \$35,000 | \$35,000 |
| Maint. of System (51200) | \$64,345 | \$85,793 | \$63,357 | \$232,843 | \$63,574 | \$59,905 | \$62,900 |
| Water Purchases (51300) | \$1,331,840 | \$1,775,787 | \$1,719,047 | \$1,536,804 | \$1,734,787 | \$1,906,743 | \$2,018,988 |
| Tech. Communications (51860) | \$7,120 | \$9,493 | \$6,589 | \$8,020 | \$9,620 | \$11,260 | \$13,424 |
| Total Water Operating Expense | \$2,111,307 | \$2,815,076 | \$2,548,555 | \$2,556,354 | \$2,755,517 | \$2,892,667 | \$3,117,576 |
| Water General & Administrative (G&A): | | | | | | | |
| Salaries (56110) | \$401,301 | \$535,068 | \$614,825 | \$421,450 | \$480,150 | \$532,572 | \$477,321 |
| Salaries Temp (56112) | \$749 | \$999 | \$4,560 | \$29,758 | \$1,967 | \$2,000 | \$2,000 |
| Salaries OT (56113) | \$0 | \$0 | \$1,588 | \$0 | \$0 | \$1,500 | \$2,000 |
| Employee Benefits (56400) | \$84,941 | \$113,255 | \$72,492 | \$108,421 | \$106,156 | \$116,705 | \$115,134 |
| OPEB - Prefunding (56450) | \$5,381 | \$7,175 | \$24,653 | \$11,623 | \$27,197 | \$4,689 | \$0 |
| CalPERS (56115) | \$68,521 | \$91,361 | \$134,070 | (\$76,790) | \$222,010 | \$90,396 | \$82,430 |
| Payroll Taxes (56410) | \$24,341 | \$32,455 | \$36,609 | \$32,416 | \$32,201 | \$42,770 | \$44,159 |
| Office Supplies & Postage (56210) | \$8,328 | \$11,104 | \$7,706 | \$16,921 | \$16,212 | \$14,151 | \$9,905 |
| Memberships (56230) | \$39,630 | \$52,840 | \$44,657 | \$56,467 | \$50,568 | \$48,129 | \$50,718 |
| Travel & Education (56250) | \$4,588 | \$6,117 | \$1,664 | \$2,927 | \$6,884 | \$13,626 | \$14,726 |
| Utilities (56280) | \$725 | \$967 | \$696 | \$915 | \$1,208 | \$1,559 | \$1,492 |
| Telephone/Internet (56290) | \$3,297 | \$4,396 | \$7,365 | \$7,643 | \$3,636 | \$4,534 | \$3,333 |
| GASB75 Contra Exp.(Income)(56470) | \$0 | \$0 | (\$5,652) | (\$36,307) | (\$40,894) | \$0 | \$0 |
| Water Conservation (56500) | \$1,284 | \$1,712 | \$0 | \$0 | \$12,224 | \$10,000 | \$5,600 |
| Bldg. & Grounds Maint (56700) | \$6,975 | \$9,300 | \$9,045 | \$8,461 | \$15,558 | \$14,180 | \$17,057 |

| Item & Account Number | <u>2023-2024</u> YTD Mar.2024 | <u>2023-2024</u> TY Projected | <u>2020-2021</u> Actual | <u>2021-2022</u> Actual | <u>2022-2023</u> Actual | <u>2023-2024</u> Budget | <u>2024-2025</u> Budget |
|---|----------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Parking Rental Fees (56750) | \$4,050 | \$5,400 | \$5,400 | \$5,400 | \$5,400 | \$5,760 | \$4,234 |
| Directors Fees (56810) | \$5,900 | \$7,867 | \$7,400 | \$7,500 | \$11,800 | \$11,300 | \$7,900 |
| Engineering Svs. (56830) | \$12,290 | \$16,387 | \$193,765 | \$96,201 | \$65,440 | \$55,000 | \$45,185 |
| Accounting Svs (56840) | \$22,353 | \$29,804 | \$35,908 | \$53,109 | \$35,200 | \$37,960 | \$32,795 |
| Legal Services (56841) | \$14,033 | \$18,711 | \$31,100 | \$48,592 | \$30,663 | \$25,400 | \$15,400 |
| Billing (56850) | \$43,954 | \$58,605 | \$51,771 | \$50,312 | \$39,866 | \$55,347 | \$39,692 |
| Communications (56860) | \$7,960 | \$10,613 | \$30,207 | \$33,337 | \$31,864 | \$28,633 | \$22,427 |
| General Election (56865) | \$0 | \$0 | \$0 | \$32,000 | \$2,685 | \$0 | \$14,000 |
| Insurance (56870) | \$60,546 | \$80,728 | \$63,977 | \$75,445 | \$59,658 | \$78,777 | \$59,240 |
| Bad Debts (56880) | \$0 | \$0 | \$0 | \$156 | \$85 | \$2,000 | \$1,000 |
| Miscellaneous (56890) | \$34,035 | \$45,380 | \$36,421 | \$9,969 | \$5,512 | \$50,470 | \$14,502 |
| Banking and Cr.Card Fees (56875) | \$46,895 | \$62,527 | \$38,320 | \$20,034 | \$64,403 | \$55,000 | \$59,850 |
| Total Water G & A Operating Expense | \$902,077 | \$1,202,769 | \$1,448,546 | \$1,015,961 | \$1,287,653 | \$1,302,458 | \$1,142,098 |
| Total Water Operating Expenses | \$3,013,384 | \$4,017,845 | \$3,997,101 | \$3,572,314 | \$4,043,170 | \$4,195,125 | \$4,259,674 |
| Water Operating Income (Loss) Before Depreciaton | \$114,880 | \$153,173 | (\$1,025,368) | \$61,354 | (\$8,170) | \$20,808 | \$713,336 |
| Water Depreciation Expense | \$256,037 | \$341,383 | \$338,236 | \$314,050 | \$335,130 | \$365,000 | \$275,093 |
| Water Operating Income (Loss) | (\$141,157) | (\$188,209) | (\$1,363,604) | (\$252,697) | (\$343,300) | (\$344,192) | \$438,243 |
| Water Non-Operating Income (Expense) | | | | | | | |
| Interest (49210) | \$111,252 | \$148,336 | (\$873) | (\$24,011) | \$55,802 | \$90,107 | \$52,949 |
| Taxes & Assessments (49300) | \$565,321 | \$753,761 | \$556,454 | \$624,157 | \$652,922 | \$676,549 | \$487,900 |
| Other Income (49700) | \$6,475 | \$8,633 | \$70,032 | \$113,944 | \$13,344 | \$0 | \$0 |
| Bad Debt Recovery (49701) | \$0 | \$0 | \$0 | \$0 | \$468 | \$0 | \$0 |
| Rental Income (49910) | \$28,281 | \$37,708 | \$0 | \$0 | \$33,408 | \$36,192 | \$37,000 |
| Insurance Recovery (49702) | \$0 | \$0 | \$0 | \$0 | \$51,286 | \$0 | \$0 |
| Cap Facilities Income (49800) | \$8,156 | \$10,875 | \$0 | \$5,915 | \$0 | \$0 | \$0 |
| Capital Facility Expense (56885) | \$0 | \$0 | (\$4,149) | (\$7,715) | (\$500) | \$0 | \$0 |
| Total Water Non-Operating Income | \$719,485 | \$959,313 | \$621,464 | \$712,290 | \$806,730 | \$802,848 | \$577,849 |
| Interloan Repymt.from Water to Sewer (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$100,000) |
| Water Net Income (Loss) | \$578,328 | \$771,104 | (\$742,140) | \$459,593 | \$463,430 | \$458,656 | \$916,091 |

| Item & Account Number | <u>2023-2024</u> YTD Mar.2024 | <u>2023-2024</u> TY Projected | <u>2020-2021</u> Actual | <u>2021-2022</u> Actual | <u>2022-2023</u> Actual | <u>2023-2024</u> Budget | <u>2024-2025</u> Budget |
|--|----------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| SEWER FUND | | | | | | | |
| Operating Sewer Revenue | | | | | | | |
| Sewer Service Fees (42351) | \$2,546,204 | \$3,394,939 | \$2,971,700 | \$3,099,878 | \$3,236,621 | \$3,284,888 | \$3,376,361 |
| Misc. Operations (42345) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Sewer Operating Revenue | \$2,546,204 | \$3,394,939 | \$2,971,700 | \$3,099,878 | \$3,236,621 | \$3,284,888 | \$3,376,361 |
| Sewer Operating Expenditures: | | | | | | | |
| Treatment & Disposal (57310) | \$2,186,052 | \$2,914,736 | \$2,372,264 | \$2,442,977 | \$2,911,566 | \$2,715,565 | \$2,706,161 |
| Utilities (57320) | \$106,131 | \$141,508 | \$89,760 | \$99,978 | \$118,703 | \$137,600 | \$174,116 |
| Repair of Pipelines (57340) | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,000 | \$5,000 |
| Repair of Pumps (57350) | \$58,266 | \$77,688 | \$12,147 | \$52,740 | \$40,529 | \$20,000 | \$21,000 |
| Connection Fees (xxxxx) | \$4,270 | \$5,693 | \$0 | \$0 | \$100 | \$0 | \$0 |
| Other Sewer Operating Expenses (57390) | \$46,737 | \$62,316 | \$0 | \$26,550 | \$60,220 | \$46,861 | \$12,437 |
| Total Sewer Operating Expenditures | \$2,401,456 | \$3,201,941 | \$2,474,171 | \$2,622,245 | \$3,131,118 | \$2,925,026 | \$2,918,715 |
| Sewer General & Administrative (G&A): | | | | | | | |
| Sewer Salaries (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$98,263 |
| Sewer Employee Benefits (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,138 |
| Sewer OPEB Prefunding (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Sewer CalPERS (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$31,135 |
| Sewer Payroll Taxes (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,586 |
| Office Supplies & Postage (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,245 |
| Memberships (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$486 |
| Utilities (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Travel & Education (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Telephone/Internt (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,428 |
| GASB75 Contra Exp.(Income) (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water Conservation (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,400 |
| Bldg. & Grounds Maint (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,571 |
| Parking Rental Fees (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,814 |
| Directors Fees (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$4,400 |
| Engineering Svs. (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,880 |
| Accounting Svs (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$32,795 |
| Legal Services (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$15,400 |
| Billing (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,011 |
| Communications (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$24,096 |
| General Election (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000 |
| Insurance (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$59,240 |
| Bad Debts (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,000 |
| Miscellaneous Sewer Expenses (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,531 |
| Banking and Cr.Card Fees (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,650 |
| Total Sewer G&A Operating Expenses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$384,072 |

| Item & Account Number | <u>2023-2024</u> YTD Mar.2024 | <u>2023-2024</u> TY Projected | <u>2020-2021</u> Actual | <u>2021-2022</u> Actual | <u>2022-2023</u> Actual | <u>2023-2024</u> Budget | <u>2024-2025</u> Budget |
|--|----------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Total Sewer Operating Expenses | \$2,401,456 | \$3,201,941 | \$2,474,171 | \$2,622,245 | \$3,131,118 | \$2,925,026 | \$3,302,786 |
| Sewer Operating Income (Loss) Before Depreciaton | \$144,748 | \$192,997 | \$497,529 | \$477,633 | \$105,503 | \$359,862 | \$73,574 |
| Sewer Depreciation Expense (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$66,179 |
| Sewer Operating Income (Loss) | \$144,748 | \$192,997 | \$497,529 | \$477,633 | \$105,503 | \$359,862 | \$7,395 |
| Sewer Non-Operating Income (Expense) | | | | | | | |
| Interest (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$79,424 |
| Taxes & Assessments (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$209,100 |
| Other Income (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bad Debt Recovery (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Insurance Recovery (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cap Facilities Income (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Facility Expense (xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interloan Repymt.to Sewer from Water(xxxxx) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 |
| Total Sewer Non-Operating Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$388,524 |
| GASB 87 Adjustments (Net) | | | | \$21,097 | | | |

| | | | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sewer Net Income (Loss) | \$144,748 | \$192,997 | \$497,529 | \$498,730 | \$105,503 | \$359,862 | \$395,919 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|

| | | | | | | | |
|---------------------------------|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|
| Water and Sewer | | | | | | | |
| Combined Net Income/Loss | \$723,076 | \$964,101 | (\$244,611) | \$958,323 | \$568,933 | \$818,518 | \$1,312,010 |

| | |
|-------------------------------|--------------------|
| Water Capital Projects | \$1,500,000 |
| Sewer Capital Projects | \$1,000,000 |
| Total Capital Projects | \$2,500,000 |

| | | |
|--------------------|--------|--------|
| Month Factor | \$0.75 | |
| Water Sales Factor | \$0.75 | \$0.75 |

| | | | |
|----------------------|--------------|--------------|------|
| Month Factor | 0.75 | Usage Factor | 0.75 |
| Total Revenue | \$ 9,315,743 | | |
| Water Revenue | \$ 5,550,859 | | |
| Sewer Revenue | \$ 3,764,884 | | |

Water and Sewer Revenue

Water Sales (41100)

| | | |
|--|----------------|------------------|
| Current Rate | \$ | 9.04 |
| (SFPUC - \$0.46 increase + WWD \$0.52) | Projected Rate | \$ 10.02 |
| Est Units | | 321,000 |
| Water Sales | \$ | 3,216,420 |
| Meter Charges | \$ | 1,734,190 |
| Fire Detector Check Fees | \$ | 2,400 |
| Sub-Total | \$ | 4,953,010 |

| | | |
|--------------------------------|------|---------------------|
| Water Sales -Water Fund | 100% | \$ 4,953,010 |
| Budget | | \$ 4,953,010 |

| Water Sales | Units |
|--------------------|---------|
| Jul.2022-June 2023 | 334,000 |
| Jul.2021-June 2022 | 338,638 |
| Jul.2020-June 2021 | 370,550 |
| Jul.2019-June 2020 | 363,719 |
| Jul.2018-June 2019 | 365,505 |

| | Dollars | Units |
|------------|--------------|---------|
| Actual YTD | \$ 3,110,332 | |
| Budget | \$ 4,196,733 | 334,000 |
| Proj TY | \$ 4,147,109 | |
| 2022-2023 | \$ 4,011,005 | |
| 2021-2022 | \$ 3,620,708 | |
| 2020-2021 | \$ 2,967,506 | |

Sewer Service Fees (42351)

| | | |
|---|-----------|------------------|
| Current Rate | \$ | 11.86 |
| (NSMCSD - \$0.00 increase + WWD \$0.37) | New Rate | \$ 12.23 |
| Units (Jan-Feb 2024) | = | 46,012 |
| \$12.23 x 46,012 x 6 billings | | \$ 3,376,361 |
| Sub-Total | \$ | 3,376,361 |

| | | |
|--------------------------------------|------|---------------------|
| Sewer Service Fees Sewer Fund | 100% | \$ 3,376,361 |
| Budget | | \$ 3,376,361 |

Base Period for Billing (Jan-Feb) Less Irrigation

| |
|-----------------------------|
| Jan/Feb 2023 usage - 46,162 |
| Jan/Feb 2022 usage - 48,278 |
| Jan/Feb 2021 usage - 50,226 |
| Jan/Feb 2020 usage - 50,811 |
| Jan/Feb 2019 usage - 50,112 |

| | Dollars | Units |
|------------|--------------|--------|
| Actual YTD | \$ 2,546,204 | |
| Budget | \$ 3,284,888 | 46,162 |
| Proj TY | \$ 3,394,939 | |
| 2022-2023 | \$ 3,236,621 | |
| 2021-2022 | \$ 3,099,878 | |
| 2020-2021 | \$ 2,971,700 | |

Interest (49210)

| | | |
|------------------------------------|-----------|----------------|
| Current Reserves - LAIF | \$ | 3,151,735 |
| Current Interest Rate | 4.200% | |
| CD Interest (\$139,946.73 @ 3.55%) | \$ | 9,928 |
| Sub-Total | \$ | 132,373 |

| | | |
|------------------------------|-----|-------------------|
| Interest - Water Fund | 40% | \$ 52,949 |
| Interest - Sewer Fund | 60% | \$ 79,424 |
| Budget | | \$ 132,373 |

| | Dollars |
|------------|---------|
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Misc. Operations Revenue (42345)

| | | |
|---------------------------|-----------|---------------|
| Late & reconnection fees | \$ | 20,000 |
| (for Water Accounts Only) | | |
| Sub-Total | \$ | 20,000 |

| | | |
|--------------------------------------|------|------------------|
| Misc. Operations- Water Fund | 100% | \$ 20,000 |
| Misc. Operations - Sewer Fund | 0% | \$ - |
| Budget | | \$ 20,000 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 17,932 |
| Budget | \$ 19,200 |
| Proj TY | \$ 23,909 |
| 2022-2023 | \$ - |
| 2021-2022 | \$ 12,960 |
| 2020-2021 | \$ 4,227 |

Taxes & Assessments (49300)

| | | |
|--------------------------|-----------|----------------|
| 2024-2025 Property Taxes | \$ | 697,000 |
| Sub-Total | \$ | 697,000 |

| | | |
|---|-----|-------------------|
| Taxes & Assessments-Water Fund | 70% | \$ 487,900 |
| Taxes & Assessments-Sewer Fund | 30% | \$ 209,100 |
| Budget | | \$ 697,000 |

| | Dollars |
|------------|------------|
| Actual YTD | \$565,321 |
| Budget | \$676,549 |
| Proj TY | \$753,761 |
| 2022-2023 | \$ 652,922 |
| 2021-2022 | \$624,157 |
| 2020-2021 | \$ 556,454 |

Rental Income (49910)

| | | | |
|--------------------------|------------------|-----------|---------------|
| | Per month | | |
| Rent from Cellular Tower | \$3,083 | \$ | 37,000 |
| | Sub-Total | \$ | 37,000 |

| | | |
|-----------------------------------|------|------------------|
| Rental Income-Water Fund | 100% | \$ 37,000 |
| Rental Income - Sewer Fund | 0% | \$ - |
| Budget | | \$37,000 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$28,281 |
| Budget | \$36,192 |
| Proj TY | \$37,708 |
| 2022-2023 | \$ 33,408 |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Capital Facilities Income (49800)

| | | | |
|----------------------------------|------------------|----|---|
| Capital Facilities Income | | \$ | - |
| | Sub-Total | \$ | - |
| Capital Fac.- Water Fund | 70% | \$ | - |
| Capital Fac. - Sewer Fund | 30% | \$ | - |
| | Budget | \$ | - |

| | |
|------------|---------|
| | Dollars |
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Other Income (49700)

| | | | |
|----------------------------------|------------------|----|-----|
| Other Income | | \$ | - |
| | Sub-Total | \$ | - |
| Other Income - Water Fund | 70% | \$ | - |
| Other Income - Sewer Fund | 30% | \$ | - |
| | Budget | \$ | \$0 |

Interfund Loan Repayment Income(xxxxx) *Repayment from Water Fund to Sewer Fund*

Interloan Fund Repayment from Water to Sewer Fund \$ 100,000

| | | | |
|--|---------------|----|---------|
| Interfund Loan Repayment Water Fund | 0% | \$ | - |
| Interfund Loan Repayment-Sewer Fund | 100% | \$ | 100,000 |
| | Budget | \$ | 100,000 |

| | |
|------------|---------|
| | Dollars |
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Bad Debt Recovery (49701)

| | | | |
|--------------------------------------|------------------|----|---|
| Bad Debt Recovery | | \$ | - |
| | Sub-Total | \$ | - |
| Bad Debt Recovery- Water Fund | 70% | \$ | - |
| Bad Debt Recovery- Sewer Fund | 30% | \$ | - |
| | Budget | \$ | - |

Total Budget \$ 3,217,576

Water Budget

Water Expenses:

Salaries (51110)

| Position | | Current | Annual |
|---------------------------------|-------|---------|------------|
| Field Supervisor | \$ | 151,946 | \$ 161,063 |
| Sr. Field Worker | \$ | 133,521 | \$ 141,532 |
| Field Worker | \$ | 80,042 | \$ 84,845 |
| Cost of Living | 2.90% | | |
| On-Call Duty | | | \$ 56,984 |
| Incentive Awards/Merit Increase | | | \$ 8,500 |
| Sick Leave - Buy Back | | | \$ 12,000 |

Water Fund 100% Budget \$ 464,924

| | Dollars |
|------------|------------|
| Actual YTD | \$ 332,061 |
| Budget | \$ 440,371 |
| Proj TY | \$ 442,748 |
| 2022-2023 | \$ 406,205 |
| 2021-2022 | \$ 371,286 |
| 2020-2021 | \$ 375,566 |

Salaries Temp (51112)

| | | | |
|---------------------------|----|--------|---|
| Temporary Field Employees | \$ | Annual | - |
|---------------------------|----|--------|---|

Water Fund 100% Budget \$ -

| | Dollars |
|------------|---------|
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Salaries Overtime (51113)

| | | | |
|-------------------|----|--------|-------|
| Emergency Repairs | \$ | Annual | 9,000 |
|-------------------|----|--------|-------|

Water Fund 100% Budget \$ 9,000

| | Dollars |
|------------|----------|
| Actual YTD | \$ 7,098 |
| Budget | \$ 9,000 |
| Proj TY | \$ 9,464 |
| 2022-2023 | \$ 8,241 |
| 2021-2022 | \$ 9,534 |
| 2020-2021 | \$ 8,737 |

Employee CalPERS Benefits (51115)

| | | | | | |
|-------------------------------|----|---------|----|--------|--------|
| Retirement - Classic @ 12.80% | \$ | 302,595 | \$ | Annual | 38,732 |
| Retirement - PEPR @ 7.70% | \$ | 84,845 | \$ | | 6,533 |
| CalPERS - UAL | \$ | 63,561 | \$ | | 24,918 |

Water Fund 100% Budget \$ 70,184

| | Dollars |
|------------|------------|
| Actual YTD | \$ 61,319 |
| Budget | \$ 64,865 |
| Proj TY | \$ 81,759 |
| 2022-2023 | \$ 173,989 |
| 2021-2022 | \$ 55,419 |
| 2020-2021 | \$ 71,828 |

Employee Benefits (51400)

| | Per Mo | # of Employees | Annual |
|--------------------|----------|----------------|-----------|
| Medical | \$ 1,615 | 3 | \$ 58,146 |
| Delta Dental | \$ 103 | 3 | \$ 3,722 |
| Vision | \$ 21 | 3 | \$ 752 |
| Employee Life Ins. | \$ 52 | 3 | \$ 1,888 |

Water Fund 100% Budget \$ 64,508

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 40,086 |
| Budget | \$ 58,458 |
| Proj TY | \$ 53,448 |
| 2022-2023 | \$ 51,746 |
| 2021-2022 | \$ 55,637 |
| 2020-2021 | \$ 51,477 |

Payroll Tax (51410)

| | Budgeted Payroll | Annual |
|-------------------------------|------------------|-----------|
| FICA @ 7.65% | \$ 473,924 | \$ 36,255 |
| Medicare/ No cap 1.45% | \$ 473,924 | \$ 6,872 |
| SUI-Field x 4 employees 1.60% | \$ 7,000 | \$ 448 |

Water Fund 100% Budget \$ 43,575

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 25,552 |
| Budget | \$ 34,825 |
| Proj TY | \$ 34,069 |
| 2022-2023 | \$ 31,258 |
| 2021-2022 | \$ 28,653 |
| 2020-2021 | \$ 27,663 |

Employee OPEB Benefits (51450)

| | | | |
|--|----|----------|-----------|
| <i>Note: Field Share of Contribution is:</i> | | 37.46% | Annual |
| ADC-Actuarial Determined Contribution | \$ | 39,715 | \$ 14,877 |
| Less Retiree Medical Payments Made | \$ | (21,409) | (\$8,020) |
| Less Implied Subsidy | \$ | (19,000) | (\$7,117) |
| Net OPEB Due | \$ | (694) | \$ (260) |

Net Employee OPEB Benefits \$0
(If Net OPEB Due is less than zero; than use zero)

Water Fund 100% **Budget \$ -**

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 3,587 |
| Budget | \$ 2,808 |
| Proj TY | \$ 4,783 |
| 2022-2023 | \$ 18,131 |
| 2021-2022 | \$ 7,748 |
| 2020-2021 | \$ 16,435 |

Utilities (51130)

| | | |
|---------------|-------------|------------|
| | Average Mo. | Total |
| PG&E | | \$ 202,844 |
| Main PS | \$ 15,406 | |
| Skyline | \$ 1,498 | |
| Christen Hill | \$ 61 | \$ 835 |

(District's share of electrical cost)

Water Fund 100% **Budget \$ 203,679**

| | |
|------------|------------|
| | Dollars |
| Actual YTD | \$ 129,698 |
| Budget | \$ 162,716 |
| Proj TY | \$ 172,931 |
| 2022-2023 | \$ 154,843 |
| 2021-2022 | \$ 143,292 |
| 2020-2021 | \$ 126,362 |

Supplies/Small Tools (51140)

| | |
|--------------------------|--------|
| Supplies and Small Tools | Annual |
| \$ | 15,000 |

Water Fund 100% **Budget \$ 15,000**

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 11,224 |
| Budget | \$ 15,000 |
| Proj TY | \$ 14,965 |
| 2022-2023 | \$ 13,047 |
| 2021-2022 | \$ 11,862 |
| 2020-2021 | \$ 14,504 |

Special Services (51150)

| | |
|---|-----------|
| | Annual |
| Lead/Copper Testing (every 3 yrs.) | \$ - |
| Bacteria Test (\$120 per week x 52) | \$ 6,240 |
| SFWD THM Test (\$1,420 per qtr. x 4) | \$ 5,680 |
| UCMR5 Testing (every 5 yrs.; split in two fy) | \$ 1,250 |
| Cross Connection Fee | \$ 20,916 |
| Dept Health Fee (Water System Fees) | \$ 26,153 |
| Tanks Cathodic Protection (\$1,090 per tank per year) | \$ 3,270 |
| BAWSCA Water Loss Program | \$ 37,100 |
| AWSDA Program | \$ 10,450 |
| Volvo Generator Permit | \$ 1,336 |
| Misc. Special Services Expenses | \$ 4,000 |

Water Fund 100% **Budget \$116,394**

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 72,795 |
| Budget | \$ 91,717 |
| Proj TY | \$ 97,060 |
| 2022-2023 | \$ 68,394 |
| 2021-2022 | \$ 49,868 |
| 2020-2021 | \$ 55,257 |

Vehicle Expense (51170)

| | |
|-------------------------|-----------|
| | Annual |
| Gas Purchases | \$ 15,000 |
| Maintenance of Vehicles | \$ 10,000 |
| Maintenance of VacCon | \$ 10,000 |

Water Fund 100% **Budget \$ 35,000**

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 24,582 |
| Budget | \$ 35,000 |
| Proj TY | \$ 32,776 |
| 2022-2023 | \$ 48,944 |
| 2021-2022 | \$ 45,387 |
| 2020-2021 | \$ 15,503 |

Maintenance of System (51200)

| | |
|-----------------------------|-----------|
| | Annual |
| System Repairs | \$ 52,000 |
| Encroachment Permits | \$ 2,500 |
| XiO Communication Scada Sys | \$ 8,400 |

Water Fund 100% Budget **\$ 62,900**

| | |
|------------|------------|
| | Dollars |
| Actual YTD | \$ 64,345 |
| Budget | \$ 59,905 |
| Proj TY | \$ 85,793 |
| 2022-2023 | \$ 63,574 |
| 2021-2022 | \$ 232,843 |
| 2020-2021 | \$ 63,357 |

**Note: 2 transmission line breaks*

Water Purchases (51300)

| | | | |
|-----------------------|----------------|-----------|---------------------------|
| Current rate | \$ | 5.21 | |
| New Rate | \$ | 5.67 | (SFPUC - \$0.46 increase) |
| Estimated Purchase in | Units | 330,000 | Annual \$ 1,871,100 |
| | Meter Charge | \$ 1,438 | \$ 17,256 |
| | Bond Surcharge | \$ 10,886 | \$ 130,632 |

Water Fund 100% Budget **\$ 2,018,988**

Actual purchases

| | | |
|----------------------|---------|-------|
| FY 23/24 (11 months) | 301,497 | Units |
| FY 23/24 Proj TY | 328,906 | Units |
| FY 22/23 | 340,055 | Units |
| FY 21/22 | 332,197 | Units |
| FY 20/21 | 382,590 | Units |

Notes:
11,916 to NCCWD
26,041 from NCCWD

| | |
|------------|--------------|
| | Dollars |
| Actual YTD | \$ 1,331,840 |
| Budget | \$ 1,906,743 |
| Proj TY | \$ 1,775,787 |
| 2022-2023 | \$ 1,734,787 |
| 2021-2022 | \$ 1,536,804 |
| 2020-2021 | \$ 1,719,047 |

Technical Communications (51860)

| | | |
|---------------------------------|---------|----------|
| | Monthly | Annual |
| Cell Phone (6) and Hot Spot (1) | \$ | 4,234 |
| U.S.A. Service | \$ | 900 |
| Answering Service | \$ | 4,410 |
| AT&T Lines - Skyline | \$ 308 | \$ 3,881 |

Water Fund 100% Budget **\$ 13,424**

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 7,120 |
| Budget | \$ 11,260 |
| Proj TY | \$ 9,493 |
| 2022-2023 | \$ 9,620 |
| 2021-2022 | \$ 8,020 |
| 2020-2021 | \$ 6,589 |

Sewer Fund Loan Repayment

| | |
|---------------------------|------------|
| Sewer Fund Loan Repayment | Annual |
| | \$ 100,000 |

Water Fund 100% Budget **\$ 100,000**

| | |
|------------|---------|
| | Dollars |
| Actual YTD | \$ - |
| 59,240 | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

| | | |
|-------------------|----|-----------|
| Total Budget | \$ | 1,526,170 |
| Water Fund Budget | \$ | 1,142,098 |
| Sewer Fund Budget | \$ | 384,072 |

General and Administrative Expenses: Water and Sewer

Salaries (56110)

| Position | Current | Annual |
|--|------------|-------------------|
| GM Salary | \$280,679 | \$ 288,819 |
| GM Car Allowance | \$ 6,000 | \$ 6,000 |
| GM Salary Sub-Total | | \$ 294,819 |
| Office Supervisor | \$ 137,376 | \$ 145,619 |
| Operations Assistant | \$ 97,308 | \$ 103,146 |
| Admin Salaries Sub-Total | | \$ 248,765 |
| Cost of living 2.90% | | |
| Incentive awards/Merit Increase | | \$ 10,000 |
| Sick Leave - Buy Out | | \$ 22,000 |
| Admin Sub-Total | | \$ 280,765 |
| Total Salaries | | \$ 575,584 |
| Salary - Water Fund (Admin) | 100% | \$ 280,765 |
| Salary - Water Fund (GM Salary) | 66.67% | \$ 196,556 |
| Salary - Sewer Fund (GM Salary) | 33.33% | \$ 98,263 |
| Budget | | \$ 575,584 |

| | Dollars |
|------------|------------|
| Actual YTD | \$ 401,301 |
| Budget | \$ 532,572 |
| Proj TY | \$ 535,068 |
| 2022-2023 | \$ 480,150 |
| 2021-2022 | \$ 421,450 |
| 2020-2021 | \$ 614,825 |

Salaries Temp (56112)

| Temporary Office Employees | Annual |
|----------------------------------|-----------------|
| | \$ 2,000 |
| Salaries Temp- Water Fund | 100% |
| Budget | \$ 2,000 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 749 |
| Budget | \$ 2,000 |
| Proj TY | \$ 999 |
| 2022-2023 | \$ 1,967 |
| 2021-2022 | \$ 29,758 |
| 2020-2021 | \$ 4,560 |

Salaries Overtime (56113)

| Overtime | Annual |
|--------------------------------|-----------------|
| | \$ 2,000 |
| Salaries OT- Water Fund | 100% |
| Budget | \$ 2,000 |

| | Dollars |
|------------|----------|
| Actual YTD | \$ - |
| Budget | \$ 1,500 |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ 1,588 |

Employee CalPERS Benefits (56115)

| | % Contribution | Budgeted Payroll | Annual |
|-------------------------------------|----------------|------------------|-------------------|
| Retirement - Classic @ | 12.88% | \$ 288,819 | \$ 37,200 |
| Retirement - PEPRA @ | 7.87% | \$ 248,765 | \$ 19,578 |
| CalPERS - UAL (Classic) | 62.54% | \$ 89,886 | \$ 56,215 |
| CalPERS - PEPRA | 62.54% | \$ 915 | \$ 572 |
| Total Benefits | | | \$ 113,565 |
| CalPERS - Water Fund (Admin) | 100% | | \$ 20,150 |
| CalPERS - Water Fund (GM) | 66.67% | | \$ 62,279 |
| CalPERS - Sewer Fund (GM) | 33.33% | | \$ 31,135 |
| Budget | | | \$ 113,565 |

| | Dollars |
|------------|-------------|
| Actual YTD | \$ 68,521 |
| Budget | \$ 90,396 |
| Proj TY | \$ 91,361 |
| 2022-2023 | \$ 222,010 |
| 2021-2022 | \$ (76,790) |
| 2020-2021 | \$ 134,070 |

Employee OPEB Benefits (56450)

| | | |
|--|----------------|-----------------|
| Note: Field Share of Contribution is: | 62.54% | Annual |
| Pre-Funding Retiree Health Benefits | \$39,715 | \$ 24,838 |
| Less Retiree Medical Payments Made | \$ (21,409) | \$ (13,389) |
| Less Implied Subsidy | \$ (19,000) | \$ (11,883) |
| Net OPEB Due | (\$694) | \$ (434) |
| Net Employee OPEB Benefits | \$ | - |
| (If Net OPEB Due is less than zero, than use zero) | | |
| CalPERS - Water Fund (Admin) | 72% | \$ - |
| CalPERS - Water Fund (GM) | 18.67% | \$ - |
| CalPERS - Sewer Fund (GM) | 9.33% | \$ - |
| Budget | | \$ - |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 5,381 |
| Budget | \$ 4,689 |
| Proj TY | \$ 7,175 |
| 2022-2023 | \$ 27,197 |
| 2021-2022 | \$ 11,623 |
| 2020-2021 | \$ 24,653 |

Employee Benefits (56400)

| | Per month | Number of Employees | Annual |
|---------------------------------|-----------|---------------------|------------------|
| Medical - GM | \$ 2,074 | 1 | \$ 24,882 |
| Dental - GM | \$ 103 | 1 | \$ 1,241 |
| Vision - GM | \$ 21 | 1 | \$ 251 |
| Life Insurance-GM | \$ 87 | 1 | \$ 1,043 |
| GM Benefits Sub-Total | | | \$ 27,416 |
| Medical - Admin | \$ 2,721 | 2 | \$ 65,300 |
| Dental Admin | \$ 180 | 2 | \$ 4,330 |
| Vision - Admin | \$ 21 | 2 | \$ 502 |
| Life Insurance-Admin | \$ 48 | 2 | \$ 1,162 |
| Directors Life Ins. | \$ 12 | 5 | \$ 720 |
| Retiree Medical | \$ 2,070 | 1 | \$ 24,842 |
| Admin Benefits Sub-Total | | | \$ 96,856 |

Total Benefits \$ 124,272

| | | |
|--------------------------------------|--------|-------------------|
| Benefits - Water Fund (Admin) | 100% | \$ 96,856 |
| Benefits - Water Fund (GM) | 66.67% | \$ 18,279 |
| Benefits - Sewer Fund (GM) | 33.33% | \$ 9,138 |
| Budget | | \$ 124,272 |

| | Dollars |
|------------|------------|
| Actual YTD | \$ 84,941 |
| Budget | \$ 116,705 |
| Proj TY | \$ 113,255 |
| 2022-2023 | \$ 106,156 |
| 2021-2022 | \$ 108,421 |
| 2020-2021 | \$ 72,492 |

Payroll Tax (56410)

| | Budgeted Payroll | Annual |
|-----------------------------|------------------|------------------|
| FICA-GM | 7.65% \$ 294,819 | \$ 22,554 |
| FICA-GM Buyout | 7.65% \$ 20,000 | \$ 1,530 |
| Medicare-GM (No cap) | 1.45% \$ 294,819 | \$ 4,275 |
| Medicare-GM Buyout (No cap) | 1.45% \$ 20,000 | \$ 290 |
| SUI -GM (\$7,000 cap) | 1.60% \$ 7,000 | \$ 112 |
| GM Taxes Sub-Total | | \$ 28,761 |

| | | |
|--------------------------------|------------------|------------------|
| FICA-Admin | 7.65% \$ 248,765 | \$ 19,031 |
| FICA-Admin. Directors | 7.65% \$ 12,300 | \$ 941 |
| FICA-Admin. Buyout | 7.65% \$ 2,000 | \$ 153 |
| Medicare-Admin (No cap) | 1.45% \$ 248,765 | \$ 3,607 |
| Medicare-Directors (No cap) | 1.45% \$ 12,300 | \$ 178 |
| Medicare-Admin.Buyout (No cap) | 1.45% \$ 20,000 | \$ 290 |
| SUI-Admin. x 2 employees | 1.60% \$ 7,000 | \$ 224 |
| SUI-Admin x 5 directors | 1.60% \$ 7,000 | \$ 560 |
| Admin Taxes Sub-Total | | \$ 24,984 |

Total Payroll Taxes \$ 53,744

| | | |
|--|--------|------------------|
| Payroll Tax- Water Fund (Admin) | 100% | \$ 24,984 |
| Payroll Tax - Water Fund (GM) | 66.67% | \$ 19,175 |
| Payroll Tax - Sewer Fund (GM) | 33.33% | \$ 9,586 |
| Budget | | \$ 53,744 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 24,341 |
| Budget | \$ 42,770 |
| Proj TY | \$ 32,455 |
| 2022-2023 | \$ 16,212 |
| 2021-2022 | \$ 32,416 |
| 2020-2021 | \$ 36,609 |

Office Supplies (56210)

| | Annual |
|------------------------------|----------|
| Copier Maintenance Agreement | \$ 2,376 |
| Printer Toners | \$ 3,000 |
| Postage Meter Rental | \$ 755 |
| Postage for Meter | \$ 2,000 |
| Office Supplies | \$ 2,500 |
| Year-end Forms | \$ 500 |
| P.O. Box Fee | \$ 520 |
| Payroll and Vendor Checks | \$ 1,000 |
| Miscellaneous Supplies | \$ 1,500 |

Total Office Supplies (Water & Sewer) \$ 14,151

| | | |
|-------------------------------------|-----|------------------|
| Office Supplies - Water Fund | 70% | \$ 9,905 |
| Office Supplies - Sewer Fund | 30% | \$ 4,245 |
| Budget | | \$ 14,151 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 8,328 |
| Budget | \$ 14,151 |
| Proj TY | \$ 11,104 |
| 2022-2023 | \$ 14,151 |
| 2021-2022 | \$ 16,921 |
| 2020-2021 | \$ 7,706 |

Memberships (56230)

| | Annual |
|---|------------------|
| SSF Chamber of Commerce | \$ 280 |
| Costco | \$ 240 |
| SMC CSDA | \$ 100 |
| Miscellaneous | \$ 1,000 |
| Memberships Subtotal (Water & Sewer) | \$ 1,620 |
| BAWSCA Assessment | \$ 30,504 |
| A.C.W.A. | \$ 19,080 |
| Memberships Subtotal (Water Only) | \$ 49,584 |

Total Memberships \$ 51,204

| | | |
|---------------------------------|-----|------------------|
| Memberships- Water Fund | 70% | \$ 50,718 |
| Memberships - Sewer Fund | 30% | \$ 486 |
| Budget | | \$ 51,204 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 39,630 |
| Budget | \$ 48,129 |
| Proj TY | \$ 52,840 |
| 2022-2023 | \$ 50,568 |
| 2021-2022 | \$ 56,467 |
| 2020-2021 | \$ 44,657 |

Travel and Education (56250)

| | | Annual |
|---|----|--------|
| ACWA Spring and Fall Conferences - Registration | \$ | 3,586 |
| ACWA Spring and Fall Conferences - Housing | \$ | 7,040 |
| Region 5 x 4 /accomodation, meals | \$ | - |
| State Legislator Conf (Sacramento) | \$ | - |
| Staff Attendance to Training Conferences | \$ | 1,000 |
| Staff Continuing Ed & Seminars | \$ | 2,000 |
| CSDA Meetings | \$ | 100 |
| Miscellaneous | \$ | 1,000 |

Total Travel & Education \$ 14,726

| | | |
|--|------|------------------|
| Travel & Education- Water Fund | 100% | \$ 14,726 |
| Travel & Education - Sewer Fund | 0% | \$ - |
| Budget | | \$ 14,726 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 4,588 |
| Budget | \$ 13,626 |
| Proj TY | \$ 6,117 |
| 2022-2023 | \$ 6,884 |
| 2021-2022 | \$ 2,927 |
| 2020-2021 | \$ 1,664 |

Utilities (56280)

| | Monthly | Annual |
|-------------------------|---------|----------|
| PG&E | \$ 124 | \$ 1,492 |
| Main Office - Gas Meter | | |

Total Utilities \$ 1,492

| | | |
|-------------------------------|------|-----------------|
| Utilities- Water Fund | 100% | \$ 1,492 |
| Utilities - Sewer Fund | 0% | \$ - |
| Budget | | \$ 1,492 |

| | Dollars |
|------------|----------|
| Actual YTD | \$ 725 |
| Budget | \$ 1,559 |
| Proj TY | \$ 967 |
| 2022-2023 | \$ 1,208 |
| 2021-2022 | \$ 915 |
| 2020-2021 | \$ 696 |

Telephone/Internet (56290)

| | Per month | Annual |
|------------------------------|-----------|----------|
| Comcast - Phone and Internet | \$ 378 | \$ 4,761 |

Total Telephone/Internet \$ 4,761

| | | |
|--|-----|-----------------|
| Telephone/Internet - Water Fund | 70% | \$ 3,333 |
| Telephone/Internet - Sewer Fund | 30% | \$ 1,428 |
| Budget | | \$ 4,761 |

| | Dollars |
|------------|----------|
| Actual YTD | \$ 3,297 |
| Budget | \$ 4,534 |
| Proj TY | \$ 4,396 |
| 2022-2023 | \$ 3,636 |
| 2021-2022 | \$ 7,643 |
| 2020-2021 | \$ 7,365 |

Water Conservation (56500)

| | Annual |
|-------------------------------|----------|
| Water Conservation items | \$ 4,000 |
| Toilet/Washing Rebate Program | \$ 4,000 |

Total Water Conservation \$ 8,000

| | | |
|--|-----|-----------------|
| Water Conservation-Water Fund | 70% | \$ 5,600 |
| Water Conservation - Sewer Fund | 30% | \$ 2,400 |
| Budget | | \$ 8,000 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 1,284 |
| Budget | \$ 10,000 |
| Proj TY | \$ 1,712 |
| 2022-2023 | \$ 12,224 |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Buildings and Grounds Maint (56700)

| | Per month | Annual |
|--|-----------|------------------|
| Alarm Monitoring - Office: Burglar and Fire | \$ 421 | \$ 5,557 |
| Alarm Maintenance | | \$ 400 |
| SSF Scavenger | \$ 121 | \$ 1,449 |
| Fire Extinguishers Annual Maint. | | \$ 499 |
| Supplies/Equipment Maintenance | | \$ 2,500 |
| Miscellaneous | | \$ 1,500 |
| Bldg. & Grounds Maint. Subtotal (Water & Sewer) | | \$ 11,905 |

| | | |
|---|--------|-----------------|
| Alarm Monitoring - Skyline | \$ 519 | \$ 6,230 |
| Porta-Potty - Skyline Tank Site | \$ 166 | \$ 1,993 |
| Skyline Tank Site Gate Maint. | | \$ 500 |
| Bldg. & Grounds Maint. Subtotal (Water Only) | | \$ 8,724 |

Total Building & Grounds Maint. \$ 20,629

| | | |
|--|-----|------------------|
| Bdg. & Grounds Maint.- Water Fund | 70% | \$ 17,057 |
| Bldg. & Grounds Maint. - Sewer Fund | 30% | \$ 3,571 |
| Budget | | \$ 20,629 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 6,975 |
| Budget | \$ 14,180 |
| Proj TY | \$ 9,300 |
| 2022-2023 | \$ 15,558 |
| 2021-2022 | \$ 8,461 |
| 2020-2021 | \$ 9,045 |

Parking Rentals (56750)

| | Per month | Annual |
|---------------------------------|-----------|----------|
| Colina Parking: 3 parking spots | \$ 168 | \$ 6,048 |

Total Parking Rentals \$ 6,048

| | | |
|-------------------------------------|-----|-----------------|
| Parking Rentals - Water Fund | 70% | \$ 4,234 |
| Parking Rentals - Sewer Fund | 30% | \$ 1,814 |
| Budget | | \$ 6,048 |

| | Dollars |
|------------|----------|
| Actual YTD | \$ 4,050 |
| Budget | \$ 5,760 |
| Proj TY | \$ 5,400 |
| 2022-2023 | \$ 5,400 |
| 2021-2022 | \$ 5,400 |
| 2020-2021 | \$ 5,400 |

Directors' Fees (56810)

| | | | |
|---|------------|----|---------------|
| Regular Meetings | | \$ | 6,000 |
| Committee Mtgs. | | \$ | 1,800 |
| Special Meetings | | \$ | 1,000 |
| Directors' Fees Sub-Total (Water & Sewer) | 50% & 50% | \$ | 8,800 |
| ACWA Spring | | \$ | 1,000 |
| ACWA Fall | | \$ | 1,000 |
| SMC CSDA | | \$ | 800 |
| Region 5 mtg | | \$ | 500 |
| Suburban Tour | | \$ | 200 |
| Directors' Fees Total Directors' Fees (Water Only) | 100% | \$ | 3,500 |
| Total Directors' Fees | | \$ | 12,300 |
| Directors' Fees - Water Fund | 50% & 100% | \$ | 7,900 |
| Directors' Fees - Sewer Fund | 50% | \$ | 4,400 |
| Budget | | \$ | 12,300 |

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 5,900 |
| Budget | \$ 11,300 |
| Proj TY | \$ 7,867 |
| 2022-2023 | \$ 11,800 |
| 2021-2022 | \$ 7,500 |
| 2020-2021 | \$ 7,400 |

Engineering Services (56830)

| | | | |
|---|------------|----|---------------|
| Misc. Engineering Projects | | \$ | 38,500 |
| Engineering Services Sub-Total (Water & Sewer) | 50% & 50% | \$ | 38,500 |
| Water System Map Update | | \$ | 25,935 |
| Update Standard Plans and Specifications | | \$ | - |
| Engineering Services Sub-Total (Water Only) | 100% | \$ | 25,935 |
| Sewer System Map Update | | \$ | 21,630 |
| Engineering Services Sub-Total (Sewer Only) | 100% | \$ | 21,630 |
| Total Engineering Services | | \$ | 86,065 |
| Engineering - Water Fund | 50% & 100% | \$ | 45,185 |
| Engineering - Sewer Fund | 50% & 100% | \$ | 40,880 |
| Budget | | \$ | 86,065 |

| | |
|------------|--|
| | Dollars |
| Actual YTD | \$ 12,290 |
| Budget | \$ 55,000 |
| Proj TY | \$ 16,387 |
| 2022-2023 | \$ 65,440 |
| 2021-2022 | \$ 96,201 |
| 2020-2021 | \$ 193,765 *14" Main Transmission Line Break |

Accounting Services (56840)

| | | | |
|---|-----------|-----------|---------------|
| | | Per month | Annual |
| Accountant | | \$ 2,575 | \$ 30,900 |
| Auditing Services | \$ 27,040 | \$ | \$ 27,040 |
| Misc. CWS (Programming) | | \$ | \$ 2,000 |
| OPEB Actuarial -ADC | | \$ | \$ 3,400 |
| OPEB Actuarial - GASB75 | | \$ | \$ 2,250 |
| Total Directors' Fees | | \$ | 65,590 |
| Accountant Services - Water Fund | 50% | \$ | 32,795 |
| Accountant Services - Sewer Fund | 50% | \$ | 32,795 |
| Budget | | \$ | 65,590 |

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 22,353 |
| Budget | \$ 37,960 |
| Proj TY | \$ 29,804 |
| 2022-2023 | \$ 35,200 |
| 2021-2022 | \$ 53,109 |
| 2020-2021 | \$ 35,908 |

Legal Services (56841)

| | | | |
|------------------------------------|-----|-----------|---------------|
| | | Per month | Annual |
| Monthly Retainer | | \$900 | \$ 10,800 |
| Miscellaneous Legal Matters | | \$ | \$ 20,000 |
| Total Legal Services | | \$ | 30,800 |
| Legal Services - Water Fund | 50% | \$ | 15,400 |
| Legal Services - Sewer Fund | 50% | \$ | 15,400 |
| Budget | | \$ | 30,800 |

| | |
|------------|-----------|
| | Dollars |
| Actual YTD | \$ 14,033 |
| Budget | \$ 25,400 |
| Proj TY | \$ 18,711 |
| 2022-2023 | \$ 30,663 |
| 2021-2022 | \$ 48,592 |
| 2020-2021 | \$ 31,100 |

Billing (56850)

| | | Annual |
|--|--------|-----------|
| Billing Forms and Envelopes | \$ | 9,000 |
| Postage for Bills | \$ | 14,339 |
| Stuffing and Mailing Bills (6 x \$630) | \$ | 3,780 |
| Reminder Notices and Envelopes | \$ | 2,200 |
| Postage for Reminders | \$ | 1,424 |
| Other Printed Materials | \$ | 400 |
| Misc. Supplies | \$ | 1,500 |
| Billing Software Maintenance (4 x \$2,890) | \$ | 11,561 |
| Hardware Maintenance | \$ | 1,000 |
| Envelope Stuffer Maintenance | \$ | 1,600 |
| Check Endorser Maint. Agreement | \$ | 400 |
| Hand Held Sensus Support | \$ | 3,000 |
| Other Software | \$ | 1,500 |
| IT Support - Selerum | \$ | 5,000 |
| | | |
| Total Billing | \$ | 56,703 |
| | | |
| Billing - Water Fund | 70% | \$ 39,692 |
| Billing - Sewer Fund | 30% | \$ 17,011 |
| | Budget | \$ 56,703 |

Communications (56860)

| | | | |
|---|-----------|-----------|---------------|
| | | Per month | Annual |
| Newsletters (3x\$2000) | | \$ | 6,000 |
| Postage for Newsletters | | \$ | 4,759 |
| Prop. 218 Notice | | \$ | 3,943 |
| Prop. 218 Notice Mailing | | \$ | 3,570 |
| Public Hearing Ads & Ordinances | | \$ | 1,000 |
| Internet Service (\$65x6x12) | | \$ | 4,680 |
| Website Hosting | | \$ | 3,000 |
| GoDaddy - Licenses | | \$ | 1,000 |
| Zoom (\$17.99 per month) | \$ 18 | \$ | 216 |
| Miscellaneous | | \$ | 3,000 |
| Communications Sub-Total (Water & Sewer) | 50% & 50% | \$ | 31,167 |
| Annual Sewer Postcard | | \$ | 1,000 |
| Annual Sewer Postcard Mailing | | \$ | 1,990 |
| Baner Permit - Sewer Conservation Period | | \$ | 350 |
| SMC Sewer Parcels File | | \$ | 417 |
| CWS Programming Sewer File | | \$ | 500 |
| Communications Subtotal (Sewer Only) | 100% | \$ | 8,513 |
| Water Quality Report | | \$ | 1,575 |
| Water Quality Report Translations | | \$ | 3,090 |
| Water Quality Report Postage | | \$ | 1,828 |
| Water Conservation Banner - Permit | | \$ | 350 |
| Communications Subtotal (Water Only) | 100% | \$ | 6,843 |
| Total Communications | | \$ | 46,523 |
| Communications - Water Fund | 50% & 50% | \$ | 22,427 |
| Communications - Sewer Fund | 50% & 50% | \$ | 24,096 |
| Budget | | \$ | 46,523 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 43,954 |
| Budget | \$ 55,347 |
| Proj TY | \$ 58,605 |
| 2022-2023 | \$ 39,866 |
| 2021-2022 | \$ 50,312 |
| 2020-2021 | \$ 51,771 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 7,960 |
| Budget | \$ 28,633 |
| Proj TY | \$ 10,613 |
| 2022-2023 | \$ 31,864 |
| 2021-2022 | \$ 33,337 |
| 2020-2021 | \$ 30,207 |

General Election (56865)

| | | | |
|-------------------------------|----|--------|--------|
| Annual District Election | \$ | Annual | 28,000 |
| (3 Directors up for Election) | | | |

Total General Election \$ 28,000

| | | |
|-------------------------------|-----|------------------|
| General Election - Water Fund | 50% | \$ 14,000 |
| General Election - Sewer Fund | 50% | \$ 14,000 |
| Budget | | \$ 28,000 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ 2,685 |
| 2021-2022 | \$ 32,000 |
| 2020-2021 | \$ - |

Insurance (56870)

| | | | |
|----------------------------|----|--------|--------|
| Workers Compensation | \$ | Annual | 11,760 |
| Property Insurance | \$ | | 30,556 |
| Auto and General Liability | \$ | | 76,165 |
| Less Refund - Adj. | | | |
| Rate stabilization fund | | | |

Total Insurance \$ 118,481

| | | |
|------------------------|-----|-------------------|
| Insurance - Water Fund | 50% | \$ 59,240 |
| Insurance - Sewer Fund | 50% | \$ 59,240 |
| Budget | | \$ 118,481 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 60,546 |
| Budget | \$ 78,777 |
| Proj TY | \$ 80,728 |
| 2022-2023 | \$ 59,658 |
| 2021-2022 | \$ 75,445 |
| 2020-2021 | \$ 63,977 |

Banking and Credit Card Fees (56875)

| | | | |
|----------------------------|----|--------|--------|
| TCB Bank Fees | \$ | Annual | 1,500 |
| TCB Credit Card Fees | \$ | | 5,000 |
| CWS Online Processing Fees | \$ | | 60,000 |

Total Banking and Credit Card Fees \$ 66,500

| | | |
|---|-----|------------------|
| Banking & Credit Card Fees - Water Fund | 90% | \$ 59,850 |
| Banking & Credit Card Fees - Sewer Fund | 10% | \$ 6,650 |
| Budget | | \$ 66,500 |

| | Dollars |
|------------|-----------|
| Actual YTD | \$ 46,895 |
| Budget | \$ 55,000 |
| Proj TY | \$ 62,527 |
| 2022-2023 | \$ 64,403 |
| 2021-2022 | \$ 20,034 |
| 2020-2021 | \$ 38,320 |

Bad Debt (56880)

| | | | |
|-----------------------|----|--------|-------|
| Bad Debts Written Off | \$ | Annual | 2,000 |
|-----------------------|----|--------|-------|

Total Bad Debt \$ 2,000

| | | |
|-----------------------|-----|-----------------|
| Bad Debt - Water Fund | 50% | \$ 1,000 |
| Bad Debt - Sewer Fund | 50% | \$ 1,000 |
| Budget | | \$ 2,000 |

| | Dollars |
|------------|----------|
| Actual YTD | \$ - |
| Budget | \$ 2,000 |
| Proj TY | \$ - |
| 2022-2023 | \$ 85 |
| 2021-2022 | \$ 156 |
| 2020-2021 | \$ - |

Miscellaneous (56890)

| | | | |
|-----------------------------------|-----------|--------|--------|
| Employee Appreciation/Recruitment | \$ | Annual | 1,200 |
| Misc. Petty Cash | \$ | | 3,000 |
| Rate Study | \$ | | 7,988 |
| Other Misc. | \$ | | 1,000 |
| Miscellaneous Expenses Sub-Total | 70% Water | \$ | 13,188 |
| (Water & Sewer) | | | |
| | 30% Sewer | | |

| | | |
|----------------------------------|------|----------|
| Property Tax (Skyline Tank Site) | \$ | 2,370 |
| LAFCO Assessment - Water | \$ | 2,900 |
| Miscellaneous Expenses Sub-Total | 100% | \$ 5,270 |
| (Water Only) | | |

| | | |
|----------------------------------|------|----------|
| LAFCO Assessment - Sewer | \$ | 2,575 |
| Miscellaneous Expenses Sub-Total | 100% | \$ 2,575 |
| (Sewer Only) | | |

Total Miscellaneous Expenses \$ 21,033

| | | |
|-------------------------------------|------------|------------------|
| Miscellaneous Expenses - Water Fund | 70W & 30S% | \$ 14,502 |
| Miscellaneous Expenses - Sewer Fund | 70W & 30S% | \$ 6,531 |
| Budget | | \$ 21,033 |

| | |
|------------|-----------|
| Actual YTD | \$ 34,035 |
| Budget | \$ 50,470 |
| Proj TY | \$ 45,380 |
| 2022-2023 | \$ 5,512 |
| 2021-2022 | \$ 9,969 |
| 2020-2021 | \$ 36,421 |

Total Budget \$ 2,918,715

Sewer Budget

Sewer Expenses:

Treatment (57320)

| Billing Period | Annual Usage | |
|---|--------------|--|
| Jan/Feb'24 Flow = 46,012 | 276,072 | |
| Less Adj. Granted 13 | 79 | |
| Per Unit Charge x 6 billing periods \$ 9.83 | \$ 2,713,011 | |
| Less WWD Reimbursable charges | \$ (20,000) | |
| County Collection Fee (3,795 x \$1.35) | \$ 5,000 | |
| County Administrative Fee | \$ 3,530 | |
| SWRCB Annual Permit | \$ 4,620 | |

Sewer Fund 100% Budget \$ 2,706,161

| Dollars | |
|------------|--------------|
| Actual YTD | \$ 2,186,052 |
| Budget | \$ 2,715,565 |
| Proj TY | \$ 2,914,736 |
| 2022-2023 | \$ 2,911,566 |
| 2021-2022 | \$ 2,442,977 |
| 2020-2021 | \$ 2,372,264 |

Utilities (57330)

| Dollars | Average Mo. | Total |
|-------------------|-------------|------------|
| PG&E: | | \$ 164,036 |
| Avalon LS | \$ 633 | |
| Rowntree LS | \$ 8,115 | |
| Westborough LS | \$ 4,923 | |
| AT&T Dialer Lines | \$ 840 | \$ 10,080 |
| 3 each at \$280 | | |

Sewer Fund 100% Budget \$ 174,116

| Dollars | |
|------------|------------|
| Actual YTD | \$ 106,131 |
| Budget | \$ 137,600 |
| Proj TY | \$ 141,508 |
| 2022-2023 | \$ 118,703 |
| 2021-2022 | \$ 99,978 |
| 2020-2021 | \$ 89,760 |

Repair of Pipelines (57340)

| | | |
|---------------------|----------|--------|
| Repair of Pipelines | \$ 5,000 | Annual |
|---------------------|----------|--------|

Sewer Fund 100% Budget \$ 5,000

| Dollars | |
|------------|----------|
| Actual YTD | \$ - |
| Budget | \$ 5,000 |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

Repair of Pumps (57350)

| | | |
|-----------------|-----------|--------|
| Repair of Pumps | \$ 21,000 | Annual |
|-----------------|-----------|--------|

Sewer Fund 100% Budget \$ 21,000

| Dollars | |
|------------|-----------|
| Actual YTD | \$ 58,266 |
| Budget | \$ 15,000 |
| Proj TY | \$ 77,688 |
| 2022-2023 | \$ 40,529 |
| 2021-2022 | \$ 52,740 |
| 2020-2021 | \$ 12,147 |

Other Sewer Operating Expenses (xxxxx)

| | Total |
|--|----------|
| Generator Permits (3 @ \$525) | \$ 1,622 |
| SWRB Sewer System Fees | \$ 3,605 |
| SSMP (every 3 yrs.) | \$ - |
| SERP (Spill Emergency Response Plan - replaces OERP) | \$ - |
| Misc. Other Sewer Operating Expenses | \$ 7,210 |

Sewer Fund 100% Budget \$ 12,437

| Dollars | |
|------------|------|
| Actual YTD | \$ - |
| Budget | \$ - |
| Proj TY | \$ - |
| 2022-2023 | \$ - |
| 2021-2022 | \$ - |
| 2020-2021 | \$ - |

CREDIT CARD PROCESSING FEES:

| <u>COMPANY NAME</u> | <u>COST TO CUSTOMER</u> |
|-----------------------------------|-------------------------|
| Mid Peninsula Water | \$3.00 Flat Fee |
| Millbrae Water | 2.10% |
| North Coast County Water District | \$0.00 |
| Coastside County Water District | \$0.00 |
| Burlingame Water | \$0.00 |
| Redwood City Water | \$0.00 |
| Brisbane Water | \$0.00 |
| Daly City Water | \$0.00 |
| San Bruno Water | \$0.00 |
| California Water | \$0.00 |
| PG&E | \$1.35 Flat Fee |
| California DMV | 1.95% |
| County of San Mateo - Propert Tax | 2.35% |
| As of June 10, 2024 | |

Elavon & Celero Fees

FY 2022-2023

| | |
|-----------|--------|
| 7/1/2022 | 380.47 |
| 8/1/2022 | 278.56 |
| 9/1/2022 | 396.56 |
| 10/1/2022 | 294.39 |
| 11/1/2022 | 320.85 |
| 12/1/2022 | 299.58 |
| 1/1/2023 | 381.85 |
| 2/1/2023 | 294.92 |
| 3/1/2023 | 325.63 |
| 4/1/2023 | 285.35 |
| 5/1/2023 | 355.06 |
| 6/1/2023 | 332.06 |

3,945.28

FY 2023-2024

| | |
|-----------|--------|
| 7/1/2023 | 307.86 |
| 8/1/2023 | 439.52 |
| 9/1/2023 | 322.54 |
| 10/1/2023 | 376.80 |
| 11/1/2023 | 301.71 |
| 12/1/2023 | 431.06 |
| 1/1/2024 | 348.82 |
| 2/1/2024 | 268.12 |
| 3/1/2024 | 435.91 |
| 4/1/2024 | 366.35 |
| 5/1/2024 | 361.07 |
| 6/1/2024 | |

3,959.76

As of June 10, 2024

CWS Credit Card Fees:

| | | | |
|-------------------------|----------|------------------------|----------|
| 7/1/2022 | 2,064.66 | 7/1/2023 | 215.87 |
| 8/1/2022 | 5,159.59 | 8/1/2023 | 837.43 |
| 9/1/2022 | 2,203.46 | 9/1/2023 | 205.32 |
| 10/1/2022 | 6,066.42 | 10/1/2023 | 885.31 |
| 11/1/2022 | 1,933.78 | 11/1/2023 | 202.27 |
| 12/1/2022 | 6,404.84 | 12/1/2023 | 988.44 |
| 1/1/2023 | 2,122.56 | 1/1/2024 | 230.60 |
| 2/1/2023 | 6,175.29 | 2/1/2024 | 997.05 |
| 3/1/2023 | 2,126.74 | 3/1/2024 | 206.74 |
| 4/1/2023 | 5,821.69 | 4/1/2024 | 1,048.48 |
| 5/1/2023 | 2,705.14 | 5/1/2024 | 223.70 |
| 6/1/2023 | 6,125.31 | 6/1/2024 | 1,051.97 |
| <u>48,909.48</u> | | <u>7,093.18</u> | |

As of June 10, 2024

CELERO - TCB RATES*New Rates (effective 09/01/23)***Multiple Tiers of Processing Charges:**

| | % Rate | Item Charge |
|---------------------------------------|---------------|--------------------|
| Qualified Visa & MC Cards: | 0.05% | \$0.22 |
| Qualified MC Cards: | 0.05% | \$0.22 |
| Commercial Cards: | 1.90% | \$0.10 |
| Non-Qualified MC Cards: | 2.70% | \$0.10 |
| Non-Qualified Visa Cards: | 3.15% | \$0.10 |

Information correct as of 06/10/24

CWS - RATES*New Rates (effective 04/01/23)***Transaction Fees:**

| | % Rate | Item Charge |
|---|---------------|--------------------|
| Credit Cards and Debit Cards with Visa | 3.50% | \$0.30 |

Old rates: prior to 4/1/2023

TRANSACTION FEES

- Credit Cards and Debit Cards with Visa and MasterCard Logos; the fees are **3.5% plus \$.20**/each transaction.
- Check processing is a *tiered system*.

| Payment Amounts | Transactions Fees |
|--|--|
| Payments of \$99 and above | \$1.20 |
| Payments up to \$99 and below payments are based on the following formula: $P = \text{Payment Amount}$ $.39 + [0.0082 \times P]$ | Example: a \$50 check would be, following the formula on the left side: $.39 + [0.0082 \times \$50] = \text{Equals } 80 \text{ cents total fee.}$ |
| | |
| | |

New rates: effective 4/1/2023

- Credit Cards and Debit Cards with Visa and MasterCard Logos, the fees are **3.5% plus \$.30**/each transaction.
- Check processing is a *tiered system*.

| Payment Amounts | Transactions Fees |
|---|---|
| Payments of \$99 and above | \$1.85 |
| Payments up to \$99 and below payments are based on the following formula: $P = \text{Payment Amount}$ $1.04 + [0.0082 \times P]$ | Example: a \$50 check would be, following the formula on the left side: $1.04 + [0.0082 \times \$50] = \text{Equals } 1.45 \text{ total fee.}$ |
| | |
| | |

Summary, credit card base fee of .20 goes to .30 so only a .10 cents increase. No need for more as costs go up it is primarily a percentage based fee and goes up with the times

Check processing fees are increasing .65 cents per transaction and are still the cheapest way to pay a bill, as they always have been.



CALCON SYSTEMS INC.
12919 Alcosta Blvd Ste 9
San Ramon CA 94583
www.calcon.com

Quotation

Quote ID: 26ba9b06

Date 5/14/2024

To
Westborough Water District
P.O. Box 2747, South San Francisco, CA 94083

Ship To

ATTN
Patricia Mairena
General Manager
pmairena@westboroughwater.org
[650-589-1435](tel:650-589-1435)

Subject
Rowntree Telemetry & SCADA Upgrade

Description
This quotation is being provided per the customers request. This quotation is for the following...

- Station Cellular Modem, Antenna, and Antenna Mast.
- Onsite Installations
- PLC and SCADA System programming to add the station to Daly City's SCADA System.
- Testing Alarming and Signals

Quote Items

| Item | Description | Price Ea | Quantity | Subtotal |
|------|--|-------------|----------|-------------|
| 1 | Lump Sum <i>Shipping and Sales Tax Included</i> | \$18,250.00 | 1 | \$18,250.00 |

Total: \$18,250.00

Terms
Net-30 Days
This quote is valid for 30 days unless otherwise noted above.

Quote ID: 26ba9b06
Version: 2
Created: 6/7/2024 11:28:15 AM

For questions please contact:
Branden Powell
bpowell@calcon.com
[925-570-4323](tel:925-570-4323)

Submit PO to
CALCON SYSTEMS INC.
12919 Alcosta Blvd Ste 9
San Ramon CA 94583
Phone (925) 277-0665
www.calcon.com
Lic. C-10 #508284

BAY AREA WATER SUPPLY AND CONSERVATION AGENCY
PARTICIPATION AGREEMENT FOR THE WATER LOSS MANAGEMENT PROGRAM

JULY 1, 2024 TO JUNE 30, 2025

The Bay Area Water Supply and Conservation Agency (BAWSCA) administers a Water Loss Management (Program), under which E Source Companies LLC (Contractor) supports participating BAWSCA agencies in reducing water losses to an economically optimized level and in complying with water loss requirements implemented by the State of California.

BAWSCA has entered into a professional services agreement (PSA) with Contractor, attached hereto as Attachment 1 (the PSA). Program details are provided in the Exhibit B of the PSA.

Members who wish to participate in this Program for July 1, 2024 – June 30, 2025 should complete and sign this Participation Agreement and return it to BAWSCA, attention Negin Ashoori.

The respective roles and responsibilities of BAWSCA and each Participating Agency are outlined below:

BAWSCA's Roles and Responsibilities:

1. Overall Program management and coordination.
2. Coordinate Regional Water Loss Control Work Group.
3. Maintain program bill and budget information.

Participating Agency's Roles and Responsibilities:

1. Agreement to Program Scope of Work (Exhibit B of the PSA).
2. Provide data and respond to Contractor inquiries to complete selected Program tasks to Contractor in a timely manner.
3. Cooperate with BAWSCA in the administration of the Program.

Participating agencies may be required to pre-pay BAWSCA a deposit of 100% of the maximum program cost shown in line 7 of the table on page 2. BAWSCA will determine whether the deposit account will be required upon receipt of the applications and will notify the Participating Agencies of its determination. If a deposit is required, BAWSCA will invoice individual Participating Agencies for the full deposit amount. Participating Agencies can add funds to their deposit account at any time during the Program period. Each Participating Agency's funds will be separately accounted for and the interest tracked individually. The deposit account will be used by BAWSCA to pay Contractor for the Program implementation costs monthly. On a monthly basis, BAWSCA will invoice each Participating Agency for its Program costs, detailing use of the deposit account, and identifying the remaining budget balance. At the end of the year, each Participating Agency will have the option of receiving a check for any remaining balance in the deposit account or applying the remaining balance to participation in next year's Program.

Each Participating Agency may terminate participation in the Program or revise its participation level upon 30 days written notice to BAWSCA. Participating Agencies electing to terminate their participation will be responsible for all costs related to the Participating Agencies' participation in the Program up to the effective date of termination.

***Prior to finalizing this Application, Agency Representative should contact Tim Marcella, representing the Contractor team, to review requested program details to ensure program success. Contact Tim at tim_marcella@esource.com.**

Rate Schedule

| Program Item | Subtask Selection | Unit Cost x Quantity | Total Cost |
|--|--|---|------------|
| A. Level 1 Validation | <input type="checkbox"/> Level 1 Validation | \$2,700 | \$2,700 |
| 1. Program Management | <input type="checkbox"/> 1.a Ongoing Administration | \$430 x <u>2</u> # of subtasks selected from 2.a, 2.b, 2.c, 2.d, 2.e, 3.a, 3.b, 4.a, 5 | \$860 |
| | <input type="checkbox"/> 1.b Monthly Status & Budget Updates | \$860 required if any subtasks beyond validation are selected | \$860 |
| 2. Water Audits & Data Sources | <input type="checkbox"/> 2.a Water Audit Compilation & Reporting | \$7,530 | \$7,530 |
| | <input type="checkbox"/> 2.b Billing Data Analysis | \$4,932 | |
| | <input type="checkbox"/> 2.c Source Meter Volumetric Accuracy Testing & Reporting | Determined upon discussion with E Source | |
| | <input type="checkbox"/> 2.d Field Pressure Survey & Reporting | \$14,222 | |
| | <input type="checkbox"/> 2.e Water Audit Miscellaneous Support | Determined upon discussion with E Source about audit support needs (rates in Table 1 below) | \$25,000 |
| 3. Leakage Analysis & Recovery | <input type="checkbox"/> 3.a Real Losses Component Analysis | \$24,628 | |
| | <input type="checkbox"/> 3.b Leak Detection – Preparation, Kick Off & Reporting | \$5,218 (required if conducting leak detection) | |
| | <input type="checkbox"/> 3.c Leak Detection – Survey | Price based on tiered rate (see Table 2) | |
| 4. Customer Meter Accuracy & Testing | <input type="checkbox"/> 4.a Apparent Loss Analysis & Reporting | \$11,274 | |
| | <input type="checkbox"/> 4.b Customer Meter Accuracy Testing | See Separate Agreement | |
| 5. Targeted SWRCB Water Loss Standard Assistance | <input type="checkbox"/> Targeted SWRCB Water Loss Standard Assistance | Determined upon discussion with E Source | |
| 6. BAWSCA Administration Fee | | | \$150 |
| 7. Maximum Program Cost | | Total Items 1-6 | \$37,100 |

Billing Rates

Table 1. Hourly Rate Table for additional services (Task 2.e)

| Role | Rate (hourly) |
|------------------|---------------|
| Project Advisor | \$ 286 |
| Project Director | \$ 232 |
| Project Manager | \$ 198 |
| Analyst | \$ 154 |

Table 2. Comprehensive Leak Detection Mileage Rate Table (Task 3.b)

| Mileage Surveyed | \$/mile |
|--------------------------|---------|
| Mile 1 through Mile 50 | 441 |
| Mile 51 through Mile 100 | 386.4 |
| Miles 101 + | 330.75 |

Notes:

1. Please reference "Exhibit B – Scope of Work" for explanation of work involved in each task and for an explanation of why an agency would sign up.
2. BAWSCA Administration Fee required for participation in all tasks except Task A.
3. Task dependencies to highlight in the above task selection table:
 - Task 1.a and 1.b Program Management costs are required if any items beyond Task A – Level 1 Validation are selected.
 - 3.b Leak Detection – Kick Off is required if 3.c Leak Detection – Survey is selected.

Timeline

To memorialize this arrangement, please have the enclosed copy of this Participation Agreement executed by an individual authorized to enter into such agreements and return it to BAWSCA, attention Negin Ashoori. Agencies can enroll on an ongoing basis.

By submitting this Application to Participate, the Participating Agency agrees to pay its share of the Program costs, up to the maximum in line 7. within thirty (30) days of its receipt of an invoice from BAWSCA. In addition, the Participating Agency represents it has reviewed the PA attached hereto as Attachment 1; and the Participating Agency hereby acknowledges and finds acceptable the terms and conditions of the PSA including all of its exhibits. The Participating Agency is responsible for working with Contractor to ensure it remains within the Maximum Program Budget. Participating Agency agrees to hold BAWSCA harmless from any claims or actions arising from Contractor's performance or any allegation that materials or services provided by Contractor infringe or violate third party intellectual-property right. The person signing below represents and warrants that they are authorized by the Participating Agency to bind the Participating Agency to this Participation Agreement.

[Signature of authorized representative]

Date: [Click or tap here to enter text.](#)

Name: [Click or tap here to enter text.](#)

Agency: [Click or tap here to enter text.](#)



Advanced Billing Analysis

Water Audit / Water Loss Support

Third Party Review of Billing Data Integrity

E Source has experience analyzing numerous water utility meter reading and billing databases including Read Center, Tyler Incode, Tyler Eden, Tyler New World, CC&B, Springbrook, and even custom-built data management systems. We understand the data structures used to manage customer meter reading and billing data in addition to the common pitfalls that may affect these complex systems.

In water loss management, identifying apparent losses through investigation of systematic data handling errors is important. Third party review of consumption and billing records is best practice to ensure that a utility is eliminating sources of error in the data chain of custody. To support these efforts E Source offers varying levels of support in reviewing billing databases. The subtasks below highlight just some of the services available to water utilities on this subject:

- *Subtask 1 – Meter Reading Data Collection Process Mapping:* E Source will coordinate a conference call to review how customer meter readings are collected and recorded, focusing on any recent changes. In addition to understanding how the typical data collection process works, E Source would also like to understand how different types of alarms, estimates, adjustments, re-reads, customer change-outs, and meter changeouts are handled in practice.
- *Subtask 2 – Database Schema Review:* E Source will review any available documentation describing the billing database structure if available. Ideally documentation would include each table or view available in the database, a list of fields available in each, and identifiers for key fields used in database joins. E Source will also aim to understand each of the ID fields in use, such as location, customer, and meter ID, and how they relate to one another. In some cases, E Source has been able to develop custom database queries to help clients access raw billing data based on the schema review.

- **Subtask 3 – Data Request Development:** E Source will request exports of raw database tables for analysis from the utilities billing system. If raw database tables are not accessible, alternative reports can be explored to allow for detailed integrity analysis. By analyzing raw data that has not been significantly manipulated, E Source will be better able to identify underlying issues that were not introduced by complex SQL queries or malfunctioning pre-built reports for example. In addition to raw database tables, E Source will request available internal summary reporting to compare against the raw data.

- **Subtask 4 – Raw Database Table Integrity Analyses:** E Source will complete the following raw database table analyses where appropriate to identify internal inconsistencies that may affect accurate billing for water use or water loss analysis:
 - Duplicate records
 - Negative use volumes
 - Large suspicious use volumes
 - Comparing raw totalizer reads to listed consumption volumes
 - Data completeness - count of records per meter and per month
 - Prevalence and impact of adjustments and estimates on summary volumes
 - Identification of likely stuck meters
 - Meter right sizing - the average use per day for each meter size and type group, including comparison to similar results from past E Source analyses with other agencies.
 - Prorating customer meter use to better approximate the volume and timing of use to align with production meter readings for water loss analysis.
 - Recommended database filters and joins to facilitate accurate summary reporting.
 - Other analyses depending on availability of data to identify potential non-revenue water.

- **Subtask 5 – Reporting:** E Source will report on the results of all analyses completed including recommendations to modify data and/or data collection practices as needed.



OFFICE OF
**ASSESSOR-COUNTY CLERK-
RECORDER & ELECTIONS**
COUNTY OF SAN MATEO

MARK CHURCH
CHIEF ELECTIONS OFFICER &
ASSESSOR-COUNTY CLERK-RECORDER

Candidate Policy Form for Special Districts

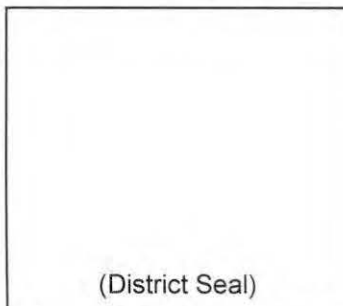
November 5, 2024

Presidential General Election

Please complete and return this form by July 3, 2024 (EC §§10509, 10522)

**Our District Board adopts the following policies effective for the
November 5, 2024 Presidential General Election:**

| | | | | |
|---|---|--------------|--|--------------|
| 1 | The <i>number of members</i> to be elected to the Governing Board for a 4-year term : 3 | | | |
| | Names of incumbents currently holding these seats (Indicate sub-district if election is by district) | | | |
| | Name | Sub-district | Name | Sub-district |
| | Janet Medina | 3 | Julie Richards | 1 |
| | Name | Sub-district | Name | Sub-district |
| | Don Amuzie | 5 | | |
| 2 | The <i>number of members</i> to be elected to the Governing Board for a 2-year term (if applicable to fill balance of an unexpired term): _____ | | | |
| | Name(s) of incumbent(s) currently holding or who previously held and has vacated this seat(s) | | | |
| | Name | Sub-district | Name | Sub-district |
| | | | | |
| | Name | Sub-district | Name | Sub-district |
| | | | | |
| 3 | Election type | | | |
| | <input type="checkbox"/> At-large: Each governing board member shall reside in the jurisdiction and shall be elected by the registered voters of the entire jurisdiction | | | |
| | <input checked="" type="checkbox"/> By district: Each governing board member shall reside in the sub-district area where she or he seeks to represent and shall be elected (choose one): | | | |
| | <input checked="" type="checkbox"/> By the registered voters of that particular sub-district area | | <input type="checkbox"/> By the registered voters of the entire jurisdiction | |
| 4 | The word limit for a candidate statement will be (EC §13307) | | | |
| | <input checked="" type="checkbox"/> 200-word statement | | <input type="checkbox"/> 400-word statement | |
| 5 | The cost of the candidate's statement sent to each voter will be paid by (EC §13307) | | | |
| | <input type="checkbox"/> District (Jurisdiction) | | <input checked="" type="checkbox"/> Candidate | |



Signature of the General Manager or Administrator and Date

Patricia Mairena, General Manager

Print Name and Title

Official District Name (*to be used as ballot heading*)

RESOLUTION NO. 677

A RESOLUTION OF BOARD OF DIRECTORS OF THE WESTBOROUGH WATER DISTRICT CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 5, 2024 FOR THE ELECTION OF THREE MEMBERS OF THE BOARD OF DIRECTORS REPRESENTING ZONES 1, 3, AND 5

WESTBOROUGH WATER DISTRICT

WHEREAS, an election is scheduled for November 5, 2024 within the Westborough Water District for the purpose of electing three members of its Board of Directors (“Board”); and

WHEREAS, pursuant to Section 1001 of the Elections Code of the State of California, there is an established General Statewide election to be held on the same date; and

WHEREAS, pursuant to Part 3, Consolidation of Elections, and commencing with Section 10400 of the Elections Code of the State of California, an election for members of the Board may be either completely or partially consolidated with another election held on the same day, if in the same territory, or in territory that is part the same; and

WHEREAS, pursuant to Section 1002 of the Elections Code of the State of California, the Board desires to adopt this resolution to request that the Board of Supervisors of the County of San Mateo permit the County’s the San Mateo County Chief Elections Officer & Assessor–County Clerk–Recorder (the “Chief Elections Officer”) to render specified services to the Westborough Water District relating to the conduct of the November 5, 2024 election.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. An election is ordered to be held in and for the Westborough Water District on November 5, 2024 to elect three members of the Governing Board for a full term of four years each from Zones 1, 3, and 5; and

Section 2. Pursuant to Elections Code 10002, the Board of Directors of the Westborough Water District hereby requests the Board of Supervisors of the County of San Mateo to make available the services of the San Mateo County Chief Elections Officer & Assessor – County Clerk – Recorder (the “Chief Elections Officer”) as the County Elections Official for the purpose of rendering services in the conduct of the election to be held on November 5, 2024; and

Section 3. The election to be held on November 5, 2024 for the three members of the Board of Directors for a full term of four years each will be conducted by zones, and the governing board members shall reside in the zone where she or he seeks to represent and shall be elected by the registered voters of that particular zone; and

Section 4. Pursuant to Elections Code 10509, not less than 125 days prior to the date of the election, the jurisdiction secretary shall deliver a notice to the Chief Elections Officer. The notice shall bear the secretary's signature and the district seal and shall also contain both of the following:

(a) The elective offices of the jurisdiction to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term.

(b) Whether the jurisdiction or the candidate is to pay for the publication of a candidate statement; and

Section 5. Pursuant to Elections Code 10522, not less than 125 days prior to the date of the election, the Westborough Water District shall deliver to the Chief Elections Officer a map showing the boundaries of the jurisdiction and the boundaries of the divisions of the jurisdiction, if any, within the County and a statement indicating in which divisions a member of the Board of Directors is to be elected and whether any elective officer is to be elected at large at the next general district election; and

Section 6. The General Manager of the Westborough Water District hereby is authorized and directed to enter an Elections Service Agreement with the Chief Elections Officer regarding the election to be held on November 5, 2024 to outline the detailed services to be provided by both the Westborough Water District and the Chief Elections Officer; and

Section 7. The Chief Elections Officer shall send an itemized invoice to the Westborough Water District for all services provided pursuant to the Elections Service Agreement after the election is conducted and all related costs are determined. The Westborough Water District agrees to submit payment on the full amount of the invoice to the County of San Mateo within forty-five (45) days of the date of the invoice.

Section 8. That pursuant to Elections Code 13307, each candidate for the Board of Directors to be voted in the election to be held on November 5, 2024 may prepare a candidate statement on the appropriate form provided by the Chief Elections Officer. Such statement shall

be limited to 200 words. The prorated costs of printing, mailing and translating the statements shall be paid by the candidate; and

Section 9. That an election is hereby called to be held in and for the Westborough Water District on November 5, 2024 to elect three members of the Board of Directors for a full term of four years each in Zones 1, 3 and 5.

PASSED AND ADOPTED this 13th day of June, 2024, by the following vote:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Board Secretary



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

May 17, 2024

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

Subject: Call for Nominations: Special District Selection Committee Mail Ballot to Elect
Alternate 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 **Alternate Member position expiring in May 2028**. This alternate member position is currently held by Chris Mickelsen of the Coastsides County Water District and his current term ends in May 2024.

In this case, it has been determined that the nomination and election of the alternate special district members shall be held by mail in **two separate mail ballot processes**. 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 alternate member position. No board action is necessary unless your board president is not able to participate.

Nominations for the alternate 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. June 17, 2024**.

Once the nomination period is closed, the LAFCo Executive Officer will distribute a notice and mail ballots, requesting return of the ballot no later than 21 days from the date of the notice.

COMMISSIONERS: KATI MARTIN, CHAIR, SPECIAL DISTRICT • RAY MUELLER, VICE CHAIR, COUNTY • VIRGINIA CHANG-KIRALY, SPECIAL DISTRICT
• HARVEY RARBACK, CITY • TYGARJAS BIGSTYCK, CITY • WARREN SLOCUM, COUNTY • ANN DRAPER, PUBLIC

ALTERNATES: CHRIS MICKELSEN, SPECIAL DISTRICT • ANN SCHNEIDER, CITY • JAMES O'NEILL, PUBLIC • NOELIA CORZO, COUNTY

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

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 Alternate Member position with term ending May 2028 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 alternate 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, June 17, 2024.

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

Sincerely,

Rob Bartoli

Rob Bartoli
Executive Officer

Attachment: Authorization Form
San Mateo LAFCo Fact Sheet

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



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, 22 independent special districts, and 33 active County-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 |
|-------------------------|----------------------------|--------------|
| Kati Martin, Chair | Special District | May 2026 |
| Ray Mueller, Vice Chair | County | May 2026 |
| Harvey Rarback | City | May 2025 |
| Ann Draper | Public | May 2026 |
| Virginia Chang Kiraly | Special District | May 2028 |
| Warren Slocum | County | May 2028 |
| Tygarjas Bigstyk | City | May 2026 |
| Chris Mickelsen | Alternate Special District | May 2024 |
| Ann Schneider | Alternate City | May 2027 |
| James O'Neill | 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 at the Hall of Justice, 400 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 5/17/24

Independent Special Districts in San Mateo County as of 3/6/24
For Purposes of voting for Special District Members on LAFCo

Bayshore Sanitary District
Broadmoor Police Protection District
Coastside County Water District
Coastside Fire Protection District
Colma Fire Protection District
East Palo Alto Sanitary 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 alternate special district term ending May 2028.

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

Signature: _____

Date: _____

Please return by June 17, 2024 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

June 8, 2024

Dear Board of Directors,

I am pleased to report that District staff continue to be cross-trained, and I am satisfied with everyone's performance this past year, particularly with all the new regulations that the State has been passing and requiring, even of water districts with small size staff, like ours. I have been conducting staff evaluations, and everyone has performed above their expected level, and new goals have been set (or will be set) for next year.

With the above in mind, I am submitting the following recommendations for your consideration. This percentage has already been integrated in the FY 2024-2025 Budget:

| Position | COLA % | Merit % | Total Increase |
|-------------------------|--------|---------|----------------|
| Operations Assistant | 2.90% | 3.10% | 6% |
| Office Supervisor | 2.90% | 3.10% | 6% |
| Field Technician | 2.90% | 3.10% | 6% |
| Senior Field Technician | 2.90% | 3.10% | 6% |
| Field Supervisor | 2.90% | 3.10% | 6% |

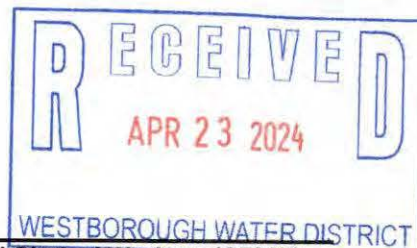
Respectfully,

Patricia Mairena
General Manager

PM/pm

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE February 2024

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)



| MONTHLY DATA | All Urban Consumers (CPI-U) | | | | | | Urban Wage Earners and Clerical Workers (CPI-W) | | | | | |
|---|-----------------------------|----------|----------|----------------|----------|-----------------|---|----------|----------|----------------|----------|-----------------|
| | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 1 Month ending | | | | Year ending | | 1 Month ending |
| | Feb 2023 | Jan 2024 | Feb 2024 | Jan 2024 | Feb 2024 | Feb 2024 | Feb 2023 | Jan 2024 | Feb 2024 | Jan 2024 | Feb 2024 | Feb 2024 |
| U. S. City Average..... | 300.840 | 308.417 | 310.326 | 3.1 | 3.2 | 0.6 | 295.057 | 302.201 | 304.284 | 2.9 | 3.1 | 0.7 |
| West..... | 319.130 | 328.053 | 329.339 | 3.3 | 3.2 | 0.4 | 311.086 | 319.433 | 320.965 | 3.1 | 3.2 | 0.5 |
| West – Size Class A ¹ | 328.569 | 337.095 | 339.135 | 3.0 | 3.2 | 0.6 | 317.510 | 325.172 | 327.424 | 2.6 | 3.1 | 0.7 |
| West – Size Class B/C ² | 185.968 | 191.586 | 191.874 | 3.7 | 3.2 | 0.2 | 187.224 | 192.783 | 193.309 | 3.7 | 3.3 | 0.3 |
| Mountain ³ | 126.934 | 129.814 | 130.059 | 3.0 | 2.5 | 0.2 | 128.254 | 130.881 | 131.423 | 2.9 | 2.5 | 0.4 |
| Pacific ³ | 122.935 | 126.632 | 127.230 | 3.5 | 3.5 | 0.5 | 123.758 | 127.357 | 128.000 | 3.2 | 3.4 | 0.5 |
| Los Angeles-Long Beach-Anaheim, CA..... | 317.571 | 326.640 | 328.232 | 2.5 | 3.4 | 0.5 | 306.444 | 313.743 | 315.625 | 2.0 | 3.0 | 0.6 |
| BI-MONTHLY DATA (Published for odd months) | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 2 Months ending | | | | Year ending | | 2 Months ending |
| | Jan 2023 | Nov 2023 | Jan 2024 | Nov 2023 | Jan 2024 | Jan 2024 | Jan 2023 | Nov 2023 | Jan 2024 | Nov 2023 | Jan 2024 | Jan 2024 |
| | 2023 | 2023 | 2024 | 2023 | 2024 | 2024 | 2023 | 2023 | 2024 | 2023 | 2024 | 2024 |
| Riverside-San Bernardino-Ontario, CA ³ | 127.683 | 131.372 | 131.358 | 4.3 | 2.9 | 0.0 | 127.936 | 131.963 | 131.840 | 4.4 | 3.1 | -0.1 |
| San Diego-Carlsbad, CA..... | 354.453 | 366.343 | 367.917 | 5.2 | 3.8 | 0.4 | 336.315 | 347.878 | 348.486 | 4.9 | 3.6 | 0.2 |
| Urban Hawaii..... | 320.790 | 331.428 | 333.172 | 3.6 | 3.9 | 0.5 | 320.135 | 330.577 | 332.335 | 3.8 | 3.8 | 0.5 |
| BI-MONTHLY DATA (Published for even months) | Indexes | | | Percent Change | | | Indexes | | | Percent Change | | |
| | | | | Year ending | | 2 Months ending | | | | Year ending | | 2 Months ending |
| | Feb 2023 | Dec 2023 | Feb 2024 | Dec 2023 | Feb 2024 | Feb 2024 | Feb 2023 | Dec 2023 | Feb 2024 | Dec 2023 | Feb 2024 | Feb 2024 |
| | 2023 | 2023 | 2024 | 2023 | 2024 | 2024 | 2023 | 2023 | 2024 | 2023 | 2024 | 2024 |
| Phoenix-Mesa-Scottsdale, AZ ⁴ | 177.118 | 179.733 | 181.010 | 2.7 | 2.2 | 0.7 | 177.059 | 179.593 | 180.826 | 2.7 | 2.1 | 0.7 |
| San Francisco-Oakland-Hayward, CA..... | 337.173 | 339.915 | 345.151 | 2.6 | 2.4 | 1.5 | 331.875 | 335.597 | 341.595 | 2.8 | 2.9 | 1.8 |
| Seattle-Tacoma-Bellevue, WA..... | 334.987 | 344.982 | 349.288 | 4.4 | 4.3 | 1.2 | 328.615 | 338.852 | 342.387 | 4.3 | 4.2 | 1.0 |
| Urban Alaska..... | 256.856 | 261.178 | 261.340 | 1.8 | 1.7 | 0.1 | 254.887 | 258.598 | 259.326 | 1.4 | 1.7 | 0.3 |

1 Population over 2,500,000 2 Population 2,500,000 and under, Dec 1996 = 100 3 Dec 2017=100 4 Dec 2001=100

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf

1967=100 base year indexes and tables with semiannual and annual average data are available at: www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm

Release date March 12, 2023. The next release date is scheduled for April 10, 2024. For questions, please contact us at BLSinfoSF@bls.gov or (415) 625-2270.

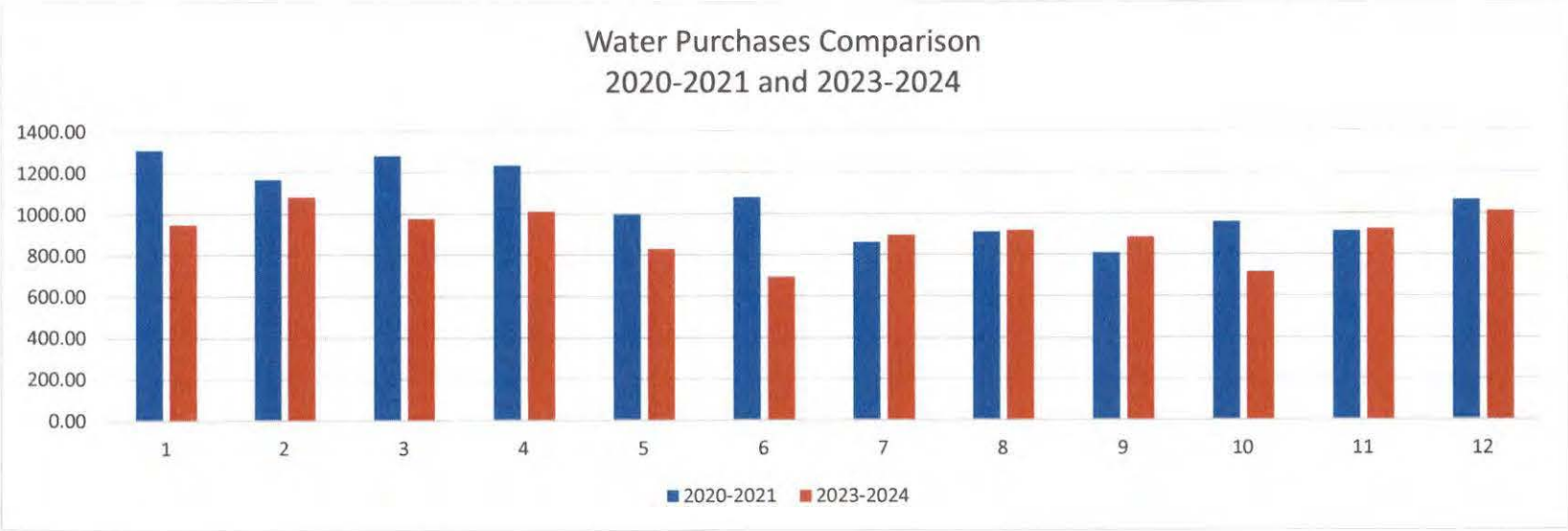
Water Purchases Comparison 2020-2021 to 2023-2024

| FY 2020-2021 | | | | FY 2023-2024 | | | | 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 | 06/06/23 to 07/06/23 | 29400 | 31 | 948.38 | -359.41 |
| 07/08/20 to 08/06/20 | 34995 | 30 | 1166.50 | 07/07/23 to 08/03/23 | 30324 | 28 | 1083.01 | -83.49 |
| 08/07/20 to 09/04/20 | 37162 | 29 | 1281.45 | 08/04/23 to 09/06/23 | 33215 | 34 | 976.91 | -304.53 |
| 09/05/20 to 10/06/20 | 39480 | 32 | 1233.75 | 09/07/23 to 10/04/23 | 28327 | 28 | 1011.68 | -222.07 |
| 10/05/20 to 11/02/20 | 26876 | 27 | 995.41 | 10/05/23 to 11/03/23 | 24905 | 30 | 830.18 | -165.23 |
| 11/03/20 to 12/04/20 | 34525 | 32 | 1078.91 | 11/04/23 to 12/05/23 | 22254 | 32 | 695.43 | -383.48 |
| 12/05/20 to 01/04/21 | 26748 | 31 | 862.84 | 12/06/23 to 01/04/24 | 26874 | 30 | 895.81 | 32.97 |
| 01/05/21 to 02/01/21 | 25531 | 28 | 911.82 | 01/05/24 to 02/05/24 | 29390 | 32 | 918.44 | 6.62 |
| 02/02/21 to 03/04/21 | 25095 | 31 | 809.52 | 02/05/24 to 03/05/24 | 25684 | 29 | 885.67 | 76.16 |
| 03/05/21 to 04/05/21 | 30684 | 32 | 958.88 | 03/06/24 to 04/04/24 | 21527 | 30 | 717.56 | -241.31 |
| 04/06/21 to 05/05/21 | 27430 | 30 | 914.33 | 04/05/24 to 05/06/24 | 29596 | 32 | 924.88 | 10.55 |
| 05/06/21 to 06/03/21 | 30907 | 29 | 1065.76 | 05/06/24 to 06/05/24 | 30332 | 30 | 1011.07 | -54.69 |

| | | | | | | | |
|-----------------|--------|-----|---------|-----------------|--------|-----|--------|
| Total Purchases | 382590 | 364 | 1051.07 | Total Purchases | 331829 | 366 | 906.64 |
|-----------------|--------|-----|---------|-----------------|--------|-----|--------|

| | |
|-------------|-------|
| GPCPD YTD | 50.29 |
| GPCPD 22/23 | 49.46 |
| GPCPD 21/22 | 50.62 |
| GPCPD 20/21 | 58.30 |
| GPCPD 19/20 | 59.11 |

9.A.1



Trip Report ACWA-JPIA/ACWA Spring 2024

Monday, May 6

I arrived at about 9:20 or about 20 minutes into the Employee Benefits Program Committee Meeting. Tom Sher, Senior Vice President of Alliant (a consultant) was talking about the accelerating post-pandemic health care costs. There was a dip during the pandemic as people postponed doctor visits and elective surgeries. Coming out of the pandemic things returned to pre-pandemic levels but now there is a little bump as people are completing postponed procedures. He did indicate there was a shortage of primary care providers, the ones who can really hold health care costs down. He mentioned how virtual visits were expanding to control costs and improve availability of services. He also said that Medicare Advantage (like in an HMO) was a very successful program and was growing rapidly. Government pays a fixed cost for each enrollee, and it is up to the HMO to keep them healthy. He also said the increases in government per enrollee payments were decreasing and that more costs were now being passed on to the patients. He mentioned Artificial Intelligence did have a place in health care, but medical staffing would still be primarily done by people. To date AI has been most useful in radiology.

Jennifer Jobe, JPIA Director of Pooled Programs, continued the presentation, talking mostly about Anthem self-funded PPO, which has seen about a 8.7% growth in membership. There has been a decrease in high-cost claimants, primarily from a reduction in cancer treatments. She also talked about the Carrum project which was started a few years ago. Carrum encourages enrollees get a second opinion on surgeries through incentives such as higher limits and now even \$250 cash cards. Cost savings are significant as only about a third of patients decide to have surgery while half of the remaining seek alternative treatments. Two other programs covered were Hinge Health, a physical therapy program and Progyny, a fertility and family building program.

Jennifer also gave a couple of other updates. There was some lively discussion of the recent change in Pharmacy Benefit Managers where JPIA recently changed to CarelonRx, which had been taken over by Anthem. It has been a rough transition where CarelonRx had to relax some of their rules using mail order pharmacy as they were having problems making timely deliveries. CarelonRx is refunding some of their fees due to their poor performance although several in the audience shared their bad experiences and lobbied for changing providers again. Jennifer encouraged members to not give up yet as they were still actively working on the problem.

Next Adrienne Beaty, JPIA CEO, gave a report on finances and the reserve balance for employee benefits. Reserves are well above what is deemed necessary so there are funds to help stabilize rates.

JPIA President Melody McDonald chaired the Executive Committee meeting which was the late morning presentation. Several board members commented favorably on a AGRiP conference which was held in Nashville. AGRiP (Association of Government Risk Pools) is an international (includes Canada and Australia) association of 210 agencies who have pooled resources (premiums and liabilities) as is done in the insurance business. Ann Gergen, Executive Director of AGRiP gave the keynote on Day 2 (Tuesday AM) relating many horror stories these pools have faced. One example was when a sanitation district mis-aligned valves which allowed sewage to be pumped INTO a mansion type house when the owners were on vacation. When the owners returned the owners noticed sewage coming out of the second story window. AGRiP's goal is to reduce risks by spreading best practices and she was happy with what she saw at JPIA. JPIA CEO Adrienne Beady is also a board member of AGRiP. Anyhow, Jennifer Jobe highlighted the 5 Liability programs (Cyber, Dam Failure, Fiduciary Liability, Underground Storage Tanks (UST), and Pollution Liability) which JPIA manages. Actually, the UST program may be going away as they only insure 18 tanks and 11 of the 18 are over 30 years old (and it is becoming difficult to get reinsurance - more on

reinsurance later). Also discussed were the different Property insurance programs (Earthquake and Flood, Excess Flood, Excess Crime, Public Officials Bond). Actually, Earthquake and Flood are usually policies with low limits and are often written so agencies can tell FEMA they have insurance (so they can get better support from FEMA in an emergency). There were also slides on how Property and Liability use many different levels of reinsurance. For example, in Liability, JPIA reserves only cover the first \$5M in claims. The next \$5M is covered by a reinsurance company. After that the JPIA Captive covers the next \$10M, a group of 4 insurers covers the next \$10M, and then there are 4 more \$10M layers, each with a different company. This way losses are pooled and spread out over many companies. For property damage the process is similar except the top tier of reinsurance goes up to \$500M. The system works well as long as reinsurers are willing to buy the risk. With all the fires in California, sometimes insurance (and reinsurance) companies are not willing to assume the risk as some homeowners are finding out.

After lunch we had the Board of Directors meeting. We elected one member (Andy Morris of Santa Rosa Regional Resource Agency and Elsinore Valley Municipal Water District) to the CWIF (California Water Insurance Fund, our Captive Insurance Company) board. Andy is by profession an insurance broker. A second member will be appointed by the board at the June meeting. We also voted Bear Valley Water District into ACWA JPIA so they can participate in our property and liability insurance programs. Dave Eggerton, ACWA CEO said a few words before we went into the financial reports. There were lots of numbers with property (fires) remaining a problem, and Workers Comp doing well. It was interesting how JPIA keeps claims open for 5 years in an effort to recover funds from claims. This means they have 5 different years open at any one time. One can also see in which years reinsurers actually pay out more than they collect from JPIA. Anyhow, it was interesting to see how the insurance industry works.

Tuesday May 7

Tuesday morning, we had the previously mentioned AGRiP Keynote and a Sexual Harassment Training session. I skipped the Harassment training to consult with Nicole Sandkulla and Hanson Bridget about that coming personnel vacancy. The afternoon was spent getting familiar with the Sacramento Convention Center (where most ACWA events were held), since JPIA events were held at the Sacramento Sheraton, across the street. There were also optional ACWA committee meetings in the afternoon. Taking meals in the Convention Center Exhibition Hall was quite a bit different than at my last in-person ACWA Conference (5 years ago in San Diego). There were no meal tickets, and everything was buffet.

Wednesday May 8

Wednesday morning there were the usual introductions (Cathy Green of Huntington Beach is ACWA President) and the pep talk by CEO Dave Eggerton. Finally, the Keynote was given by Natural Resources Secretary Wade Crowfoot. Among other duties, he oversees the State Water Resources Control Board and is a key individual for getting our Voluntary Agreements approved. Wade recapped some of the governor's priorities in water infrastructure. Many were covered in his resilience portfolio developed early in his first term. He said water was a major priority for the Governor that he wanted to address ACWA. Thus, he introduced Gavin Newsome, who continued the keynote. Gavin talked about Climate Change and how our infrastructure needed to be updated. He said permitting of projects was a major problem, causing significant delays in many projects (like the Delta Conveyance – one of his priorities). It was also delaying other projects such as the Sites Reservoir. He did mention the progress being made on Voluntary Agreements, although they are now being called Healthy River and Landscape (HRL, but I'll still call them VAs). He did emphasize the need for local support and that progress is being made. Many of the projects and accomplishments are on the build.ca.gov web site. He was bothered by the 931-acre feet of water we could have captured last winter if we had the appropriate infrastructure like Sites and the delta

conveyance. He was happy, however on our progress in renewable energy, including the 23 straight days the state used only renewable energy. Wade Crowfoot then continued, says the courts shouldn't be setting water policy. We need infrastructure and to protect our watersheds. We need to manage groundwater by continuing to implement SGMA (Sustainable Groundwater Management Act), where California was the last western state to establish such a program. He did mention Karla Nemeth, past director of the State Water Board, was now working closely with the Governor on water issues, identifying nature-based solutions where possible.

After the keynote we began with our breakout sessions. I coordinated with Don Amuzie so we would attend different sessions where possible. My late morning session was on Bay Delta Plan impacts on Region 4. The panel included representatives from both Turlock Irrigation District (TID) and Solano County Water Agency (SCWA). We are all aware of TID and how the Tuolumne will be affected if the State Board's 2018 plan is implemented (rather than the VA). The Tuolumne is part of Phase 1 of the Bay Delta Plan. Phase 2 involves getting increased flows from the Sacramento River and northern tributaries. Phase 2 does not have an adopted plan yet, but they are far along in negotiations. If the Board gets the 55% unimpaired flows they want, SCWA customers like Vacaville, Fairfield, and Vallejo (plus some ag customers) may be looking at some up to 75% rationing. VAs (or HRLs) and habitat are critical. Phase 2 is supposed to get an adopted plan by second quarter 2025. Michael Cooke, the TID rep, talked about the Phase 1 adopted plan in his district, including groundwater issues, ag impacts, and the closure of some food processing plants. He emphasized \$80 M in ratepayer (not tax dollar) funded habitat improvement projects are on the line. The science work has been done for the Federal relicensing of Don Pedro Reservoir. Again, healthy rivers and habitat improvement is key.

While in the afternoon I was going to attend a session on Flow, Floodplains and Fish Survival, Nicole Sandkulla suggested I go with her to a General Managers' session on the Los Vaqueros Reservoir Expansion Project (LVE). This project initiated by Contra Costa Water District has been approved for some California Water Commission (CWC) funding. BAWSCA was in on early planning but is now only participating through the SFPUC. Before they can get CWC funding they had to form a Joint Powers Agreement (JPA) plus many other agreements/easements. One problem is that there has been a conservation easement placed on some of the land where a pipeline was to go. Currently the JPA hopes to get CWC funding in late 2025, after which construction is planned to take 10 years. While part of this project is increased storage, another more significant part for SFPUC and Alameda County Water District (ACWD - who is also a participant in the JPA) is the piping to the State Water Project South Bay Aqueduct. Anyhow, progress (and funding by the members of the JPA) is being monitored.

Upon returning from the LVE meeting I caught the last part on a session on "The Looming Crisis in Rate Setting." This was part of the Attorney's program and when I got there, they were talking about a lawsuit brought against the Ramona MWD involving a rate increase. The litigant did not file a complaint or even appear at the Prop 218 public hearing and did not inform the district of his grievance until filing his lawsuit, yet he prevailed in court. ACWA is backing AB2257 (if my notes are correct) which would, prior to any lawsuit, require the customer to participate in the administrative (Prop 218) process. He would have to file a written complaint detailing his grievance. The district would have to address the grievance (really in writing so it could be part of the administrative record) before the increase is submitted to the board for approval. Obviously to protect itself, the district would have to keep protest letters for at least 120 days after any increase. A member of the panel suggested having letters organized with a table of contents as some districts get hundreds of letters on a single rate increase. The panel also emphasized how the 218-notice needed to justify the rate increase and how the amount was determined. Those with tiered rates need to justify how tiers were determined (i.e. Cost of Service). Anyhow, it is nice that we have our attorney and L & T

consulting working to put together our latest 218 notice. The panel also talked about class action suits, saying some litigants tried to make everybody in the district the member of the class. Since the district is made up of everybody in the district, that does not work. If members of one tier are charged too much, there must be members in another tier who are charged too little. Since WWD doesn't have tiers, this is likely not an issue for us.

After the above session Don and I attended the Region 5 Membership meeting. It was mostly a recap of what was put out during the Tuesday afternoon committee meetings plus other ACWA activities.

Thursday May 9

Thursday morning we had 2 breakout sessions and a second keynote address. My first session was "How to conduct a rate study while avoiding common pitfalls and maintaining best practices." The panel's main plea was to start early enough, like 6-12 months before the increase. Before starting, be sure to set expectations, like do you want to prepay OPEB. When preparing the 218 notice be sure to include the logic of the increase and how (and why, particularly if there is a change in rate structure) rates are calculated. Also, make sure your board will approve, which may be an issue in organizations much larger than WWD (one of the panelists was from ACWD which has more than 900 employees). Normally those on the panel tried to do a study once every 5 years, although one panelist said he had done 3 over a 7-year period. Two of the 3 panelists said they did not use the pass-through options due to the lack of transparency (thus they may require more rate studies) while one said he would use it. They also recommended putting the rate study on the district web site when releasing the 218 notice. Most of all, to protect the district, select the most qualified rate study contractor even if the price maybe higher. Since our coming rate increase could be controversial, I am glad we have L&T as a contractor. My last session was "How climate change is affecting Bay Delta /Water Issues." The panel included a county supervisor from the Elk Grove area, a representative from TID (and a farmer), and the Chair of Met Water. The consensus is Climate Change (which is now certain) only creates uncertainty. It creates uncertain deliveries and makes it uncertain where investments should be made. One panelist on the Delta Stewardship council said sea water rise would be somewhere between one and 6.5 feet, rather a large spread. Farmers decide what crops to plant. Also being impacted is Delta salinity, impacting SoCal water quality (along with water quality for those who get water from the Delta like Contra Costa Water District). There are many unknowns.

The Closing Keynote was given by Tani Cantil-Sakauye of the Public Policy Institute of California (PPIC). She recently retired as California Chief Justice and provided some insight on water lawsuits. Cases are large ("Administrative record filled 7 shopping carts") and difficult. As Chief Justice she did get some extra funding from the State for judge training on water law. Now as PPIC President and CEO she is collecting data and working on these problems in a non-partisan atmosphere. PPIC does 8 surveys a year and is working on bringing the 2 Californias together. Inland vs coastal, north vs south, rich vs poor, Seniors vs "young folk" (my words) - there are lots of divisions. Many health care providers do not earn a living wage. PPIC is using SGMA to help the water quality issues in some less-well-off central valley communities. There is much to do. Ms. Cantil-Sakauye said much more as really was an excellent speaker.

Notes from JPIA/ACWA 2024 Spring Conference May 6 thru May 9 in Sacramento, California

JPIA Board of Directors Meeting - May 6th

During lunch preceding the meeting Jennifer Jobe introduced two new team members, Adam Dedmon, Employee Benefits Manager and Tom Sher, Consultant. Adam's vision for his program is to run the plans smoothly, shifting costs to early in life versus later and customizing offerings for every district. Tom's goals are to help employees make informed decisions, put emphasis on preventive medicine and care and help members manage their health care.

Members voted and approved the following:

- Andy Moms, Santa Rosa Resources Authority (incumbent) to CWIF board
- Ratified Bear Valley Water District as new agency member
- Audited Financial Statements for year ending 9/30/23.
- Proposed Operating Budget for fiscal year 10/1/24 through 9/30/25.

Dave Eggerton ACWA Executive Director gave kudos to JPIA and stressed the following issues:

- Good relationship w/JPIA important
- Executive Edge program this fall.
- Strategic Plan update with laser focus on what ACWA does.
- Climate change
- Regulatory issues like prop 218 that impact the water industry.
- Encouraged agencies to highlight their efforts on Quench California
- ACWA staff to get what they need to succeed.
- Projection on budget issues as a priority
- ACWA members' testimonies on regulatory issues have helped and are appreciated.

Investment Policy by David de Bernadi, Director of Finance

David reviewed and got approval from the board of directors for PFM JPIA investment advisor recommendation to add working under the Limitations/Diversifications section to clarify the date to use to measure maturity as the settlement date.

Pooled Program Update by Jennifer Jobe, Program Director

Jennnifer presented the following:

1. The Liability Program with 347 members, renews October 1 each year, 10% rate increase in 2024.
2. Property Program with 289 members, 20% rate increase 2024.

3. Workers Compensation Program 208 members renews July 1 each year very stable flat rate renewal for 2023/24. and 17,500 employees flat rate renewal and full statutory limits.
4. Employee Benefits Program with 267 members pharmacy Benefits manager changing to Anthem Carelon; adding Anthem Health Guide concierge customer service benefit; Program changes include Health Guide implementation, Wellness grants and Dental/Vision and Anthem PPO enhanced coverages.
5. Cyber Insurance a non-pooled program with 275 purchasers \$50 - \$100k deductible, \$5 million total policy limit / \$3 million per member, no increase in 2024 and emphasis on education

Risk Management Updates by Robin Flint, Risk Control Manager

According to Robin the department provides on-site or virtual risk assessments, consultative services, loss reviews, and training services to JPIA members participating in the programs. Last fiscal year he added primary efforts were returning to in-person member Risk Management and onboarding new staff.

Robin also discussed SB 553, Occupational Safety: Workplace Violence Restraining Order now in progress. Another key issue is CDPH has issued a statewide standing order to help reduce morbidity and mortality associated with opioid overdose by facilitating the distribution and administration of Naloxone Hydrochloride (Naloxone) in California.

Leadership Essentials the Water Industry by Sarah Crawford, Training Manager

Sarah talked about the Leadership Essentials program which began in 2015 calls for dynamic response from water agencies to develop skills needed to lead now and into the future. The program with over 184 graduates offers water agency GMs and leaders a yearlong robust education experience to develop leadership skills and facilitate growth in three spectrums: Members can apply at bit.ly/JPIALeaderDev by June 15, fees apply. There is "Jerry" E.G. Gladbach Leadership grant to cover tuition and travel for a participant each respectively for Norcal and Socal cohorts.

Risk Control Award Winners by Robin Flint Risk Control Manager

Per Robin the program began in 2019 designed to facilitate a strategic investment by a member in its risk management program to promote safe workplace behavior and operation practices while rewarding employees who demonstrate safe behavior, take part in recognizable initiative-taking activities. She announced the following winners:

1. Montague Water Conservation District
2. Fresno Metropolitan Flood Control District
3. Central Water District
4. Helix Water District
5. Majestic Pines Community Services District
6. Vista Irrigation District
7. West Stanislaus Irrigation District

HR LaBounty Safety Award Winners by Robin Flint Risk Control Manager

Per Robin the program began in 1999 to promote safe workplace behavior and operation practices while rewarding employees who demonstrate safe behavior, take part in recognizable proactive activities. She announced 15 nominations submitted from members for the spring of 2024. Winners are as follows:

- **Alameda Zone 7 Water Agency**
- **America River Control District**
- **Esinore Valley Municipal Water District**
- **Humbolt Bay Municipal Water District**
- **Mission Springs Water District**
- **Oakdale Irrigation District**
- **Rainbow MWD**
- **Sacramento Suburban WD**
- **Sweetwater Authority**
- **Walnut Valley WD**

CEO Update by Adrienne Beatty, JPIA CEO

Ms. Beatty presented an analysis of the reported liability and property claims over the past five years. Data indicated a significant increase in the number of claims and multiple claimants resulting in more complex and time intensive adjusting.

Update by Robert Greenfield, JPIA General Counsel

- Pending lawsuits
- 89 litigation claims
- No claims against ACWA/JPIA as of date

President's Update by Melody McDonald, JPIA Board President

- Leadership staff fully staffed.
- Encouraged member agencies to provide feedback to JPIA.
- Elaborated on member visits by leadership.
- Acknowledged and thanked organization committee and event sponsors.

JPIA May 7th, 2024

Public Entity Pooling Trends by Ann Gergen, Executive Director , AGRiP

Ann oversees AGRiP operations, governance, and member service delivery. She has twenty-five years of direct public sector employment and experience in local government management, emergency services, risk management, primary and reinsurance claims, pooled insurance services and operations.

Per Ann public agencies are subject to risk exposure in liability, property, workers comp, employee benefits and unemployment. And that there are 93,000 agencies in the US majority buy their services from pooled agencies like JPIA, pools are a partnership (no us and them) and with the following goals:

- Protect the people, operations and assets.
- Allow public service decisions to be made on factors other than cost.
- Support local public entities to do the right thing.

Risks are characterized according to Ann as follows:

Property

- Weather events and increased frequencies and severity
- Unknown patterns and increased property value

Cyber

- Unknown and unpredictable
- Exponentially growing and hard to monitor.

Liability

- Legislative changes
- Public distrust of government
- Law enforcement and employment
- Sexual abuse and molestations

Workers Comp

- Expanded presumption like covered employees and named conditions.
- Ultimate impact of PTSD

Employee Benefits

- Specialty drug costs and uses.
- Mental health and post covid claims
- Equity Modeling

Operational influence on pools she identified as:

- Capital adequacy and efficiency.
- Technology re; pace of change, improved efficiencies, and member engagement
- Turnover re: pool staffing teams, expert resources, member contacts and decision makers and pool governing bodies.

Sexual Harassment Prevention for Management and Board Members by Robert Greenfield, JPIA General Counsel

According to Robert preventing sexual harassment is unwelcome sexual advances, request for sexual favors and other verbal, non-verbal, or physical conduct of a sexual nature and will impact:

- A positive work environment.

- Maximize productivity.
- Viewed as a great employer.
- Responsibility to your co-workers
- The law

He also noted that more than 3 out of 4 women have been verbally harassed and verdicts in have been traditionally high. Harassment he defined as follows:

- To disturb persistently
- Torment
- Bother continually.
- Persecute
- Repeated incursions
- Badger

Robert pointed out the role of a director to understand district's policy and procedure, take all complaints seriously, if you witness it report it, know what to do, document, document and get help. He also stated that if someone comes to you do the following:

- Tell employee who to report to
- Remind employees to follow employee manual/policy.
- Make note of conversation
- Communicate info to proper authority!

ACWA - May 8th, 2024

Opening Remarks

Cathy Green, President of ACWA welcomed the attendees, thanked the sponsors and vendors. She challenged attendees to learn about others and meet someone new, support and standby each other. ACWA, she remarks is a "relation-based business".

ACWA Update by Dave Egerton, Executive Director

Everything we do is for our membership according to Dave and he feels strongly that ACWA have to succeed in meeting their goals. Following are takeaways from his delivery:

- Legislative and regulatory work in Sacramento and DC that impacts the water industry.
- Infrastructure investments.
- Work on SGMA
- Encouraged agencies to showcase their efforts on Quench California
- Growth in membership
- ACWA financially strong
- Introduced Executive Edge, a new mentorship program for executive level staff.
- Water supply resiliency.

Keynote Speaker Wade Crowfoot, California Natural Resources Agency Secretary

Secretary Crowfoot believes that water builds California and thanked ACWA for SGMA and the work they do, like delivering water during the pandemic without interruption and navigating through three years of drought. Wade considers good natural resources management helps

natural places thrive and allows communities and our economy prosper. His key priorities include:

- Building California's resilience to climate change driven threats, including wildfire, drought, extreme heat, flooding, and sea level rise.
- Expanding equitable access to parks, natural places, and outdoor recreation for all Californians.
- Preserving California's world-renowned biodiversity of plants and animals.
- Implementing SGMA.
- Now is the time to make changes and double down on our efforts.
- Backbone infrastructure remains strong.
- Healthy River Agreement to support healthy rivers and landscapes.
- Change the way we manage water like nature based solutions.
- Helping communities without safe reliable water
- Protecting our water sheds.

Governor Gavin Newsome Presentation

Highlights of his presentation are as follows:

- Climate challenges, temperature records being broken as new realities.
- 142 Action items in managing water policies.
- Updated 5-year water plan.
- Sustainable Groundwater Management Act (SGMA)
- Strategy to create more water supply like desalination and 5-year water plan.
- Delta Conveyance Project, the vast network of waterways
- Catastrophic events concerns
- Voluntary agreements and permitting reform.
- Build.ca.gov infrastructure
- Double down on his efforts on water issues with 3 more legislative sessions left in his term.
- Proud of California running on renewable energy for 23 days in 100% renewable energy
- Paradise event as a moral issue
- Working with the Biden admin on water issues
- Planned meeting with the Pope on Climate Change.
- Water is foundation.
- Gratitude to ACWA for the work they do

JPIA Updates by Adrienne Beatty, JPIA CEO and Melody McDonald, JPIA Board President

Key takeaways are as follows by Melody:

- JPIA financial status is strong.
- Providing essential services to ACWA members

- Visiting members
- "How can we serve you better?"
- Congratulated the new ACWA admin led by Cathy Green

Key takeaways are as follows by Adrienne:

- 2022 a challenge for the insurance the second most catastrophes,
- 2023 – 2024 trending in the right direction
- JPIA is working hard to keep rates down.
- Cyber risk management now in place

ACWA Foundation Update by John Varela, Chair and Jennifer Periske, Vice Chair

John and Jessica talked about how the foundation serves all Californians by advancing diversity, equity, and inclusion within the water industry through education, research, and workforce development. Providing future workforce for the water industry, expanding the number of trustees, hiring a new executive director, work with California Urban Water Agencies (CUWA), seeking support for the foundation from ACWA members and the foundation scholarship program.

Data and AI by Amber Ivey, Principal Ivey Collective LLC

Amber Ivey "AI" is currently VP of a nonprofit where she leads a team that helps governments drive impact. Skillfully blends research and practical application as a dynamic leader in data management and utilization. She shared insights on data and artificial intelligence in the water community. She identified five key actions data driven decision making as plan, build capacity, share, analyze and sustain. Plan includes data strategy, develop data governance, take stock of systems. Build capacity are hire skilled staff, leverage partnerships, and dedicate funding. Share is improve data quality and access, develop enterprise views of data and establish data sharing agreements. Analyze involve analyze data to extract info, visualize data and use data to make decisions. Sustain is to enhance leader's commitment, enact legislation and culture. Overall, she emphasized the transformation of data and the need for organizations to utilize high percentage of data (via AI) ready and performance management for decision making.

Using Consolidation to Achieve the Human Right to Water

Moderator Danielle Coats, Rancho Water and. Speakers Michael Clairborne Leadership Counsel for Justice and Accountability, DeeDee D'Adamo State Water Resources Control Board and Larry McKinney, Amador Water Agency

DeeDee listed why is the SAFER drinking water program necessary as:

- Over 50% of Californians are served by water systems that provide reliable safe drinking water.

- However, 2300 out of 3000 community and school water systems are small, serving fewer than 3300 connections each.
- 381 out of 3000 community and school water systems are failing to meet safe drinking water standards.
- 90% of drinking water violations occur in water systems serving 500 connections or less.

The State's Water Board's Strategy she stated are needs assessment, consolidation and regionalization and rural solutions.

Michael spoke about SB 403 (Discrimination based on ancestry) advocated sound policy to eradicate injustice to secure equal access to opportunity regardless of wealth, race income and place.

Larry discussed the merits of the State's Consolidation and Water Partnerships that allows water systems to form a Joint Power Authority (JPA). The agency created in 1959 serving 39000 people is currently in place to receive consolidation he stated.

Region 5 Membership Meeting

John Varela Region 5 Chair welcomed the group with updates on the new ACWA leadership and ACWA Foundation in the process of hiring a new executive director and appealing for donations from the ACWA members. In between the committee reports below Ernie Avianca VP gave updates and strategies for ACWA as did Dave Eggerton

The following are the committees:

- Agriculture is working on Delta Plan, regulatory programs to support healthy rivers and landscapes.
- Business Development
- California Quench a priority, water efficiency and DEI task force respectively.
- Energy re: Advanced Clean Fleet Regulation and AB 5094
- Federal Affairs re: Headwater Management, Federal Regulatory Matters and Clean Water Penalty Act
- Finance re: Regional Carryover Bonds.
- Groundwater re: Active in Groundwater Quality, SGMA, AB 2079 and increase in groundwater.
- Local Government re: short on membership, 5 new subcommittees and setting up Brown Act Subcommittee.
- Membership re: In strong position with increased membership.
- State Legislation re: Water Use Efficiency, Infrastructure Investments and Active Working Teams.
- Water Management re: Bay Water Update, Bay Delta Plan, making water efficiency as a way of life in California and human rights to water.
- Water Quality re: PFAS and EPA MCL?, identify opportunities for water data and water recycling working group.
- Outreach Task Force Update re: Active Working Group

ACWA May 9th

Attorney Program, The More You Know: A Public Service Announcement on California's New Governance and Ethics Laws

Speakers: Dave Bainbridge, Fair Political Practice Commission, Nicholas Norvell, Best Best & Krieger, LLP, Holland Stewart, Best Best & Krieger, LLP

The team covered the following:

- The Levine law (see below), why it was enacted and how it was recently amended by the legislature.
- Types of proceedings and individuals subject to the Levine Act and the distinctions between them
- Helpful hypotheticals and examples
- Best practices and novel issues
- Overview of recent governance and ethic laws updates and election year reminders

Levine Act is:

- Government Code section 84308
- California law was originally enacted in 1982 in response to LA Times article.
- Aimed at combating "pay-to-play" through campaign contributions.
- Amended in 2022 to apply to local elected officials.
- FPPC Regulations adopted in 2023 (2 CFR 18438 et seq.)

Keynote Speaker Tani Cantil-Sakouye, President and CEO Public Policy Institute (PPIC) of California

Prior PPIC Tani served as Chief Justice of California where she established herself as a proponent of equal access to justice, civic education, and reform of court funding practices that unfairly affect the poor. She came to water issues as an appellate judge in Northern California working on Articles 10 and 16 that affect water policy. Subsequently asked and got funding for \$1.2 million from the governor to train judges on water issues. Tani acknowledged ACWA as a premier organization working with PPIC in partnership with water issues affecting California.

PPIC, she continued, is a thirty-year-old independent think tank organization founded in 1994 by HP, Roger Hyde, and R.J. Miller to resolve issues including water. Other areas she mentioned are:

- Possible consequences of SGMA
- What to do with 550,000 – 900,000 acres in California that will be fallowed
- Water affordability concerns
- Climate Resilience Bonds

Awards and Recognition

2024 Fellowship Recipient, Laura Gallegos, Sr. Public Affairs Specialist SCV Water

2024 Scholarship Recipients Josephine Wrinkle, Immie Frel, Krisha Pedraza and Braden Smith

Claira Hill Award finalists East Valley Water District, Eastern Municipal Water District Nevada Irrigation District and Turlock Irrigation District

Conference Sponsors EMWD, Cadiz, Yuba Water Agency and ?

BAWSCA Meeting of 16 May 2024

I attended the BAWSCA meeting of 16 May 2024 which was held at the Burlingame Community Center. After the call to order, roll call, and comments by the Chair/BPC reports we passed the consent calendar without objection. It included funding for a regional water demand study which is important for our individual Urban Water Management Plans plus SFPUC Alternative Water Supply planning. Then Allison Kastama gave the SFPUC Report. Water Bank continues to be full and Hetchy is 13 percentage points above normal (and will fill with snowmelt). Precipitation this year has been slightly below median while snowpack is above normal. We are in good shape.

Following the SFPUC report and public comment period (there were none) Nicole briefed the two items on the Action Calendar. Both were approved unanimously. The first was the work plan and budget, with the budget coming in at \$5.6M. This budget required a 9% increase in assessments, slightly more than predicted 2 months ago as the demand study contract came in higher than expected. This assessment will leave the capital reserve at 21% of budget, which is within the goal of 20% -35% of approved budget. Actually the general reserve will get better after the end of this current fiscal year. This year's expenditures are expected to come in at 90-95% of budget, with the remainder being rolled into the general reserve. The second action item was approval of the 18 contracts to get year 2024-25 underway. Eleven contracts totaling \$1.5M were for technical/administrative services while the remaining 7 contracts were for subscription conservation programs (fully funded by subscription charges).

Next came Reports and Discussion (no votes) on the new Tier 2 allocation discussions (presented by Danielle McPherson - progress being made) and the development of an updated Long Term Reliable Water Supply Strategy (called Strategy 2050). Strategy 2050 as presented by Negin Ashoori is going to be funded by a Water Management Charge which, if approved in July, will be added to our SFPUC water bill starting in September for an 18 month period. This was how our initial study (Strategy 2015) was funded. Strategy 2050 really will guide the BAWSCA work plan for the next decade or more.

Then Nicole gave her CEO Reports. She reported that a new BAWSCA Annual Survey (year 2022-23) had been posted to their web site and encouraged all to use it (I do). She did note that 2022-23 was a drought year and that while population had increased 34% from 1986-87, water usage had actually decreased 32%. Since 1975-76, residential per capita use has decreased from a peak of 114.9 gpcd to 55.1 gpcd. When someone asked what is the minimum for health and safety, she said some agency (I forget which) said a minimum should be about 25 gpcd, so we still have a ways to go. She also reported BAWSCA is appealing the court's unfavorable ruling on the State Water Board Cases, with her statement being posted on the BAWSCA web site. We do need to protect our water supply and keep the pressure on to adopt our VA (or Healthy River and Landscape Agreement).

We did have a closed session to update us on the court cases and then closed the meeting with one more action item. Nicole will be retiring December 20 and as Chair I really wanted to start the recruitment process. I formed an Ad Hoc committee and wanted to get the process going by hiring a search firm. The board agreed with this process, approving up to \$57K for the search. Several representatives from cities said good search firms were critical for filling their city manager and other vacancies and it is best pick the most qualified firm even if they are not the cheapest. Our first Ad Hoc committee meeting will be May 22. Then we closed the meeting after announcing the next one will be July 18th at the Foster City Community Center (Burlingame needs to use their Community Center on our regular meeting date).