

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, March 14, 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 February 29, 2024.

B. Accountant's Report for Period Ending January 31, 2024.

C. Investment Report for Period Ending February 29, 2024.

D. Claims Register for February 29, 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):

- A. Consideration to Authorize Director/Staff Attendance to the ACWA/JPIA Spring Conference, Sacramento, California, May 7 thru May 9, 2024.

REGULAR MEETING OF THE BOARD OF DIRECTORS

March 14, 2024

Page 2 of 2

6. BUSINESS (NEW):

- A. Review/Approve June 30, 2023, Audit Report (*presented via Zoom*).
- B. Consider Preliminary Results from Rate Study and Provide Direction to Rate Study Committee Regarding Rate Proposals and Discuss Allocation of General Expenses Between Water and Sewer Enterprises.
- C. Review/Approve Proposal for the Installation of Controllers Replacement for the Rowntree Pump Station.
- D. Review/Approve Proposals for Roofing for the Rowntree Pump Station.

7. WRITTEN COMMUNICATIONS: None

8. ATTORNEY'S REPORT:

9. GENERAL MANAGER'S REPORT:

- A. Report on District's Water Conservation for February 2024.

10. ITEMS FROM BOARD OF DIRECTORS:

11. CLOSED SESSION:

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

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, February 8, 2024

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

1. ROLL CALL:

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

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

2. PLEDGE OF ALLEGIANCE: Led by Director Medina.

3. CONSENT CALENDAR:

President Chambers asked the Board if there were any questions or comments with the Consent Calendar.

President Chambers said that he would like to make a revision to the minutes, Item 9.C, page four, paragraph three, first sentence which read: "President Chambers inquired if work on Skyline Tank No. 2 was moving up in priority due to seismic work." President Chambers stated that was not what he had asked because he already knew it was being moved up in priority, and what he wanted to know was if we needed to do it next year, since the District would not have the funding for it. President Chambers mentioned that unless there were any objections, he would like to change that first sentence to: "President Chambers noted that Tank 2 now had some urgent work required and asked if the seismic work had to be included, making the estimated project cost over \$2.5 million."

President Chambers asked if there were any other comments from the Board on the Consent Calendar; otherwise, he asked if there was a motion to approve.

Two of Six
Minutes of the Regular Meeting of the Board of Directors
Thursday, February 8, 2024

Director Medina moved to approve the Consent Calendar with the approved revision to the minutes, seconded by Director Richards.

The motion was carried unanimously.

4. PUBLIC COMMENT: None.

5. BUSINESS (OLD):

A. Letter Dated October 1, 2023, Consideration of Request for Billing Adjustment from Customer G. Young – 169 Valleyview Way.

General Manager Mairena stated that this item was back on the agenda per customer Young's request and that on January 5, 2024, per instructions from the Board, she sent a letter to Mr. Young conveying the Board's decision. General Manager Mairena told the Board that Mr. Young had recently called the office and she had spent close to an hour talking to him and letting him know that he was welcome to have the meter tested, which he declined. General Manager Mairena also told the Board that she suggested to Mr. Young to come to the board meeting or write a letter to be included with the board packet, which he did not do.

President Chambers asked if customer Young had made any payments. General Manager Mairena replied that no payments had been received, even for the current balances.

Director Amuzie asked about the accuracy of the meter readings. General Manager Mairena replied that this was a newer meter, so it was read electronically, and furthermore, when the customer first complained, the meter was read manually, and the readings were correct. Field Supervisor Kennedy added that field staff had also tested the meter and it had tested to be accurate.

Attorney Conneran commented that if customer Young was not paying his bill, he should be subject to the disconnection policy for non-payment. General Manager Mairena mentioned that she had sent him the form to request amortization, but customer Young refused to complete it since he did not think he had used the water. Attorney Conneran stated that since he had not been paying his current bills, he should not get any special treatment and he should be subject to disconnection.

General Manager Mairena asked the Board if she should send a final letter to customer Young letting him know that the Board would not be taking any additional action on this matter, and he had the option to complete the form to request amortization of this balance for

Three of Six
Minutes of the Regular Meeting of the Board of Directors
Thursday, February 8, 2024

up to one year; otherwise, he would be subject to the disconnection policy. President Chambers added that he would also need to pay his current bills on a timely basis or be subject to the disconnection policy.

6. BUSINESS (NEW):

A. Consideration to Approve Billing Rate Increase for Pakpour Consulting Group, Inc., Effective March 1, 2024.

General Manager Mairena referred to the letter in the board packet from Pakpour Consulting Group requesting a 3.5% billing rate increase due to the CPI and the new rates were stated in the letter.

Director Bautista moved to approve a Billing Rate Increase for Pakpour Consulting Group, Inc., Effective March 1, 2024, seconded by Director Richards.

The motion was carried unanimously.

B. Review/Approve EKI's Proposal for the 2024 Urban Water Use Objective Report and Annual Water Supply and Demand Assessment.

General Manager Mairena stated that the scope of work for this proposal was different than in previous years. She commented that the State Water Resources Board would like updated data on the District's water use and how it would address any water shortages. General Manager Mairena shared a PowerPoint presentation sent by EKI on the new California Water Use Objectives. General Manager Mairena provided an overview of Making Water Conservation a California Way of Life which was approved by the Legislature back in 2018 and how urban water suppliers would need to comply with certain objectives, including this new report. General Manager Mairena reviewed the timeline for achieving the reporting requirements.

Attorney Conneran asked if EKI will be assisting the District with establishing the objectives as well as preparing the report. General Manager Mairena replied that they will be doing both.

President Chambers inquired what budget category the District had used for the annual report. General Manager Mairena replied that she thought it was under special services.

Four of Six
Minutes of the Regular Meeting of the Board of Directors
Thursday, February 8, 2024

Attorney Conneran commented that it would only be an additional \$8,000 which the District did not budget for the new report.

Director Amuzie moved to approve EKI's Proposal for the 2024 Urban Water Use Objective Report and Annual Water Supply and Demand Assessment not to exceed \$20,000 and subject to attorney's approval of an agreement amendment.

The motion was carried unanimously.

C. Consideration to Move the May 9, 2024, Regular Board Meeting to May 2, 2024.

General Manager Mairena reported that in past years, when there was an overlap between the regular board meeting and the ACWA/JPIA Conference, the board meeting would be moved to another date. It was her recommendation that the May 9, 2024, board meeting be moved to May 2, 2024, but that not all the financial reports may be available until the following meeting.

Director Medina moved to approve moving the May 9, 2024, Regular Board Meeting to May 2, 2024, seconded by Director Bautista.

The motion was carried unanimously.

D. Nominations for the ACWA Region 5 Board Vacancy for the 2024-2025 Term.

General Manager Mairena stated that she had sent this information to all board members individually for his/her consideration since the paperwork would need to be submitted by tomorrow.

Since there was no interest from the Board, no action was taken.

7. WRITTEN COMMUNICATIONS: None

8. ATTORNEY'S REPORT: None

9. GENERAL MANAGER'S REPORT:

A. Report on District's Water Conservation for January 2024.

General Manager Mairena was unable to display the comparison charts that she had sent to the Board earlier in the day, so she reported that water consumption for January 2024 had gone up slightly in comparison to last month's consumption. General Manager Mairena mentioned that the District was entering a period of conservation for January-February and that she expected the usage to decrease.

B. Update on the 2023 Water and Sewer Rate Study.

General Manager Mairena stated that the subcommittee held a meeting with Catherine and Sophia from Lechowicz and Tseng (L&T), the Rate Study consultant, and they presented preliminary data to the District. The subcommittee agreed to schedule a meeting with the Finance/Budget committee to review the different scenarios and narrow the choices to be presented to the entire Board. The meeting was scheduled for February 21, 2024, at the District's office.

General Manager Mairena mentioned that Office Supervisor Bellinger and she had virtually met with Tri-Counties Bank (TCB) to discuss and obtain preliminary rates information in the event that the District opted to finance some of the CIP projects. General Manager Mairena told the Board that TCB had provided the District with different borrowing scenarios which she had forwarded to L&T to integrate to the rate study.

C. Update on Rowntree Pump Station Overflow *(added)*.

General Manager Mairena reported on a recent overflow at the Rowntree Pump Station that occurred on Monday, February 5th, after the storm. General Manager Mairena told the Board she had received a phone call from Kevin McCarthy from the NSMCSD around 10:24pm letting her know that there had been an overflow at the Rowntree Pump Station which had spilled onto the pump station roof, and eventually onto the control panel. General Manager Mairena stated that in addition, there had been an issue with the generator not kicking in and the cause had yet to be determined. General Manager Mairena mentioned that there were about 39,000 gallons of sewage that were spilled and some of it was not recovered. General Manager Mairena shared pictures showing the overflow and the cleaning efforts. General Manager Mairena mentioned that when the SCADA system sent a signal to the NSMCSD, it showed no level on the wet well, and when their on-call worker arrived at the station, the lights were on, so perhaps, that was the reason the generator had not kicked in.

General Manager Mairena stated that she will be back next month with additional reporting and also the SCADA control panel would need to be replaced.

10. ITEMS FROM BOARD OF DIRECTORS:

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

President Chambers reported on the CSDA meeting of January 16th which was attended by Director Richards, General Manager Mairena, and him. President Chambers stated his report was in the board packet and hopefully, the CPA/Treasurer could straighten things out with their bank. President Chambers mentioned that the next meeting should be at the end of May.

B. Report on BAWSCA Meeting of January 18, 2024 (Chambers).

President Chambers reported on the BAWSCA meeting held on January 18th. President Chambers stated that on January 31st, they attempted to do a live streaming test, but it was still not working, but they will keep trying.

President Chambers commented on the progress of Tier 2 negotiations.

Everyone congratulated President Chambers on his new position as the chairperson of the BAWCA Board.

11. CLOSED SESSION: None

12. ADJOURNMENT:

Without objection, President Chambers adjourned the meeting.
Time 8:15 p.m.

Secretary

President

Date

Westborough Water District

Financial Statements
With Accountant's Compilation Report
January 31, 2024



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

Westborough Water District

Table of Contents

Accountant's Compilation Report.....	1 - 2
Financial Statements:	
Statement of Net Position	3 - 4
Statement of Activities.....	5
Selected Information - Substantially All Disclosures Required by Generally Accepted Accounting Principles are Not Included	6
Supplementary Information	
Schedule of Income and Expense - Budget to Actual	7 - 9



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 seven months ended January 31, 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. Accordingly, 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 seven months ended January 31, 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 seven months ended January 31, 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

March 08, 2024
Morgan Hill, California

Westborough Water District
Statement of Net Position
January 31, 2024

ASSETS

Current Assets:

Cash (Including \$4,628,337 in Time Deposits)	\$ 5,345,549
Receivables	
Lease	28,116
Water	1,213,553
Other	67,092
Prepaid Expenses and Other	51,116
Inventory	233,238
Total Current Assets	<u>6,938,664</u>

Non-Current Assets:

Lease Receivable	268,016
Utility Plant in Service (Note 5):	
Land	182,633
Work in Progress	117,112
Water Facility	8,173,772
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)	<u>15,124,799</u>
Less Accumulated Depreciation	<u>(7,088,918)</u>
Utility Plant in Service-Net Depreciation Expense	<u>8,035,881</u>
Total Non-Current Assets	<u>8,303,897</u>
Total Assets	<u>\$ 15,242,561</u>

DEFERRED OUTFLOWS

Deferred Pension Outflows	\$ 232,359
Deferred OPEB Outflows	<u>127,991</u>
Total Deferred Outflows	<u>\$ 360,350</u>

(continued)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Net Position
January 31, 2024

LIABILITIES

Current Liabilities:

Accounts Payable (Note 2)	\$ 1,267,853
Customers' Deposits	406,600
Unearned Revenue	15,662
Total Current Liabilities	<u>1,690,115</u>

Long-term Liabilities:

Accrued Vacation	52,115
Net Pension Liability	268,882
Net OPEB Obligation	136,971
Total Long-term Liabilities	<u>457,968</u>

Total Liabilities	<u>\$ 2,148,083</u>
-------------------	---------------------

DEFERRED INFLOWS

Deferred Lease Inflows	\$ 267,260
Deferred Pension Inflows	306,437
Deferred OPEB Inflows	323,286
Total Deferred Inflows	<u>\$ 896,983</u>

NET POSITION

Net Investment in Capital Assets	\$ 8,035,881
Restricted for Capital Facilities	347,103
Unrestricted:	
Reserved for Contingencies	278,273
Reserved for Capital Expenditures	1,916,100
Non-spendable Inventory and Prepaids	284,354
Unappropriated	1,696,134
Total Net Position	<u>\$ 12,557,845</u>

(concluded)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Activities
For the seven months ended January 31, 2024

Operating Revenue:	
Water Sales (Note 3)	\$ 2,517,452
Sewer Svc. and Transfer Charges	2,031,774
Misc. Operations	14,008
Capital Facility Income	30,152
Total Operating Revenue	<u>4,593,386</u>
Operating Expense:	
Water Expenditures	1,668,103
Sanitary Sewer Expenditures	1,633,447
Admin. and General Expenditures	707,535
Depreciation	198,988
Total Operating Expenses	<u>4,208,073</u>
Operating Income (Loss)	385,313
Non-operating Income (Expense):	
Property Taxes	496,216
Investment Interest	86,801
Other	6,413
Total Non-operating Income (Expense)	<u>589,430</u>
Change in Net Position	974,743
Net Position - Beginning	<u>11,583,102</u>
Net Position - Ending	<u>\$ 12,557,845</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
January 31, 2024

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

NOTE 2 - Accounts payable at January 31, 2024, includes \$1,134,999 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 \$(5,674) to account for uncollectible water receivables for the period.

NOTE 5 - Changes in utility plant in-service for the seven months ended January 31, 2024, were as follows:

Beginning Balance	\$ 15,108,478
Engineering	-
Surveying	-
Contractors	-
Other Fixed Assets	16,321
Ending Balance	<u>\$ 15,124,799</u>

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the seven months ended January 31, 2024

	January	Year to Date	2023-24 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Operating Revenue:						
Water Sales (Note 3)	\$ 296,374	\$ 2,517,452	\$ 4,196,733	59.99%	1.65%	\$ 69,358
Sewer Svc. and Transfer Charges	261,333	2,031,774	3,284,888	61.85%	3.52%	115,589
Misc. Operations	1,670	14,008	19,200	72.96%	14.63%	2,808
Capital Facility Income	3,142	30,152	-	100.00%	100.00%	30,152
Total Operating Revenue	562,519	4,593,386	7,500,821	61.24%	2.91%	217,907
Operating Expense:						
Water Expenditures	229,196	1,668,103	2,892,667	57.67%	0.67%	19,286
Sanitary Sewer Expenditures	228,900	1,633,447	2,925,026	55.84%	2.49%	72,818
Admin. and General Expenditures	94,287	707,535	1,302,458	54.32%	4.01%	52,232
Depreciation	28,794	198,988	365,000	54.52%	3.82%	13,929
Total Operating Expenses	581,177	4,208,073	7,485,151	56.22%	2.11%	158,265
Operating Income (Loss)	(18,658)	385,313	15,670	2458.92%	2400.59%	376,172
Non-operating Income (Expense):						
Property Taxes	154,952	496,216	676,549	73.35%	15.01%	101,562
Investment Interest	16,709	86,801	90,107	96.33%	38.00%	34,239
Other	108	6,413	36,192	17.72%	-40.61%	(14,699)
Total Non-operating Income (Expense)	171,769	589,430	802,848	73.42%	15.08%	121,102
Net Income (Loss)	\$ 153,111	\$ 974,743	\$ 818,518	119.09%	60.75%	\$ 497,274

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the seven months ended January 31, 2024

	January	Year to Date	2023-24 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Water Expenditures:						
Salaries	\$ 34,792	\$ 262,596	\$ 440,370	59.63%	-1.30%	\$ (5,714)
Salaries Overtime	829	4,100	9,000	45.56%	12.78%	1,150
Benefits	9,160	90,191	123,323	73.13%	-14.80%	(18,253)
OPEB	-	3,587	2,808	127.74%	-69.41%	(1,949)
Payroll Taxes	3,081	19,983	34,825	57.38%	0.95%	332
Technical Communications	905	5,429	11,260	48.21%	10.12%	1,139
Utilities	17,030	99,608	162,716	61.22%	-2.88%	(4,690)
Supplies and Small Tools	1,563	6,837	15,000	45.58%	12.75%	1,913
Maintenance of System	2,800	62,405	59,905	104.17%	-45.84%	(27,461)
Special Services	3,648	23,806	91,717	25.96%	32.38%	29,696
Vehicle Expense	1,041	26,082	35,000	74.52%	-16.19%	(5,665)
Water Purchases	154,347	1,063,479	1,906,743	55.77%	2.56%	48,788
Total Water Expenditures	229,196	1,668,103	2,892,667	57.67%	0.67%	19,286
Sanitary Sewer Expenditures:						
Treatment & Disposal	212,457	1,489,366	2,715,565	54.85%	3.49%	94,714
Utilities	13,168	77,416	137,600	56.26%	2.07%	2,851
Repair of Pipelines	-	-	5,000	0.00%	58.34%	2,917
Repair of Pumps	2,025	24,228	20,000	121.14%	-62.82%	(12,563)
Connection Fees	-	4,270	-	100.00%	-100.00%	(4,270)
Miscellaneous Sewer Expenses	1,250	38,167	46,861	81.45%	-23.11%	(10,831)
Total Sanitary Sewer Expenditures	228,900	1,633,447	2,925,026	55.84%	2.49%	72,818

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the seven months ended January 31, 2024

	January	Year to Date	2023-24 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Administrative and General Expenditures:						
Salaries	41,715	317,872	532,572	59.69%	-1.35%	(7,205)
Salaries-Temporary	-	749	2,000	37.45%	20.90%	418
Salaries-Overtime	-	-	1,500	0.00%	58.33%	875
Employee Benefits	13,072	122,482	207,101	59.14%	-0.81%	(1,673)
OPEB	-	5,381	4,689	114.76%	-56.43%	(2,646)
Office Supplies and Postage	462	5,399	14,151	38.15%	20.18%	2,856
Memberships	6,996	39,110	48,129	81.26%	-22.93%	(11,035)
Utilities	194	467	1,559	29.96%	28.35%	442
Telephone	364	2,534	4,534	55.89%	2.45%	111
Payroll Taxes	3,611	17,830	42,770	41.69%	16.64%	7,119
Water Conservation	100	1,184	10,000	11.84%	46.49%	4,649
Building & Grounds Maintenance	1,124	5,823	14,180	41.06%	17.27%	2,449
Parking Rentals	450	3,150	5,760	54.69%	3.65%	210
Directors Fees	900	4,500	11,300	39.82%	18.51%	2,092
Engineering Services	1,957	10,734	55,000	19.52%	38.81%	21,345
Accounting	915	15,841	37,960	41.73%	16.60%	6,302
Legal	1,312	9,243	25,400	36.39%	21.94%	5,574
Billing	4,394	36,335	55,347	65.65%	-7.32%	(4,049)
Communications	843	6,955	28,633	24.29%	34.04%	9,748
Insurance	10,433	46,530	78,777	59.07%	-0.73%	(577)
Bad Debts (Note 1)	-	-	2,000	0.00%	58.35%	1,167
Travel	965	3,748	13,626	27.51%	30.83%	4,201
Miscellaneous	4,480	51,668	105,470	48.99%	9.35%	9,859
Total Admin. and General Expenditures	94,287	707,535	1,302,458	54.32%	4.01%	52,232
Depreciation Expense	28,794	198,988	365,000	54.52%	3.82%	13,929
Total Expenses	\$ 581,177	\$ 4,208,073	\$ 7,485,151	56.22%	2.11%	\$ 158,265

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: FEBRUARY 2024

LOCAL AGENCY INVESTMENT FUND
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginning Balance			\$4,490,583.03
02/07/24	\$ (1,000,000.00)	Transfer funds to TCB (To cover NSMCSD semi-annual payment check)	\$3,490,583.03
Ending Balance			\$3,490,583.03

Total Investments Last Report Period = \$4,490,583.03
Total Investments at End of Report Period = \$3,490,583.03

Effective Interest Rate: 4.012%
(as of 01/24)

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

March 08, 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

February 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
2/9/2024	2/7/2024	RW	1747921	1708343	PATRICIA MAIRENA	-1,000,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	4,490,583.03
Total Withdrawal:	-1,000,000.00	Ending Balance:	3,490,583.03

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: FEBRUARY 29, 2024

MULTI-BANK SECURITIES, INC.
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginnning Balance			\$139,750.74
02/29/24	\$	(7.05) Change in Account Value	\$139,743.69
Ending Balance			\$139,743.69

Total Investments Last Report Period = \$139,750.74
Total Investments at End of Report Period = \$139,743.69

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

February 1, 2024 - February 29, 2024
Account Number: RMB-023565

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

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$139,750.74
Net Change in Portfolio¹	-7.05
ENDING ACCOUNT VALUE	\$139,743.69
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	139,750.74	139,743.69
100%	Account Total	\$139,750.74	\$139,743.69

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@mbssecurities.com

Client Service Information

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

Your Account Information

INVESTMENT OBJECTIVE

Investment Objective: NONE SPECIFIED

Please discuss your investment objective with your Account Executive.

TAX LOT DEFAULT DISPOSITION METHOD

Default Method for Mutual Funds: First In First Out

Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out

Default Method for all Other Securities: First In First Out

BOND AMORTIZATION ELECTIONS

Amortize premium on taxable bonds based on Constant Yield Method: Yes

Accrual market discount method for all other bond types: Constant Yield Method

Include market discount in income annually: No

ELECTRONIC DELIVERY

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

Statements and Reports

Notifications

Tax Documents

Trade Confirmations

Prospectus

Proxy/Shareholder Communications

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

Portfolio Holdings

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME 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	99.1090	139,743.69	2,111.91	5,005.50	3.58%
Total Certificates of Deposit	141,000.0000		\$139,743.69	\$2,111.91	\$5,005.50	
TOTAL FIXED INCOME	141,000.0000		\$139,743.69	\$2,111.91	\$5,005.50	
Total Portfolio Holdings				Market Value	Accrued Interest	Estimated Annual Income
				\$139,743.69	\$2,111.91	\$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.

February 1, 2024 - February 29, 2024
WESTBOROUGH WATER DISTRICT**Portfolio Holdings Disclosures (continued)****Estimated Annual Figures**

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.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 identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

Proxy Vote

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

Portfolio Holdings Disclosures (continued)

Proxy Vote (continued)

the number of shares in your margin account.

Variable Rate Securities

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

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

Structured Products

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

Messages

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.

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).

February 1, 2024 - February 29, 2024
WESTBOROUGH WATER DISTRICT**Messages (continued)****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.

Important Information and Disclosures *(continued)*

Important Arbitration Disclosures *(continued)*

- 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: FEBRUARY 2024

1. GENERAL ACCOUNT FUND:

Total from Cash Disbursements \$ 156,064.06

Checks Issued During Month:

ACWA-JPIA (Health Benefits & Ins.- 02/24 & 03/24)	13,491.51
Aramark (WWD Jacket for Office Staff & GM Mairena)	364.56
AT&T (P.S. Phone Bill to 02/01/24)	509.93
AT&T Mobility (Field & Office Cell Phones, 01/03/24-02/02/24)	335.81
Bay Area Air Quality Mgmt. (Permit Renewal for Rowntree P.S., 04/24-04/25)	633.00
CalPERS (Retirement Contributions-02/15/24)	6,304.47
CalPERS (Retirement Contributions-02/29/24)	6,304.48
Capital One Trade Credit (Field Supplies at OSH-Millbrae)	27.69
Chavan & Associates, LLP (Accounting Services, 10/23-12/23)	7,500.00
C.J. Brown & Company CPA's (FY 2022-2023 Audit Services, Progress Pymt.#4)	3,024.00
Colina Association (Three Parking Spaces Rental, 03/24)	450.00
Costco Wholesale (Membership Renewal)	240.00
City of Daly City (Sewer Service Fee, 07/23-12/23)	1,261,607.69
Direct Line (Answering Service, 01/15-02/14)	396.08
EFTPS (Employment Taxes-02/15/24)	11,587.94
EFTPS (Employment Taxes-02/29/24)	10,900.67
EDD (Employment Taxes-02/15/24)	2,694.04
EDD (Employment Taxes-02/29/24)	2,440.00
Hanson Bridgett LLP (Special Legal Services - Admin & Monthly Retainer-01/24)	3,610.00
Home Depot Credit Services (Field Supplies to 02/13/24)	151.94
Lowe's Business (Field Supplies to 02/17/24)	405.22
Mairena, Patricia (GM Mairena's Internet Services, 01/27-02/26 and Gym Enrollment Fee & 01/24 Membership Dues)	123.99
Office Depot (Office Supplies)	285.50
PG&E (Summary Bill to 02/17/24)	33,116.66
Peninsula Transmission (Truck #86 - Transmission Repair)	6,500.38
Quadient Leasing USA, Inc. (Postage Meter, 03/09/24-06/08/24)	145.01
San Mateo County Assessor (File with Parcels Information for FY24-25)	405.00
SF Water Dept. (Water Purchases, 01/05-02/05)	159,756.05
SWRCB (Water System Fees, 07/01/23-06/30/24)	27,068.87
So. SF Scavengers (Garbage Services, 01/24)	114.42
Tri Counties Bank (Monthly Credit Card Charges Thur 01/31/24)	3,950.83
WEX Bank (Wright Express-Gas Purchases to 02/15/24)	1,225.79

SUB-TOTAL **\$ 1,721,735.59**

Updated Checks Voided During Month:

Wienhoff Drug Testing Inc. - Voided & Re-Issued ck.#025189 (#025027)	(85.00)
--	---------

TOTAL CLAIMS REGISTER AMOUNT **\$ 1,721,650.59**

REPORT.: Mar 11 24 Monday
 RUN....: Mar 11 24 Time: 11:21
 Run By.: Wendy Bellinger

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

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

Control Date.: 03/11/24 Posting Period.: 03-24 Fiscal Period.: (09-24) Cash Account No.: 13110

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

Invoice No	Description	Invoice Date		Actual Period		G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal Tm							
020124-	DIRECTOR AMUZIE'S INTERNET SERVICE, 02/10 03/09	02/01/24 02/01/24	03-24 09-24	A	59450			65.00	.00	65.00
** Vendor's Subtotal - ->								65.00	.00	65.00

VENDOR I.D.: ARA01 (ARAMARK)

26166663-	FIELD UNIFORMS	02/14/24 02/14/24	03-24 09-24	A	59450			124.14	.00	124.14
** Vendor's Subtotal ----->								124.14	.00	124.14

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

022224-	DIRECTOR BAUTISTA'S INTERNET SERVICE, 03/24	02/22/24 02/22/24	03-24 09-24	A	59450			65.00	.00	65.00
** Vendor's Subtotal ----->								65.00	.00	65.00

VENDOR I.D.: CAS01 (PETTY CASH)

022924-	MISC. EXPENSES - 02/24	02/29/24 02/29/24	03-24 09-24	A	59450			87.13	.00	87.13
** Vendor's Subtotal ----->								87.13	.00	87.13

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

021124-	DIRECTOR CHAMBERS' INTERNET SERVICE, 02/16-03/15	02/11/24 02/11/24	03-24 09-24	A	59450			65.00	.00	65.00
** Vendor's Subtotal ----->								65.00	.00	65.00

VENDOR I.D.: CHE02 (CHEUNG, CARMEN)

022224-	ONE HWD WASHING MACHINE REBATE FOR ACCT NO CHE0216	02/22/24 02/22/24	03-24 09-24	A	59450			100.00	.00	100.00
** Vendor's Subtotal ----->								100.00	.00	100.00

VENDOR I.D.: CMR01 (UNITED STATE POSTAL SERV.)

031124-	POSTAGE METER REFILL	03/11/24 03/11/24	03-24 09-24	A	59450			500.00	.00	500.00
** Vendor's Subtotal ----->								500.00	.00	500.00

VENDOR I.D.: COR03 (CORE & MAIN)

U295550-	NEW WATER SAMPLING STATION #3 AT CARTER DR	01/29/24 01/29/24	03-24 09-24	A	59450			8182.40	.00	8182.40
U321493-	(1) 12' COUPLING FOR REPAIR AT CALLAN BL (12X14)	11/21/23 11/21/23	03-24 09-24	A	59450			2961.14	.00	2961.14
U388503-	(12) TRAFFIC VALVES W/ WATER LIDS	02/14/24 02/14/24	03-24 09-24	A	59450			329.63	.00	329.63
** Vendor's Subtotal ----->								11473.17	.00	11473.17

VENDOR I.D.: JRO01 (JROCKET77 DESIGN & MARKETING (DBA))

2808-	PRINTING ORDER - LETTERHEAD, ENVELOPES & LABELS	02/29/24 02/29/24	03-24 09-24	A	59450			775.69	.00	775.69
** Vendor's Subtotal --- >								775.69	.00	775.69

REPORT: Mar 11 24 Monday
 RUN: Mar 11 24 Time: 11:21
 Run By: Wendy Bellinger

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

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

Control Date: 03/11/24 Posting Period: 03-24 Fiscal Period: (09-24) Cash Account No.: 13110

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

Invoice No	Description	Invoice Date	Actual Period	Tm	G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal						
1-	WATER & SEWER RATE STUDY, 12/01/23-01/31/24	02/08/24 02/08/24	03-24 09-24	A	59450		9716.33	.00	9716.33
** Vendor's Subtotal ----->							9716.33	.00	9716.33

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

35110-	WEB REPORTING & HOSTING, 02/24	02/01/24 02/01/24	03-24 09-24	A	59450		75.00	.00	75.00
35221-	WEB REPORTING & HOSTING, 03/24	03/01/24 03/01/24	03-24 09-24	A	59450		75.00	.00	75.00
** Vendor's Subtotal ----->							150.00	.00	150.00

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

020124-	DIRECTOR MEDINA'S INTERNET SERVICE, 02/10-03/09	02/01/24 02/01/24	03-24 09-24	A	59450		65.00	.00	65.00
** Vendor's Subtotal ----->							65.00	.00	65.00

VENDOR I.D.: MR 01 (MRC)

IN3984911-	XEROX COPIER MAINT/ AGREEMENT, 01/19-02/18	02/15/24 02/15/24	03-24 09-24	A	59450		144.48	.00	144.48
** Vendor's Subtotal ----->							144.48	.00	144.48

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

4341-	ENGINEERING SERVICES - 01/24	02/02/24 02/02/24	03-24 09-24	A	59450		30459.70	.00	30459.70
** Vendor's Subtotal ----->							30459.70	.00	30459.70

VENDOR I.D.: PUM01 (PUMP REPAIR SERVICE CO.)

041877-	REMOVE, REPAIR & REINSTALL FLOWAY MOTOR AT MAIN PS	02/12/24 02/12/24	03-24 09-24	A	59450		24541.22	.00	24541.22
** Vendor's Subtotal ----->							24541.22	.00	24541.22

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

013124-	DIRECTOR RICHARDS' INTERNET SERVICE, 02/24	01/31/24 01/31/24	03-24 09-24	A	59450		65.00	.00	65.00
** Vendor's Subtotal ----->							65.00	.00	65.00

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

57746-	TROUBLESHOOTING ISSUES ON GM'S LAPTOP	02/16/24 02/16/24	03-24 09-24	A	59450		328.90	.00	328.90
** Vendor's Subtotal ----->							328.90	.00	328.90

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

120280-	EMERGENCY SERVICE CALL FOR EQUIPMENT FAILURE	02/16/24 02/16/24	03-24 09-24	A	59450		16008.46	.00	16008.46
120281-	SETTING UP THE STAND BY GENERATER FOR EMERGENCY	02/16/24 02/16/24	03-24 09-24	A	59450		2562.50	.00	2562.50
120355-	TROUBLESHOOTING AUTO-DIALER PROBLEM AT ROWNTREE PS	02/21/24 02/21/24	03-24 09-24	A	59450		2095.00	.00	2095.00
** Vendor's Subtotal ----->							20665.96	.00	20665.96

REPORT.: Mar 11 24 Monday
 RUN....: Mar 11 24 Time: 11:21
 Run By.: Wendy Bellinger
 Control Date.: 03/11/24

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

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

Posting Period.: 03-24 Fiscal Period...: {09-24} Cash Account No.: 13110

VENDOR I.D.: TRA01 (TRAP'S TIRE & AUTO CTR.)

Invoice No	Description	Invoice Date	Actual Period	Tm	G/L Account # Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal					
000076018-	TRUCK #86 TRANSMISSION SERVICE	02/08/24 02/08/24	03-24 09-24	A	59450	660.03	.00	660.03
** Vendor's Subtotal ----->						660.03	.00	660.03

VENDOR I.D.: UNI02 (UNITED STATES POSTAL SERV)

031124-	BILLING, BULK MAIL, PERMIT #419	03/11/24 03/11/24	03-24 09-24	A	59450	3000.00	.00	3000.00
** Vendor's Subtotal ----->						3000.00	.00	3000.00

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

022924-	PAYROLL TRANSFER - 02/24	02/29/24 02/29/24	03-24 09-24	A	59450	51363.14	.00	51363.14
** Vendor's Subtotal ----->						51363.14	.00	51363.14

VENDOR I.D.: \B012 (NATASHAKALEA BOGARD)

000C40201-	MQ CUSTOMER REFUND FOR BOG0001	03/01/24 03/01/24	03-24 09-24	Z	59450	78.40	.00	78.40
** Vendor's Subtotal ----->						78.40	.00	78.40

VENDOR I.D.: \C002 (CHIEN LING CHANG)

000C40201-	MQ CUSTOMER REFUND FOR CHA0394	03/01/24 03/01/24	03-24 09-24	Z	59450	128.00	.00	128.00
** Vendor's Subtotal ----->						128.00	.00	128.00

VENDOR I.D.: \C003 (OLIVIA CHEN)

000C40201-	MQ CUSTOMER REFUND FOR CHE0277	03/01/24 03/01/24	03-24 09-24	Z	59450	85.53	.00	85.53
** Vendor's Subtotal ----->						85.53	.00	85.53

VENDOR I.D.: \G008 (NICO GHILARDI)

000C40201-	MQ CUSTOMER REFUND FOR GHI0005	03/01/24 03/01/24	03-24 09-24	Z	59450	116.03	.00	116.03
** Vendor's Subtotal ----->						116.03	.00	116.03

VENDOR I.D.: \H007 (YEN HO)

000C40201-	MQ CUSTOMER REFUND FOR HO 0075	03/01/24 03/01/24	03-24 09-24	Z	59450	119.69	.00	119.69
** Vendor's Subtotal ----->						119.69	.00	119.69

VENDOR I.D.: \K009 (RON KAWAWAKI)

000C40201-	MQ CUSTOMER REFUND FOR KAW0001	03/01/24 03/01/24	03-24 09-24	Z	59450	118.96	.00	118.96
** Vendor's Subtotal ----->						118.96	.00	118.96

VENDOR I.D.: \K010 (ERIC & GRACE KIM)

REPORT.: Mar 11 24 Monday
 RUN....: Mar 11 24 Time: 11:21
 Run By.: Wendy Bellinger
 Control Date.: 03/11/24

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

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

Posting Period...: 03-24 Fiscal Period...: (09-24) Cash Account No...: 13110

VENDOR I.D.: \K010 (ERIC & GRACE KIM)

Invoice No	Description	Invoice Date	Actual Period	Tm	G/L Account # Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal					
000C40201-	MQ CUSTOMER REFUND FOR KIM0064	03/01/24 03/01/24	03-24 09-24	Z	59450	84.75	.00	84.75
** Vendor's Subtotal ----->						84.75	.00	84.75

VENDOR I.D.: \L002 (PIONA LEE)

000C40201-	MQ CUSTOMER REFUND FOR LEE0337	03/01/24 03/01/24	03-24 09-24	Z	59450	125.80	.00	125.80
** Vendor's Subtotal ----->						125.80	.00	125.80

VENDOR I.D.: \M020 (MATTHEL MA)

000C40201-	MQ CUSTOMER REFUND FOR MA 0059	03/01/24 03/01/24	03-24 09-24	Z	59450	36.61	.00	36.61
** Vendor's Subtotal ----->						36.61	.00	36.61

VENDOR I.D.: \M021 (MAR MARIANO)

000C40201-	MQ CUSTOMER REFUND FOR MAR0247	03/01/24 03/01/24	03-24 09-24	Z	59450	102.83	.00	102.83
** Vendor's Subtotal ----->						102.83	.00	102.83

VENDOR I.D.: \M022 (CHRISTOSMA MORENO)

000C40201-	MQ CUSTOMER REFUND FOR MOR0088	03/01/24 03/01/24	03-24 09-24	Z	59450	120.19	.00	120.19
** Vendor's Subtotal ----->						120.19	.00	120.19

VENDOR I.D.: \P014 (LUC TRAN)

000C40201-	MQ CUSTOMER REFUND FOR PAN0041	03/01/24 03/01/24	03-24 09-24	Z	59450	105.03	.00	105.03
** Vendor's Subtotal ----->						105.03	.00	105.03

VENDOR I.D.: \R013 (NIINA RODGERS)

000C40201-	MQ CUSTOMER REFUND FOR ROD0049	03/01/24 03/01/24	03-24 09-24	Z	59450	24.14	.00	24.14
** Vendor's Subtotal ----->						24.14	.00	24.14

VENDOR I.D.: \S026 (NEAL SHAH)

000C40201-	MQ CUSTOMER REFUND FOR SHA0059	03/01/24 03/01/24	03-24 09-24	Z	59450	62.27	.00	62.27
** Vendor's Subtotal ----->						62.27	.00	62.27

VENDOR I.D.: \T028 (ANDY TAN)

000C40201-	MQ CUSTOMER REFUND FOR TAN0096	03/01/24 03/01/24	03-24 09-24	Z	59450	121.23	.00	121.23
** Vendor's Subtotal ----->						121.23	.00	121.23

VENDOR I.D.: \T029 (KELLY QU & CHRIS FONG & STEVEN TRAN)

REPORT.: Mar 11 '24 Monday
 RUN...: Mar 11 24 Time: 11:21
 Run By.: Wendy Bellinger
 Control Date.: 03/11/24 Posting Period.: 03-24 Fiscal Period.: (09-24) Cash Account No.: 13110

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

WESTBOROUGH WATER DISTRICT
 Accounts Payable Cash Requirements

.....
 VENDOR I.D.: \T029 (KELLY QU & CHRIS FONG & STEVEN TRAN)

Invoice No	Description	Invoice Date	Actual Period	G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
000C40201-	MQ CUSTOMER REFUND FOR TRA0025	03/01/24	03-24	Z 59450		102.71	.00	102.71
		03/01/24	09-24					
** Vendor's Subtotal ----->						102.71	.00	102.71
.....								
VENDOR I.D.: \W001 (ROBERT WEBER)								
000C40201-	MQ CUSTOMER REFUND FOR WEB0010	03/01/24	03-24	Z 59450		117.00	.00	117.00
		03/01/24	09-24					
** Vendor's Subtotal ----->						117.00	.00	117.00
** Report's Total ----->						156064.06	.00	156064.06
=====								
** Total Vendors On This Report ----->								38
=====								
** Total Vendors Needing Checks ----->								38
=====								
.....								
Code	Title							
A	IMMEDIATE							

Westborough Water District Annual Financial Report

**For the Fiscal Years Ended
June 30, 2023 and 2022**



Mission Statement

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

Board of Directors as of June 30, 2023

Name	Title	Elected/ Appointed	Current Term
Janet G. Medina	President	Elected	11/2020-11/2024
Tom Chambers	Vice President	Elected	11/2022-11/2026
Don Amuzie	Director	Appointed	11/2022-11/2024
Julie L. Richards	Director	Appointed	11/2022-11/2024
Perry H. Bautista	Director	Elected	11/2022-11/2026

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

Westborough Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2023 and 2022

Presentation Version
Subject to Board Approval

**Westborough Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2023 and 2022**

Table of Contents

	<u>Page No.</u>
Table of Contents	I
Introductory Section	
Letter of Transmittal	1-4
Financial Section	
Independent Auditor's Report	5-7
Management's Discussion and Analysis	8-12
Basic Financial Statements:	
Statements of Net Position	13-14
Statements of Revenues, Expenses, and Changes in Net Position	15
Statements of Cash Flows	16-17
Notes to the Basic Financial Statements	18-46
Required Supplementary Information:	
Schedules of Changes in the Net OPEB Liability and Related Ratios	47
Schedules of OPEB Plan Contributions	48
Schedules of the District's Proportionate Share of the Net Pension Liability	49
Schedules of Pension Plan Contributions	50
Supplemental Information:	
Combining Schedule of Net Position – June 30, 2023	51
Combining Schedule of Net Position – June 30, 2022	52
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position for the Fiscal Year Ended June 30, 2023	53
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position for the Fiscal Year Ended June 30, 2022	54
Budgetary Comparison Schedule – June 30, 2023	55
Budgetary Comparison Schedule – June 30, 2022	56
Schedule of Capacity Charges – June 30, 2023	57
Schedule of Capacity Charges – June 30, 2022	58
Report on Internal Controls and Compliance	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	59-60

Introductory Section

Presentation Version
Subject to Board Approval

March 14, 2024

Board of Directors
Westborough Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Westborough Water District for the fiscal years ended June 30, 2023 and 2022, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. The report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

The Westborough Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The Westborough Water District has been providing services to the residents within the district's boundaries since 1961. The District is governed by a five-member Board of Directors. The District General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The Westborough Water District employs a full-time staff of 6 employees. The District's Board of Directors meets on the second Thursday of each month. Meetings are publicly noticed, and citizens are encouraged to attend.

The District provides water, sewer, or a combination of both services to residents and businesses within its service area. The service area lies within the South San Francisco area. The District's boundaries comprise approximately one square mile. The District currently provides service to approximately 4,000 residential, commercial, and irrigation connections.

The District's administrative offices are located in the City of South San Francisco in San Mateo County.

Economic Condition and Outlook

The economic condition for the District's service area has experienced some challenges since March 2020 with the onset of the COVID-19 pandemic. Local restaurants, educational, fitness and religious facilities, as well as local entertainment and recreation venues were required to temporarily cease their operations in response to federal, state, and local government mandates in efforts to promote public health and safety and mitigate the risk of spreading the COVID-19 virus. The economic effects of the pandemic continue to ripple through the District's service area throughout fiscal year 2023.

Economic Condition and Outlook, (continued)

In complying with Governor Newsom's Executive Order (EO) N-42-20 of April 2, 2020, the District suspended assessing late fees and disconnection/shutting off water service of customer connections for nonpayment (Health and Safety Code: Section 116902, Subdivision (c)). Though the EO restricted water shutoffs due to nonpayment, the obligation of water customers to pay for water service was neither eliminated nor reduced. On February 10, 2022, the Westborough Water District Board of Directors moved to allow the General Manager to Reinstate Late Payment Fees, Water Shutoffs for Non-Payment, Door Collection Fees, and Reconnection of Water Service Fees.

As a Special District having rate setting authority, the District's risk of/exposure of revenue loss, during the effective period of the EO, is minimal and immaterial. The District's revenue is generated through rates approved by the Board of Directors in accordance with California's Proposition 218. District revenue is not dependent on voter approved tax assessments. It is the intent of the governing body to ensure the costs of providing goods and services to the general public on a continuing basis be recovered primarily through approved rates and charges.

California's water supply continues to be a concern due to environmental and regulatory restriction that threaten the State's ability to provide storage, preserve water supply, and maintain a conveyance system throughout the Sacramento-San Joaquin Delta, all of which lead to increasing supply costs. Although Northern California, through the San Francisco Public Utility Commission has invested heavily in local storage to shield against drought events, the areas outside of the San Francisco Public Utility Commission have failed to make similar investments in storage that could have some impact on local water supply at some point in the future.

Considering the District's ability to meet future water conservation requirements, particularly in the times of drought, the District approved Ordinance No. 69, prohibiting wasteful water use with the District's boundaries. In times of drought, wasteful water use practices constitute a potential threat to the District's ability to meet water conservation measures not only in times of drought, but at all times, and is essential to ensure a reliable supply of water to meet current and future water supply needs.

Major Initiatives

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

1. To supply clean, wholesome water to the community and provide water for the future.
2. To plan, construct, operate, maintain, and upgrade the water system facilities to adequately serve customer needs.
3. To utilize the District's financial resources in an effective, responsible, and prudent manner.
4. To provide quality customer service for District customers.
5. To inform, educate, and communicate with the community on District and water issues.
6. To review and maintain a plan to be proactive in preventative maintenance of the District's water and sewer systems.

All programs and operations of the District are developed and performed in order to provide the highest level of service to its customers.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District Board of Directors adopts an operating and capital budget every year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield.

Water and Sewer Rates and District Revenues

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water and sewer rates are reviewed periodically. Water rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and a fixed (readiness-to-serve) charge. Sewer rates are based on customer's water consumption during January through February each year. There is a minimum charge of 12 units annually or 2 HCF (hundred cubic feet) for the base period of January through February.

Water Conservation Programs

The District has implemented conservation management practices. The District distributes materials to encourage water conservation. The District offers the following conservation programs:

1. Free Water Conservation Items
2. Low-Flow Toilet Retrofit Program
3. Hi-Efficiency Washer Program
4. Water Usage Audit Program

Audit and Financial Reporting

State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of C.J. Brown & Company, CPAs has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

The District participates in a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). The District participates in the Liability, Property, and Workers' Compensation programs. The Property program includes Fidelity Coverage and Boiler and Machinery Coverage.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would like to thank the members of the Board of Directors and especially the Finance Committee members for their continued support in planning and implementation of the Westborough Water District's fiscal policies.

Respectfully submitted,



Patricia Mairena
General Manager

Presentation Version
Subject to Board Approval

Financial Section

Presentation Version
Subject to Board Approval

Independent Auditor's Report

Board of Directors
Westborough Water District
South San Francisco, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Westborough Water District (District) for the years ended June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Westborough Water District, as of June 30 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

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

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

Emphasis of Matter

Prior Period Restatements

As described in Note 11 to the financial statements, the District restated its net position for adjustments made to compensated absences reported in current and long-term liabilities, for the years ended June 30, 2022, 2021, and 2020. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 12, and the Required Supplementary Information on pages 47 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section on pages 1 through 4, and the supplemental information on pages 51 through 58, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 59 and 60.

C.J. Brown & Company, CPAs
Cypress, California
March 14, 2024

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Westborough Water District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2023, the District's net position increased 5.46% or \$568,932 to \$10,979,980 as a result of ongoing operations. In fiscal year 2022, the District's net position increased 10.66% or \$1,002,615 to \$10,411,048 as a result of ongoing operations.
- Total revenues increased 6.81% or \$515,020 to \$8,078,850. In fiscal year 2022, the District's total revenues increased 14.89% or \$980,172 to \$7,563,830.
- Operating revenues increased 7.99% or \$538,075 to \$7,271,621. In fiscal year 2022, the District's operating revenues increased 13.29% or \$790,113 to \$6,733,546.
- Non-operating revenues decreased 2.78% or \$23,055 to \$807,229. In fiscal year 2022, the District's non-operating revenues increased 29.69% or \$190,059 to \$830,284.
- Total expenses increased 14.46% or \$948,703 to \$7,509,918. In fiscal year 2022, the District's total expenses decreased 3.45% or \$234,748 to \$6,561,215.
- Operating expenses increased 14.85% or \$927,624 to \$7,174,788. In fiscal year 2022, the District's operating expenses decreased 3.19% or \$205,692 to \$6,247,164.
- The District reported no non-operating expenses for fiscal year 2023. In fiscal year 2022, the District's non-operating expenses decreased by \$4,871.

Required Financial Statements

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

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

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

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

Financial Analysis of the District

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 18 through 46.

Statement of Net Position

Condensed Statements of Net Position

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2021</u>	<u>Change</u>
Assets:					
Current assets	\$ 6,309,900	5,088,222	1,221,678	4,585,115	503,107
Non-current assets	8,084,455	8,182,041	(97,586)	7,927,449	254,592
Total assets	<u>14,394,355</u>	<u>13,270,263</u>	<u>1,124,092</u>	<u>12,512,564</u>	<u>757,699</u>
Deferred outflows of resources	<u>691,462</u>	<u>360,350</u>	<u>331,112</u>	<u>347,719</u>	<u>12,631</u>
Liabilities:					
Current liabilities	2,228,107	1,857,462	370,645	1,762,539	94,923
Non-current liabilities	1,330,566	465,121	865,445	1,197,202	(732,081)
Total liabilities	<u>3,558,673</u>	<u>2,322,583</u>	<u>1,236,090</u>	<u>2,959,741</u>	<u>(637,158)</u>
Deferred inflows of resources	<u>547,164</u>	<u>896,982</u>	<u>(349,818)</u>	<u>492,109</u>	<u>404,873</u>
Net position:					
Net investment in capital assets	7,846,834	7,914,025	(67,191)	7,631,317	282,708
Restricted for capital projects	141,540	124,645	16,895	138,843	(14,198)
Unrestricted	2,991,606	2,372,378	619,228	1,638,273	734,105
Total net position	<u>\$ 10,979,980</u>	<u>10,411,048</u>	<u>568,932</u>	<u>9,408,433</u>	<u>1,002,615</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,979,980 and \$10,411,048, as of June 30, 2023 and 2022, respectively.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

Statement of Net Position, (continued)

By far the largest portion of the District's net position (71% and 76% as of June 30, 2023 and 2022, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District had no outstanding long-term debt at June 30, 2023 and 2022. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$2,991,606 and \$2,372,378, respectively. See Note 10 to the basic financial statements for further information.

Statement of Revenues, Expenses, and Changes in Net Position

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

	<u>2023</u>	<u>As Restated 2022</u>	<u>Change</u>	<u>As Restated 2020</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 7,271,621	6,733,546	538,075	5,943,433	790,113
Non-operating revenues	<u>807,229</u>	<u>830,284</u>	<u>(23,055)</u>	<u>640,225</u>	<u>190,059</u>
Total revenues	<u>8,078,850</u>	<u>7,563,830</u>	<u>515,020</u>	<u>6,583,658</u>	<u>980,172</u>
Expenses:					
Operating expenses	7,174,788	6,247,164	927,624	6,452,856	(205,692)
Non-operating expenses	-	-	-	4,871	(4,871)
Depreciation	<u>335,130</u>	<u>314,051</u>	<u>21,079</u>	<u>338,236</u>	<u>(24,185)</u>
Total expenses	<u>7,509,918</u>	<u>6,561,215</u>	<u>948,703</u>	<u>6,795,963</u>	<u>(234,748)</u>
Changes in net position	568,932	1,002,615	(433,683)	(212,305)	1,214,920
Net position, beginning of year, as restated	<u>10,411,048</u>	<u>9,408,433</u>	<u>1,002,615</u>	<u>9,620,738</u>	<u>(212,305)</u>
Net position, end of year	<u>\$ 10,979,980</u>	<u>10,411,048</u>	<u>568,932</u>	<u>9,408,433</u>	<u>1,002,615</u>

The Statement of Revenues, Expenses, and Changes of Net Position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased 5.46% or \$568,932 to \$10,979,980 as a result of ongoing operations. In fiscal year 2022, the District's net position increased 10.66% or \$1,002,615 to \$10,411,048 as a result of ongoing operations

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

Total revenues increased 6.81% or \$515,020 to \$8,078,850. Operating revenues increased 7.99% or \$538,075 to \$7,271,621, due to increases of \$390,297 in water consumption sales, \$136,743 in wastewater service, and \$11,035 in other charges and services. Non-operating revenues decreased 2.78% or \$23,055 to \$807,229, due to decreases of \$116,069 in pension income due to actuarial determined adjustments, \$36,241 in other non-operating revenue, and \$28,679 in OPEB income due to actuarial determined adjustments, offset by increases of \$80,576 in investment earnings, \$51,286 in insurance recovery, and \$28,765 in property taxes as compared to the prior year.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

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

In fiscal year 2022, total revenues increased 14.89% or \$980,172 to \$7,563,830. Operating revenues increased 13.29% or \$790,113 to \$6,733,546, due to increases of \$653,202 in water consumption sales, \$128,178 in wastewater service, and \$8,733 in other charges and services. Non-operating revenues increased 29.69% or \$190,059 to \$830,284, due to increases of \$116,069 in pension income due to actuarial determined adjustments, \$67,703 in property taxes, \$28,679 in OPEB income due to actuarial determined adjustments, and \$8,353 in other non-operating revenue, offset by a decrease of \$31,975 in investment earnings as compared to the prior year.

Total expenses increased 14.46% or \$948,703 to \$7,509,918. Operating expenses increased 14.85% or \$927,624 to \$7,174,788, primarily due to increases of \$502,259 in treatment and disposal, \$264,478 in general and administrative expenses, \$197,983 in water purchases, \$97,800 in employee benefits, and \$30,276 in utilities, which were offset by a decrease of \$181,380 in system maintenance as compared to the prior year. There were no amounts reported in non-operating expenses for 2023.

In fiscal year 2022, total expenses decreased 3.45% or \$234,748 to \$6,561,215. Operating expenses decreased 3.19% or \$205,692 to \$6,247,164, primarily due to decreases of \$429,020 in general and administrative expenses, \$182,243 in water purchases, which were offset by increases of \$210,079 in system maintenance, \$97,263 in treatment and disposal, \$29,884 in vehicles, and \$27,148 in utilities. Non-operating expenses decreased by \$4,871, due to a loss of disposal of capital assets as compared to the prior year.

Capital Asset Administration

Changes in capital asset amounts for 2023 were as follows:

	Balance 2022	Additions	Transfers/ Deletions	Balance 2023
Capital assets:				
Non-depreciable assets	\$ 1,510,558	33,326	(1,352,882)	191,002
Depreciable assets	12,958,266	1,587,496	-	14,545,762
Accumulated depreciation	(6,554,799)	(335,131)	-	(6,889,930)
Total capital assets, net	\$ 7,914,025	1,285,691	(1,352,882)	7,846,834

Changes in capital asset amounts for 2022 were as follows:

	Balance 2021	Additions	Transfers/ Deletions	Balance 2022
Capital assets:				
Non-depreciable assets	\$ 1,035,506	508,067	(33,015)	1,510,558
Depreciable assets	12,838,706	119,560	-	12,958,266
Accumulated depreciation	(6,242,895)	(314,051)	2,147	(6,554,799)
Total capital assets, net	\$ 7,631,317	313,576	(30,868)	7,914,025

At the end of fiscal year 2023 and 2022, the District's investment in capital assets net of accumulated depreciation amounted to \$7,846,834 and \$7,914,025, respectively. These investments in capital assets includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, and vehicles, etc. See Note 6 to the basic financial statements for further information.

Westborough Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2023 and 2022

Conditions Affecting Current Financial Position

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

Requests for Information

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

Presentation Version
Subject to Board Approval

Basic Financial Statements

Presentation Version
Subject to Board Approval

Westborough Water District
Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>As Restated 2022</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 5,070,321	3,848,291
Cash and cash equivalents – restricted (note 2)	140,635	124,455
Accrued interest receivable	32,620	5,543
Accrued interest receivable – restricted	905	190
Accounts receivable – water sales and services, net (note 3)	729,295	723,715
Property tax receivable	42,152	4,059
Lease receivable (note 4)	30,395	28,116
Materials and supplies inventory	233,238	346,547
Prepaid expenses and other deposits	30,339	7,306
Total current assets	<u>6,309,900</u>	<u>5,088,222</u>
Non-current assets:		
Lease receivable (note 4)	237,621	268,016
Capital assets – not being depreciated (note 6)	191,002	1,510,558
Capital assets – being depreciated, net (note 6)	7,655,832	6,403,467
Total non-current assets	<u>8,084,455</u>	<u>8,182,041</u>
Total assets	<u>14,394,355</u>	<u>13,270,263</u>
Deferred outflows of resources:		
Deferred other post-employment benefit outflows (note 8)	151,580	127,991
Deferred pension outflows (note 9)	539,882	232,359
Total deferred outflows of resources	<u>\$ 691,462</u>	<u>360,350</u>

Continued on next page

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Net Position, (continued)
June 30, 2023 and 2022

	2023	As Restated 2022
Current liabilities:		
Accounts payable and accrued expenses	\$ 185,315	232,800
Accrued sewer service charge	1,628,240	1,218,222
Deposits	365,378	359,112
Unearned revenue	15,662	12,928
Long-term liabilities – due within one year:		
Compensated absences (note 7)	33,512	34,400
Total current liabilities	2,228,107	1,857,462
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 7)	100,536	103,199
Net other post-employment benefit liability (note 8)	198,642	82,674
Net pension liability (note 9)	1,031,388	279,248
Total non-current liabilities	1,330,566	465,121
Total liabilities	3,558,673	2,322,583
Deferred inflows of resources:		
Deferred lease inflows (note 4)	233,853	267,259
Deferred other post-employment benefit inflows (note 8)	208,079	323,286
Deferred pension inflows (note 9)	105,232	306,437
Total deferred inflows of resources	547,164	896,982
Net position:		
Net investment in capital assets	7,846,834	7,914,025
Restricted (note 10)	141,540	124,645
Unrestricted (note 10)	2,991,606	2,372,378
Total net position	\$ 10,979,980	10,411,048

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>As Restated 2022</u>
Operating revenues:		
Water consumption sales	\$ 4,011,005	3,620,708
Wastewater service	3,236,621	3,099,878
Other charges and services	23,995	12,960
Total operating revenues	<u>7,271,621</u>	<u>6,733,546</u>
Operating expenses:		
Salaries and benefits	414,446	425,711
Employee benefits	216,604	118,804
Payroll taxes	31,258	28,653
Water purchases	1,734,787	1,536,804
Utilities	273,546	243,270
System maintenance	104,203	285,583
Supplies and small tools	13,047	11,862
Special services	68,394	49,868
Technical communications	9,620	8,020
Vehicles	48,944	45,387
Treatment and disposal	2,971,786	2,469,527
General and administrative	1,288,153	1,023,675
Total operating expenses	<u>7,174,788</u>	<u>6,247,164</u>
Operating income before depreciation	96,833	486,382
Depreciation	(335,130)	(314,051)
Operating (loss) income	<u>(238,297)</u>	<u>172,331</u>
Non-operating revenues, net:		
Property taxes	652,922	624,157
OPEB income – GASB 75 (note 7)	-	28,679
Pension income – GASB 68 (note 8)	-	116,069
Investment earnings, net of fair value	47,728	(32,848)
Interest on rental income	8,074	8,837
Rental revenue	33,408	33,407
Insurance recovery	51,286	-
Gain (loss) on disposal of capital assets	-	1,931
Other non-operating revenue	13,811	50,052
Total non-operating revenues, net	<u>807,229</u>	<u>830,284</u>
Changes in net position	568,932	1,002,615
Net position, beginning of year	<u>10,411,048</u>	<u>9,385,868</u>
Prior period adjustment (note 11)	<u>-</u>	<u>22,565</u>
Net position, beginning of year, as restated (note 11)	<u>10,411,048</u>	<u>9,408,433</u>
Net position, end of year	<u>\$ 10,979,980</u>	<u>10,411,048</u>

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>As Restated 2022</u>
Cash flows from operating activities:		
Cash receipts from customers for sales and services	\$ 7,359,256	6,812,852
Cash paid to vendors and suppliers for materials and services	(5,622,123)	(5,755,286)
Cash paid to employees for salaries and wages	(911,916)	(838,529)
Net cash provided by operating activities	<u>825,217</u>	<u>219,037</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	652,922	624,157
Net cash provided by non-capital financing activities	<u>652,922</u>	<u>624,157</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(267,939)	(594,828)
Net cash used in capital and related financing activities	<u>(267,939)</u>	<u>(594,828)</u>
Cash flows from investing activities:		
Interest and investment earnings	28,010	(26,758)
Net cash provided by (used in) investing activities	<u>28,010</u>	<u>(26,758)</u>
Net increase in cash and cash equivalents	1,238,210	221,608
Cash and cash equivalents, beginning of year	<u>3,972,746</u>	<u>3,751,138</u>
Cash and cash equivalents, end of year	<u>\$ 5,210,956</u>	<u>3,972,746</u>
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 5,070,321	3,848,291
Cash and cash equivalents – restricted	140,635	124,455
Total cash and cash equivalents	<u>\$ 5,210,956</u>	<u>3,972,746</u>

Continued on next page

See accompanying notes to the basic financial statements

Westborough Water District
Statements of Cash Flows, (continued)
For the Fiscals Year Ended June 30, 2023 and 2022

	<u>2023</u>	<u>As Restated 2022</u>
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating (loss) income	\$ (238,297)	172,331
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	335,130	314,051
OPEB income – GASB 75	-	28,679
Pension income – GASB 68	-	116,069
Rental income	33,408	33,407
Insurance recovery	51,286	-
Other non-operating, net	13,811	50,052
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in assets and deferred outflows of resources:		
Accounts receivable – sales and services, net	(5,580)	(151,325)
Accounts receivable – other	-	10,200
Property tax receivable	(38,093)	863
Lease receivable	28,116	25,631
Materials and supplies inventory	113,309	(136,002)
Prepaid expenses and other deposits	(23,033)	(3)
Deferred other post-employment benefit outflows	(23,589)	(34,825)
Deferred pension outflows	(307,523)	22,194
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expenses	362,533	83,308
Deposits	6,266	2,940
Unearned revenue	2,734	1,485
Compensated absences	(3,551)	28,760
Net other post-employment benefit liability	115,968	(227,457)
Net pension liability	752,140	(526,194)
Deferred lease inflows	(33,406)	(33,407)
Deferred other post-employment benefit inflows	(115,207)	197,296
Deferred pension inflows	(201,205)	240,984
Total adjustments	<u>1,063,514</u>	<u>46,706</u>
Net cash provided by operating activities	\$ <u>825,217</u>	<u>219,037</u>
Non-cash investing, capital, and financing transactions:		
Change in fair-market value of funds deposited with LAIF	\$ <u>(68,185)</u>	<u>(39,887)</u>

See accompanying notes to the basic financial statements

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

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

Basis of Accounting and Measurement Focus

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

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

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

Financial Reporting

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

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

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 91, continued

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Use of Estimates

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

Cash and Cash Equivalents

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Investments and Investment Policy

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

Restricted Assets

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

Accounts Receivable and Allowance for Uncollectible Accounts

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

Property Taxes and Assessments

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

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

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

Lease Receivable

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

Prepays

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

Inventory

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Capital Assets

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

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

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

Deferred Outflows of Resources

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

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Pensions

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Deferred Outflows of Resources, continued

Pensions, continued

- Deferred outflow for the net change in proportion of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

Compensated Absences

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

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

As of June 30, 2023, the vacation accrual schedule is as follows:

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

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

- Valuation date: June 30, 2021
- Measurement dates: June 30, 2022 and 2021
- Measurement periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

Pensions

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Pensions, continued

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

- Valuation dates: June 30, 2021 and June 30, 2020
- Measurement dates: June 30, 2022 and June 30, 2021
- Measurement periods: July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021

Deferred Inflows of Resources

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

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

Post-Employment Benefits Other Than Pensions (OPEB)

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

Pensions

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

Deposit Connection Fees

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

Water and Sewer Sales

The District recognizes water and sewer service charges based on cycle billings rendered to customers each month.

Capital Contributions

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

Net Position

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

- *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

Net Position, continued

- *Restricted* – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not included in the determination of the net investment in capital assets or restricted component of net position.

Budgetary Policies

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

Reclassification

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

Note 2 – Cash and Investments

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

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 5,070,321	3,848,291
Cash and cash equivalents – restricted	<u>140,635</u>	<u>124,455</u>
Total cash and cash equivalents	<u>\$ 5,210,956</u>	<u>3,972,746</u>

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

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 600	600
Deposits with financial institutions	646,501	771,110
Deposits held with California Local Agency Investment Fund (LAIF)	<u>4,563,855</u>	<u>3,201,036</u>
Total cash and investments	<u>\$ 5,210,956</u>	<u>3,972,746</u>

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

	<u>2023</u>	<u>2022</u>
Deposits held with California Local Agency Investment Fund (LAIF)	260 days	311 days

Custodial Credit Risk

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 2 – Cash and Investments, continued

Custodial Credit Risk, continued

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

Investment in State Investment Pool

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

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

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

The balance at June 30 consists of the following:

	<u>2023</u>	<u>2022</u>
Accounts receivable – water sales and services	\$ 729,295	723,742
Allowance for uncollectible accounts	<u>-</u>	<u>(27)</u>
Accounts receivable – water sales, net	<u>\$ 729,295</u>	<u>723,715</u>

Note 4 – Lease Receivable

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

	<u>Balance 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Crown Castle	\$ 296,132	-	(28,116)	268,016	30,395	237,621	\$ (233,853)
Total lease receivable	<u>296,132</u>	<u>-</u>	<u>(28,116)</u>	<u>268,016</u>	<u>30,395</u>	<u>237,621</u>	<u>(233,853)</u>

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

	<u>Restated 2021</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Lease receivable:							
Crown Castle	\$ 321,763	-	(25,631)	296,132	28,116	268,016	\$ (267,259)
Total lease receivable	<u>321,763</u>	<u>-</u>	<u>(25,631)</u>	<u>296,132</u>	<u>28,116</u>	<u>268,016</u>	<u>(267,259)</u>

Crown Castle

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

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 2.85%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$233,853 and \$267,259, respectively.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 4 – Lease Receivable, continued

Crown Castle, continued

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 30,395	7,244	37,639	\$ (33,408)
2025	32,798	6,346	39,144	(33,407)
2026	35,331	5,378	40,709	(33,408)
2027	38,001	4,337	42,338	(33,407)
2028	40,815	3,217	44,032	(33,407)
2029 - 2030	90,676	2,742	93,418	(66,816)
Total	268,016	29,264	297,280	\$ (233,853)
Current	(30,395)			
Non-current	\$ 237,621			

Note 5 – Internal Balances – Due To/From Funds

There were no reportable internal balances as of June 30, 2023.

During fiscal year 2022, the District's Sewer fund advanced the Water fund for the purpose of funding current year operations. The District expects the Water fund to repay the advance to the Sewer fund through the collection of water revenues in the next fiscal year. As of June 30, 2022, internal balances amounted to \$574,304.

Please see the Combining Schedule of Net Position on pages 51 and 52.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 6 – Capital Assets

Changes in capital assets for 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 182,632	-	-	182,632
Construction in progress	<u>1,327,926</u>	<u>33,326</u>	<u>(1,352,882)</u>	<u>8,370</u>
Total non-depreciable assets	<u>1,510,558</u>	<u>33,326</u>	<u>(1,352,882)</u>	<u>191,002</u>
Depreciable assets:				
Buildings	1,493,829	10,005	-	1,503,834
Water facilities	6,678,889	1,416,240	-	8,095,129
Sewer facilities	3,367,856	14,375	-	3,382,231
Joint use facilities	94,907	-	-	94,907
Maintenance facilities	478,624	-	-	478,624
Water meters	687,633	145,663	-	833,296
Furniture and equipment	<u>156,528</u>	<u>1,213</u>	<u>-</u>	<u>157,741</u>
Total depreciable assets	<u>12,958,266</u>	<u>1,587,496</u>	<u>-</u>	<u>14,545,762</u>
Accumulated depreciation:				
Buildings	(688,608)	(37,423)	-	(726,031)
Water facilities	(3,216,872)	(162,805)	-	(3,379,677)
Sewer facilities	(1,733,944)	(78,527)	-	(1,812,471)
Joint use facilities	(80,102)	(511)	-	(80,613)
Maintenance facilities	(443,457)	(12,386)	-	(455,843)
Water meters	(292,543)	(31,033)	-	(323,576)
Furniture and equipment	<u>(99,273)</u>	<u>(12,446)</u>	<u>-</u>	<u>(111,719)</u>
Total accumulated depreciation	<u>(6,554,799)</u>	<u>(335,131)</u>	<u>-</u>	<u>(6,889,930)</u>
Total depreciable assets, net	<u>6,403,467</u>	<u>1,252,365</u>	<u>-</u>	<u>7,655,832</u>
Total capital assets, net	<u>\$ 7,914,025</u>	<u>1,285,691</u>	<u>(1,352,882)</u>	<u>7,846,834</u>

Major changes to capital assets consisted primarily of additions of \$33,326 in construction in progress, \$1,416,240 in upgrades to water facilities, \$145,663 in additions to water meters, \$14,375 in upgrades to sewer facilities, and \$10,005 in upgrades to buildings. There were no deletions. Construction in progress transfers included \$1,352,881 to water facilities.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 6 – Capital Assets, (continued)

Changes in capital assets for 2022 were as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 182,632	-	-	182,632
Construction in progress	852,874	508,067	(33,015)	1,327,926
Total non-depreciable assets	1,035,506	508,067	(33,015)	1,510,558
Depreciable assets:				
Buildings	1,492,697	1,132	-	1,493,829
Water facilities	6,672,148	6,741	-	6,678,889
Sewer facilities	3,348,512	19,344	-	3,367,856
Joint use facilities	94,907	-	-	94,907
Maintenance facilities	478,624	-	-	478,624
Water meters	595,290	92,343	-	687,633
Furniture and equipment	156,528	-	-	156,528
Total depreciable assets	12,838,706	119,560	-	12,958,266
Accumulated depreciation:				
Buildings	(649,234)	(39,374)	-	(688,608)
Water facilities	(3,090,165)	(126,707)	-	(3,216,872)
Sewer facilities	(1,639,566)	(94,378)	-	(1,733,944)
Joint use facilities	(79,298)	(804)	-	(80,102)
Maintenance facilities	(432,575)	(13,029)	2,147	(443,457)
Water meters	(265,147)	(27,396)	-	(292,543)
Furniture and equipment	(86,910)	(12,363)	-	(99,273)
Total accumulated depreciation	(6,242,895)	(314,051)	2,147	(6,554,799)
Total depreciable assets, net	6,595,811	(194,491)	2,147	6,403,467
Total capital assets, net	\$ 7,631,317	313,576	(30,868)	7,914,025

Major changes to capital assets consisted primarily of additions of \$508,067 in construction in progress, \$92,343 in additions to water meters, \$19,344 in upgrades to sewer facilities, and \$6,741 in upgrades to water facilities. There were no deletions. An adjustment of \$2,146, was required to correct maintenance facilities depreciation. Construction in progress transfers included \$18,458 to sewer facilities and \$14,557 was determined to be non-capitalizable and expensed.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 7 – Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which are accrued as earned. The District's liability for compensated absences is determined annually.

The change to compensated absences balances at June 30, 2023 was as follows:

<u>Restated 2022</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 137,599	122,213	(125,764)	134,048	33,512	100,536

The change to compensated absences balances at June 30, 2022 was as follows:

<u>Restated 2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Restated 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 108,839	116,896	(88,136)	137,599	34,400	103,199

Note 8 – Other Post-Employment Benefits (OPEB) Plan

Plan Description

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

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

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

	<u>2023</u>	<u>2022</u>
Active plan members	6	6
Active plan members	1	1
Total Plan membership	<u>7</u>	<u>7</u>

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Contributions

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

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

	<u>2023</u>	<u>2022</u>
Contributions – employer	\$ 10,367	60,459
Total employer paid contributic	\$ 10,367	60,459

As of June 30 2023 and 2022, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$10,367 and \$60,459 will be/were recognized as a reduction of the net OPEB liability for the fiscal years ended June 30, 2024 and 2023, respectively.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB liability were determined by actuarial valuation dates as of June 30, 2021, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

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

Inflation	2023 – 2.50 percent 2022 – 2.50 percent
Salary increases	2023 – 2.75 percent, average, including inflation 2022 – 2.75 percent, average, including inflation
Discount rate	2023 – 6.25 percent 2022 – 6.25 percent
Healthcare cost trend rates	Non-Medicare – 6.50 percent for 2023, decreasing to an ultimate rate of 3.75 percent in 2076 Medicare (Kaiser) – 4.60 percent for 2023, decreasing to an ultimate rate of 3.75 percent in 2076 Medicare (UHC) – 5.65 percent for 2023, decreasing to an ultimate rate of 3.75 percent in 2076
Retirees' share of benefit-related costs	100 percent of the District's share of projected health insurance premiums for retirees age 55 with a minimum 15 years of service hired before January 1, 2013. 100 percent of the District's share of projected health insurance premiums for retirees age 65 with a minimum 15 years of service hired on or after January 1, 2013.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Actuarial Assumptions, continued

The actuarial assumptions used in the June 30, 2021 valuations were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the District. The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 and 2022, are summarized in the following table:

Asset Class	Target Allocation* CERB-Strategy 1	Expected Real Return**
Global equity	59.0%	4.82%
Fixed income	25.0%	1.47%
Treasury inflation-protected securities	5.0%	1.29%
Commodities	3.0%	0.84%
Real estate trusts	8.0%	3.76%
Total	100%	

* Policy target effective October 1, 2018

** Assumed long-term rate of inflation - 2.50%

** Expected long-term net rate of return, rounded - 6.25%

Discount Rate

As of June 30, 2023 and 2022, the discount rate used to measure the net OPEB liability was 6.25%, respectively. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the retirees' benefits. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Other Post-Employment Benefits (OPEB) Plan, (continued)

Changes in the Net OPEB Liability

Changes in the net OPEB liability as of June 30, 2023 (measured at June 30, 2022) were as follows:

	June 30, 2023			June 30, 2022
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Net OPEB Liability
Balance at beginning of year	\$ 793,025	710,351	82,674	310,131
Changes for the year:				
Service cost	21,447	-	21,447	19,217
Interest	49,957	-	49,957	57,675
Benefit payments	(30,760)	(30,760)	-	-
Difference between expected and actual experience	(563)	-	(563)	(161,612)
Change in assumptions	-	-	-	42,515
Employer contributions	-	50,131	(50,131)	(41,088)
Net investment income	-	(95,078)	95,078	(144,363)
Administrative expenses	-	(180)	180	199
Net change	40,081	(75,887)	115,968	(227,457)
Balance at end of year	\$ 833,106	634,464	198,642	82,674

Change of Benefit Terms

There were no changes in benefit terms.

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

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

At June 30, 2023, the discount rate comparison are the following:

	Discount Rate - 1%	Current Discount Rate 6.25%	Discount Rate + 1%
Net OPEB liability \$	298,875	198,642	115,168

At June 30, 2022, the discount rate comparison are the following:

	Discount Rate - 1%	Current Discount Rate 6.25%	Discount Rate + 1%
Net OPEB liability \$	178,085	82,674	3,216

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Other Post-Employment Benefits (OPEB) Plan, (continued)

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

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

At June 30, 2023, the healthcare cost trend rate comparison was the following:

		Healthcare Cost Trend Rates	
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 115,417	198,642	294,618

At June 30, 2022, the healthcare cost trend rate comparison was the following:

		Healthcare Cost Trend Rates	
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 3,453	82,674	174,032

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

For the fiscal years ended June 30, 2023 and 2022, the District recognized OPEB income and expense of \$19,111 and \$28,679, respectively.

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

	June 30, 2023		June 30, 2022	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to measurement date	\$ 41,939	-	60,459	-
Changes in assumptions	56,160	-	67,532	-
Differences between expected and actual experience	-	(208,079)	-	(247,590)
Net differences between expected and actual return on investments	53,481	-	-	(75,696)
Total	\$ 151,580	(208,079)	127,991	(323,286)

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 8 – Other Post-Employment Benefits (OPEB) Plan, (continued)

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

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

Fiscal Year Ending June 30:	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (18,667)
2025	(19,496)
2026	(22,475)
2027	(685)
2028	(15,901)
Thereafter	(21,214)

OPEB Plan Fiduciary Net Position

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

See pages 47 and 48 for the Required Supplementary Information.

Note 9 – Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

Benefits Provided, continued

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

The Plan's provision and benefits in effect at June 30, 2023 and 2022, are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
2023:		
Required employee contribution rates	6.91%	6.75%
Required employer contribution rates	10.34%	7.47%
2022:		
Required employee contribution rates	6.92%	6.75%
Required employer contribution rates	10.32%	7.47%

Contributions

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

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

		Miscellaneous Plan	
		2023	2022
District paid contributions:			
Employer	\$	90,693	123,498
Employee (paid by employer)		5,023	4,611
Total District paid contributions	\$	95,716	128,109

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

Net Pension Liability

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

	Proportionate Share of Net Pension Liability	
	2023	2022
Miscellaneous Plan	\$ 1,031,388	279,248

The District's net pension liability for the PERF C is measured as the proportionate share of the net pension liability for the miscellaneous pool. As of June 30, 2023 and 2022, the net pension liability of the Plan is measured as of June 30, 2022 and 2021 (the measurement dates), respectively. The total pension liability for the PERF C's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 and 2020 (valuation dates), rolled forward to June 30, 2022 and 2021, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

	Miscellaneous Plan	
	2023	2022
Proportion – beginning of year	0.00516%	0.00740%
Proportion – end of year	0.00893%	0.00516%
Change – Increase (Decrease)	0.00377%	-0.00224%

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2023 and 2022, the District recognized pension expense and income of \$334,104 and \$116,069, respectively.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

Deferred Pension Outflows (Inflows) of Resources, continued

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

Description	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 90,693	-	123,498	-
Differences between actual and expected experience	6,840	-	31,316	-
Change in assumptions	105,688	-	-	-
Net difference between projected and actual earnings on plan investments	188,925	-	-	(243,777)
Differences between actual contribution and proportionate share of contribution	-	(105,232)	-	(62,660)
Net adjustment due to differences in proportions of net pension liability	147,736	-	77,545	-
Total	\$ 539,882	(105,232)	232,359	(306,437)

As of June 30 2023 and 2022, the District reported \$90,693 and \$123,498, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended June 30, 2023, will be recognized as a reduction of the net pension liability for the year ended June 30, 2024. Pension contributions subsequent to the measurement date for the year ended June 30, 2022, were recognized as a reduction of the net pension liability for the year ended June 30, 2023.

At June 30, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2024	\$ 100,532
2025	92,292
2026	58,412
2027	92,721

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 and 2020, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation dates	June 30, 2021 and 2020
Measurement dates	June 30, 2022 and 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2023 - 6.90% 2022 - 7.15%
Inflation	2023 - 2.30% 2022 - 2.50%
Salary increases	Varies by entry age and service
Investment rate of return	6.90% Net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Period upon which actuarial Experience Survey assumption were based	2022 and 2021 – 1997-2015
Post retirement benefit	2022 and 2021 – Contract COLA up to 2.50% until Purchasing power protection allowance floor on

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

Discount Rate

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

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

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

Discount Rate, continued

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

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

As of June 30, 2023 and 2022, the target allocation and the long-term expected real rate of return by asset class were as follows:

Asset Class	New Strategic Allocation
Global Equity - Cap-weighted	30.0%
Global Equity - Non-Cap-weighted	12.0%
Private Equity	13.0%
Treasury	5.0%
Mortgage-backed securities	5.0%
Investment Grade Corporates	10.0%
High Yield	5.0%
Emerging Market Debt	5.0%
Private Debt	5.0%
Real Assets	15.0%
Leverage	-5.0%
Total	100%

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

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

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 9 – Defined Benefit Pension Plan, (continued)

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

At June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
District's net pension liability	\$ 1,767,069	1,031,389	426,106

At June 30, 2022, the discount rate comparison was the following:

	Discount Rate - 1% 6.15%	Prior Discount Rate 7.15%	Discount Rate + 1% 8.15%
District's net pension liability	\$ 902,649	279,248	(236,108)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 49 and 50 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2023 and 2022, the District reported no payables for the outstanding amount of contribution to the pension plan.

Note 10 – Net Position

Restricted net position is comprised of the following:

	2023	As Restated 2022
Restricted net position:		
Cash and cash equivalents – restricted	\$ 140,635	124,455
Accrued interest receivable – restricted	905	190
Total restricted net position	\$ 141,540	124,645

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 10 – Net Position, continued

Unrestricted net position is comprised of the following:

	<u>2023</u>	<u>As Restated 2022</u>
Non-spendable net position:		
Materials and supplies inventory	\$ 233,238	346,547
Prepaid expenses	<u>30,339</u>	<u>7,306</u>
Total non-spendable net position	<u>263,577</u>	<u>353,853</u>
Spendable net position are designated as follows:		
Unrestricted (reserved for operations)	<u>2,728,029</u>	<u>2,018,525</u>
Total spendable net position	<u>2,728,029</u>	<u>2,018,525</u>
Total unrestricted net position	<u>\$ 2,991,606</u>	<u>2,372,378</u>

Note 11 – Adjustments to Net Position

In fiscal year 2023, the District determined that compensated absences was understated. The compensated absence balance did not include sick leave which should be included for employees who are retirement eligible and meet vesting requirements. In addition, prior year amounts did not include executive leave liability amounts.

As a result of the District recorded has recorded prior period adjustments to restate net position as of June 30, 2020, 2021, and 2022. Please see Note 7 for further information.

The adjustments to net position were as follows:

Net position at July 1, 2019, as previously stated	\$ <u>9,338,216</u>
Effect of the adjustments to record sick leave liability accrual to compensated absences	(64,579)
Change in net position at June 30, 2020, as previously stated	<u>347,101</u>
Net position at June 30, 2020, as restated	\$ <u>9,620,738</u>
Effect of the adjustments to record sick leave liability accrual to compensated absences	22,565
Change in net position at June 30, 2021, as previously stated	<u>(234,870)</u>
Net position at June 30, 2021, as restated	\$ <u>9,408,433</u>
Effect of the adjustments to record sick leave liability accrual to compensated absences	(27,123)
Effect of the adjustments to record executive leave liability accrual to compensated absences	(17,768)
Change in net position at June 30, 2022, as previously stated	<u>1,047,506</u>
Net position at June 30, 2022, as restated	\$ <u>10,411,048</u>

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 12 – Risk Management

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

At June 30, 2023, the District participates in the ACWA/JPIA pooled programs for liability, property, and workers' compensation programs as follows:

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

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

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

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2023, 2022, and 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2023, 2022, and 2021.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 13 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2023, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Westborough Water District
Notes to the Basic Financial Statements, (continued)
For the Fiscal Years Ended June 30, 2023 and 2022

Note 13 – Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 101

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

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

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Note 14 – Commitments and Contingencies

Litigation

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

Note 15 – Subsequent Events

Events occurring after June 30, 2023, have been evaluated for possible adjustment to the financial statements or disclosure as of March 14, 2024, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

Presentation Version
Subject to Board Approval

Westborough Water District
Schedules of Changes in the Net OPEB Liability and Related Ratios
As of June 30, 2023
Last Ten Years*

Fiscal year ending	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability						
Service cost	\$ 21,447	19,217	18,969	17,393	23,118	22,390
Interest	49,957	57,675	53,738	57,894	57,894	52,467
Differences in expected and actual experience	(563)	(161,612)	-	(167,988)	-	-
Changes in assumptions	-	42,515	(14,635)	65,593	-	-
Benefit payments	(30,760)	-	-	-	-	-
Actuary valuation adjustment	-	-	-	(75,287)	-	-
Net change in total OPEB liability	40,081	(42,205)	58,072	(102,395)	81,012	74,857
Total OPEB liability – beginning	793,025	835,230	777,158	879,553	798,541	723,684
Total OPEB liability – ending	\$ 833,106	793,025	835,230	777,158	879,553	798,541
Plan fiduciary net position						
Contributions employer	\$ 50,131	41,088	53,336	51,657	51,657	50,031
Net investment income	(95,078)	144,363	15,990	23,513	23,695	24,637
Benefit payments	(30,760)	-	-	-	-	-
Administrative expense	(180)	(199)	(224)	(82)	(188)	(160)
Actuary valuation adjustment	-	-	-	(75,287)	-	-
Net change in plan fiduciary net position	(75,887)	185,252	69,102	(199)	75,027	74,392
Plan fiduciary net position – beginning	710,351	525,099	455,997	456,196	381,169	306,777
Plan fiduciary net position – ending	\$ 634,464	710,351	525,099	455,997	456,196	381,169
Net OPEB liability – ending	\$ 198,642	82,674	310,131	321,161	423,357	417,372
Covered payroll	\$ 798,358	697,597	684,359	736,560	758,050	478,714
Net OPEB liability as a percentage of covered payroll	24.88%	11.85%	45.32%	43.60%	55.85%	87.19%

Notes to Schedule

Valuation dates	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Methods and assumptions used to determine contribution rates:						
Single and agent employers	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)	Entry age normal (1)
Amortization method	Market value	Market value	Market value	Market value	Market value	Market value
Asset valuation method						
Inflation	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%
Salary increases	2.75%	2.75%	3.00%	3.00%	3.25%	3.25%
Investment rate of return	6.25%	6.25%	6.75%	6.75%	7.25%	7.25%
Mortality, retirement, disability						
Termination	(4)	(4)	(3)	(3)	(2)	(2)
Other information	(6)	(6)	(5)	(5)	N/A	N/A

(1) Level percentage of payroll, closed

(2) Pre-retirement mortality based on RP-2014 Employee Mortality Tables, Post-retirement mortality rates based on RP-2014 Health Annuitant Mortality Table

(3) CalPERS 1997-2015 Experience Study

(4) CalPERS 2000-2019 Experience Study

(5) Mortality projected fully generational with Scale MP-2019

(6) Mortality projected fully generational with Scale MP-2021

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

Westborough Water District
Schedules of OPEB Plan Contributions
As of June 30, 2023
Last Ten Years*

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

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

Presentation Version
Subject to Board Approval

Westborough Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2023
Last Ten Years*

Measurement dates	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.00893%	0.00516%	0.00740%	0.00700%	0.00659%	0.00659%	0.00622%	0.00560%	0.00596%
District's proportionate share of the net pension liability	\$ 1,031,388	279,248	805,442	717,152	634,828	653,647	538,400	384,145	370,615
District's covered payroll	\$ 941,063	761,676	666,767	646,536	616,165	585,652	564,574	546,648	518,567
District's proportionate share of the net pension liability as a percentage of its covered payroll	109.60%	36.66%	120.80%	110.92%	103.03%	111.61%	95.36%	70.27%	71.47%
District's fiduciary net position as a percentage of the District's total pension liability	80.89%	94.09%	81.26%	81.20%	81.79%	79.00%	79.63%	84.06%	83.03%

Notes to schedule:

Benefits changes:

There were no changes in benefits.

Changes in assumptions:

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

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

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

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

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

There were no changes in assumptions.

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

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

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

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

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

There were no changes in assumptions.

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

There were no changes in assumptions.

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

There were no changes in assumptions.

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

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

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

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

Westborough Water District
Schedules of Pension Plan Contributions
As of June 30, 2023
Last Ten Years*

Fiscal year ending	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	\$ 153,411	133,340	120,567	104,440	87,578	74,208	67,046	59,092	55,655	54,569
Contributions in relation to the actuarially determined contribution	(153,411)	(133,340)	(120,567)	(104,440)	(87,578)	(74,208)	(67,046)	(59,092)	(55,655)	(54,569)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 755,204	941,063	761,676	666,767	646,536	616,165	585,652	564,574	546,648	518,567
Contribution's as a percentage of covered payroll	20.31%	14.17%	15.83%	15.66%	13.55%	12.04%	11.45%	10.47%	10.18%	10.52%
Notes to schedule:										
Valuation dates	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	15 year Smoothed Market Method	Market value
Inflation	2.300%	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	7.150% (3)	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)	7.500% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed

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

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

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

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

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

Supplemental Information

Presentation Version
Subject to Board Approval

Westborough Water District
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Current assets:			
Cash and cash equivalents	\$ 206,549	4,863,772	5,070,321
Cash and cash equivalents – restricted	-	140,635	140,635
Accrued interest receivable	-	32,620	32,620
Accrued interest receivable – restricted	-	905	905
Accounts receivable – water sales and services, net	645,974	83,321	729,295
Property tax receivable	42,152	-	42,152
Lease receivable	30,395	-	30,395
Materials and supplies inventory	233,238	-	233,238
Prepaid expenses and other deposits	30,339	-	30,339
Total current assets	1,188,647	5,121,253	6,309,900
Non-current assets:			
Lease receivable	237,621	-	237,621
Capital assets – not being depreciated	191,002	-	191,002
Capital assets – being depreciated, net	6,086,072	1,569,760	7,655,832
Total non-current assets	6,514,695	1,569,760	8,084,455
Total assets	7,703,342	6,691,013	14,394,355
Deferred outflows of resources:			
Deferred OPEB outflows	151,580	-	151,580
Deferred pension outflows	539,882	-	539,882
Total deferred outflows of resources	691,462	-	691,462
Current liabilities:			
Accounts payable and accrued expenses	185,315	-	185,315
Accrued sewer service charge	-	1,628,240	1,628,240
Deposits	365,378	-	365,378
Unearned revenue	15,662	-	15,662
Long-term liabilities – due within one year:			
Compensated absences	33,512	-	33,512
Total current liabilities	599,867	1,628,240	2,228,107
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	100,536	-	100,536
Net OPEB liability	198,642	-	198,642
Net pension liability	1,031,388	-	1,031,388
Total non-current liabilities	1,330,566	-	1,330,566
Total liabilities	1,930,433	1,628,240	3,558,673
Deferred inflows of resources:			
Deferred lease inflows	233,853	-	233,853
Deferred OPEB inflows	208,079	-	208,079
Deferred pension inflows	105,232	-	105,232
Total deferred inflows of resources	547,164	-	547,164
Net position:			
Net investment in capital assets	6,277,074	1,569,760	7,846,834
Restricted	-	141,540	141,540
Unrestricted	(359,867)	3,351,473	2,991,606
Total net position	\$ 5,917,207	5,062,773	10,979,980

Westborough Water District
Combining Schedule of Net Position
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds		As Restated
	Water Fund	Sewer Fund	Total
Current assets:			
Cash and cash equivalents	\$ -	3,848,291	3,848,291
Cash and cash equivalents – restricted	-	124,455	124,455
Accrued interest receivable	-	5,543	5,543
Accrued interest receivable – restricted	-	190	190
Accounts receivable – water sales and services, net	656,494	67,221	723,715
Property tax receivable	4,059	-	4,059
Lease receivable	28,116	-	28,116
Materials and supplies inventory	346,547	-	346,547
Due from water fund (note 5)	-	574,304	574,304
Prepaid expenses and other deposits	7,306	-	7,306
Total current assets	1,042,522	4,620,004	5,662,526
Non-current assets:			
Lease receivable	268,016	-	268,016
Capital assets – not being depreciated	1,510,558	-	1,510,558
Capital assets – being depreciated, net	4,769,555	1,633,912	6,403,467
Total non-current assets	6,548,129	1,633,912	8,182,041
Total assets	7,590,651	6,253,916	13,844,567
Deferred outflows of resources:			
Deferred OPEB outflows	127,991	-	127,991
Deferred pension outflows	232,359	-	232,359
Total deferred outflows of resources	360,350	-	360,350
Current liabilities:			
Accounts payable and accrued expenses	232,800	-	232,800
Accrued sewer service charge	-	1,218,222	1,218,222
Deposits	359,112	-	359,112
Unearned revenue	12,928	-	12,928
Due to sewer fund (note 5)	574,304	-	574,304
Long-term liabilities – due within one year:			
Compensated absences	34,400	-	34,400
Total current liabilities	1,213,544	1,218,222	2,431,766
Non-current liabilities:			
Long-term liabilities – due in more than one year:			
Compensated absences	103,199	-	103,199
Net OPEB liability	82,674	-	82,674
Net pension liability	279,248	-	279,248
Total non-current liabilities	465,121	-	465,121
Total liabilities	1,678,665	1,218,222	2,896,887
Deferred inflows of resources:			
Deferred lease inflows	267,259	-	267,259
Deferred OPEB inflows	323,286	-	323,286
Deferred pension inflows	306,437	-	306,437
Total deferred inflows of resources	896,982	-	896,982
Net position:			
Net investment in capital assets	6,280,113	1,633,912	7,914,025
Restricted	-	124,645	124,645
Unrestricted	(904,759)	3,277,137	2,372,378
Total net position	\$ 5,375,354	5,035,694	10,411,048

Westborough Water District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating revenues:			
Water consumption sales	\$ 4,011,005	-	4,011,005
Wastewater service	-	3,236,621	3,236,621
Other charges and services	23,395	600	23,995
Total operating revenues	4,034,400	3,237,221	7,271,621
Operating expenses:			
Salaries and benefits	414,446	-	414,446
Employee benefits	216,604	-	216,604
Payroll taxes	31,258	-	31,258
Water purchases	1,734,787	-	1,734,787
Utilities	154,843	118,703	273,546
System maintenance	63,574	40,629	104,203
Supplies and small tools	13,047	-	13,047
Special services	68,394	-	68,394
Technical communications	9,620	-	9,620
Vehicles	48,944	-	48,944
Treatment and disposal	-	2,971,786	2,971,786
General and administrative	1,287,653	500	1,288,153
Total operating expenses	4,043,170	3,131,618	7,174,788
Operating (loss) income before depreciation	(8,770)	105,603	96,833
Depreciation	(256,606)	(78,524)	(335,130)
Operating income (loss)	(265,376)	27,079	(238,297)
Non-operating revenue(expense), net:			
Property taxes	652,922	-	652,922
Investment earnings, net of fair value	47,728	-	47,728
Interest on rental income	8,074	-	8,074
Rental revenue	33,408	-	33,408
Insurance recovery	51,286	-	51,286
Other non-operating revenue	13,811	-	13,811
Total non-operating revenues, net	807,229	-	807,229
Changes in net position	541,853	27,079	568,932
Net position, beginning of year, as restated	5,375,354	5,035,694	10,411,048
Net position, end of year	\$ 5,917,207	5,062,773	10,979,980

Westborough Water District
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	Enterprise Funds		As Restated
	Water Fund	Sewer Fund	Total
Operating revenues:			
Water consumption sales	\$ 3,620,708	-	3,620,708
Wastewater service	-	3,099,878	3,099,878
Other charges and services	12,960	-	12,960
Total operating revenues	3,633,668	3,099,878	6,733,546
Operating expenses:			
Salaries and benefits	425,711	-	425,711
Employee benefits	118,804	-	118,804
Payroll taxes	28,653	-	28,653
Water purchases	1,536,804	-	1,536,804
Utilities	143,292	99,978	243,270
System maintenance	232,843	52,740	285,583
Supplies and small tools	11,862	-	11,862
Special services	49,868	-	49,868
Technical communications	8,020	-	8,020
Vehicles	45,387	-	45,387
Treatment and disposal	-	2,469,527	2,469,527
General and administrative	1,015,960	7,715	1,023,675
Total operating expenses	3,617,204	2,629,960	6,247,164
Operating income before depreciation	16,464	469,918	486,382
Depreciation	(219,672)	(94,379)	(314,051)
Operating (loss) income	(203,208)	375,539	172,331
Non-operating revenue:			
Property taxes	624,157	-	624,157
OPEB income – GASB 75	28,679	-	28,679
Pension income – GASB 68	116,069	-	116,069
Investment earnings, net of fair value	(32,848)	-	(32,848)
Interest on rental income	8,837	-	8,837
Rental revenue	33,407	-	33,407
Loss on disposal of capital assets	1,931	-	1,931
Other non-operating revenue	50,052	-	50,052
Total non-operating revenues, net	830,284	-	830,284
Changes in net position	627,076	375,539	1,002,615
Net position, beginning of year	4,725,713	4,660,155	9,385,868
Prior period adjustment	22,565	-	22,565
Net position, beginning of year	4,748,278	4,660,155	9,408,433
Net position, end of year, as restated	\$ 5,375,354	5,035,694	10,411,048

**Westborough Water District
Budgetary Comparison Schedule
For the Year Ended June 30, 2023**

	Adopted Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:				
Water consumption sales	\$ 4,058,845	4,058,845	4,011,005	(47,840)
Wastewater service	3,200,831	3,200,831	3,236,621	35,790
Other charges and services	-	-	23,995	23,995
Total operating revenues	<u>7,259,676</u>	<u>7,259,676</u>	<u>7,271,621</u>	<u>11,945</u>
Operating expenses:				
Salaries and benefits	476,491	476,491	414,446	62,045
Employee benefits	67,874	67,874	216,604	(148,730)
Payroll taxes	32,220	32,220	31,258	962
Water purchases	1,800,586	1,800,586	1,734,787	65,799
Utilities	239,921	239,921	273,546	(33,625)
System maintenance	80,148	80,148	104,203	(24,055)
Supplies and small tools	15,000	15,000	13,047	1,953
Special services	74,526	74,526	68,394	6,132
Technical communications	9,052	9,052	9,620	(568)
Vehicles	30,400	30,400	48,944	(18,544)
Treatment and disposal	2,648,143	2,648,143	2,971,786	(323,643)
General and administrative	1,213,815	1,213,815	1,288,153	(74,338)
Total operating expenses	<u>6,688,176</u>	<u>6,688,176</u>	<u>7,174,788</u>	<u>(486,612)</u>
Operating income before depreciation and amortization	571,500	571,500	96,833	(474,667)
Depreciation	<u>(365,000)</u>	<u>(365,000)</u>	<u>(335,130)</u>	<u>29,870</u>
Operating income (loss)	<u>206,500</u>	<u>206,500</u>	<u>(238,297)</u>	<u>(444,797)</u>
Non-operating revenues, net:				
Property taxes	613,231	613,231	652,922	39,691
Interest and investment unrealized loss	12,052	12,052	47,728	35,676
Interest on rental income	-	-	8,074	8,074
Rental revenue	36,000	36,000	33,408	(2,592)
Insurance recovery	-	-	51,286	51,286
Other non-operating revenue	-	-	13,811	13,811
Total non-operating revenues, net	<u>661,283</u>	<u>661,283</u>	<u>807,229</u>	<u>145,946</u>
Changes in net position	<u>\$ 867,783</u>	<u>867,783</u>	<u>568,932</u>	<u>(298,851)</u>
Net position, beginning of year			<u>10,411,048</u>	
Net position, end of year			<u>\$ 10,979,980</u>	

**Westborough Water District
Budgetary Comparison Schedule
For the Year Ended June 30, 2022**

	Adopted Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:				
Water consumption sales	\$ 3,965,217	3,965,217	3,620,708	(344,509)
Wastewater service	2,838,845	2,838,845	3,099,878	261,033
Other charges and services	-	-	12,960	12,960
Total operating revenues	6,804,062	6,804,062	6,733,546	(70,516)
Operating expenses:				
Salaries and benefits	376,042	376,042	425,711	(49,669)
Employee benefits	122,335	122,335	118,804	3,531
Payroll taxes	29,343	29,343	28,653	690
Water purchases	1,812,760	1,812,760	1,536,804	275,956
Utilities	212,150	212,150	243,270	(31,120)
System maintenance	78,650	78,650	285,583	(206,933)
Supplies and small tools	11,000	11,000	11,862	(862)
Special services	62,130	62,130	49,868	12,262
Technical communications	6,800	6,800	8,020	(1,220)
Vehicles	15,000	15,000	45,387	(30,387)
Treatment and disposal	2,267,874	2,267,874	2,469,527	(201,653)
General and administrative	1,101,461	1,101,461	1,023,675	77,786
Total operating expenses	6,095,545	6,095,545	6,247,164	(151,619)
Operating income before depreciation and amortization	708,517	708,517	486,382	(222,135)
Depreciation	(363,004)	(363,004)	(314,051)	48,953
Operating income	345,513	345,513	172,331	(173,182)
Non-operating revenues, net:				
Property taxes	530,000	530,000	624,157	94,157
OPEB income – GASB 75	-	-	28,679	(28,679)
Pension income – GASB 68	-	-	116,069	(116,069)
Interest and investment unrealized loss	14,956	14,956	(32,848)	(47,804)
Interest on rental income	-	-	8,837	8,837
Rental revenue	-	-	33,407	33,407
Loss on disposal of capital assets	-	-	1,931	1,931
Other non-operating revenue	36,000	36,000	50,052	14,052
Total non-operating revenues, net	580,956	580,956	830,284	(40,168)
Changes in net position	\$ 926,469	926,469	1,002,615	(213,350)
Net position, beginning of year, as restated			9,408,433	
Net position, end of year			\$ 10,411,048	

**Westborough Water District
Schedule of Capacity Charges
For the Year Ended June 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Beginning balance as of July 1, 2022	\$ 313,837	140,635	454,472
Capacity fees received for the fiscal year ended June 30, 2023			
Storage and transmission fees	<u>-</u>	<u>-</u>	<u>-</u>
Total capacity charges	\$ <u>313,837</u>	<u>140,635</u>	<u>454,472</u>

Public improvement expenditures for the fiscal year ended June 30, 2023 are as follows:

	<u>Project expenditures</u>			<u>Percentage complete</u>	<u>Project expenditures funded with the above fees</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>		<u>Amount</u>	<u>Percentage</u>
Public improvement projects						
Athy Drive / Skyline Village improvements	\$ 4,079	-	4,079	95%	4,079	100%
Skyline tanks structural analysis, coating, and inspection	20,877	-	20,877	38%	20,877	100%
Total expenditures	<u>24,956</u>	<u>-</u>	<u>24,956</u>			
Excess fees over expenditures	<u>288,881</u>	<u>140,635</u>	<u>429,516</u>			
Less: excess	288,881	-	288,881			
Ending balance as of June 30, 2023	\$ <u>-</u>	<u>140,635</u>	<u>140,635</u>			

**Westborough Water District
Schedule of Capacity Charges
For the Year Ended June 30, 2022**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Beginning balance as of July 1, 2021	\$ 307,922	140,635	448,557
Capacity fees received for the fiscal year ended June 30, 2022			
Storage and transmission fees	<u>5,915</u>	<u>-</u>	<u>5,915</u>
Total capacity charges	<u>\$ 313,837</u>	<u>140,635</u>	<u>454,472</u>

Public improvement expenditures for the fiscal year ended June 30, 2022, are as follows:

	<u>Project expenditures</u>			<u>Percentage complete</u>	<u>Project expenditures funded with the above fees</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>		<u>Amount</u>	<u>Percentage</u>
Public improvement projects						
Athy Drive / Skyline Village improvements	\$ 17,686	-	17,686	95%	17,686	100%
Skyline tanks structural analysis, coating, and inspection	474,200	-	474,200	36%	474,200	100%
Westborough sanitary lift station	-	340	340	100%	340	100%
Westborough manhole rehabilitation	<u>-</u>	<u>15,840</u>	<u>15,840</u>	100%	15,840	100%
Total expenditures	<u>491,886</u>	<u>16,180</u>	<u>508,066</u>			
Excess fees over expenditures	<u>(178,049)</u>	<u>124,455</u>	<u>(53,594)</u>			
Less: deficiency	<u>(178,049)</u>	<u>-</u>	<u>(178,049)</u>			
Ending balance as of June 30, 2022	<u>\$ -</u>	<u>124,455</u>	<u>124,455</u>			

Report on Internal Controls and Compliance

Presentation Version
Subject to Board Approval

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

Board of Directors
Westborough Water District
South San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Westborough Water District (District), as of and for the years June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated March 14, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

C.J. Brown & Company, CPAs
Cypress, California
March 14, 2024

Presentation Version
Subject to Board Approval

Westborough Water District

Management Report

June 30, 2023

Presentation Version

Westborough Water District

Management Report

Table of Contents

<u>Item</u>	<u>Page No.</u>
General Introduction	1
Current Year Comment and Recommendation	2
Prior Year Comment and Recommendation	2
Appendix:	
Audit/Finance Committee Letter	1-5
Schedule of Audit Adjusting Journal Entries	6-10

Board of Directors
Westborough Water District
South San Francisco, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Westborough Water District (District) as of and for the years ended June 30, 2023 and 2022, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2023.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

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

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at June 30, 2022.

* * * * *

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

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

C.J. Brown & Company, CPAs
Cypress, California
March 14, 2024

APPENDIX

Westborough Water District

Audit/Finance Committee Letter

June 30, 2023

Board of Directors
Westborough Water District
South San Francisco, California

We have audited the financial statements of the business-type activities of the Westborough Water District (District) for the years ended June 30, 2023 and 2022 and have issued our report thereon dated March 14, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 28, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 14, 2024.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

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

Required Risk Assessment Procedures per Auditing Standards:

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

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

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

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

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

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

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

Significant Accounting Estimates, continued

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

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

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

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

The disclosure of capital assets, net in Note 6 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan, in Note 8 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan in Note 9 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

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

Identified or Suspected Fraud

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

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

Uncorrected and Corrected Misstatements, continued

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 6 through 10 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

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

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

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 14, 2024.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

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

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

Other Matters, continued

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

Restriction on Use

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

Conclusion

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

C.J. Brown & Company, CPAs

Cypress, California

March 14, 2024

**Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To adjust receivables per recalculation testing at June 30, 2023.			
13712	ACCTS.REC.-WATER ADJ.	10,934.37	
41100	WATER SALES - RESIDENTIAL	1,107.57	
42351	CHARGES - SANITATION	653.04	
13710	ACCTS.REC.-WATER		1,107.57
13713	A/R SEWER		653.04
41100	WATER SALES - RESIDENTIAL		10,934.37
Total		12,694.98	12,694.98
Adjusting Journal Entries JE # 2			
AJE - To reclassify SMC Environmental Health check 24676 annual fees for FY23/24 paid in June from expense to prepaids at June 30, 2023. Noted during testing of Outstanding Checks.			
14420	Prepaid Expense	20,916.00	
51150	SPECIAL SERVICES		20,916.00
Total		20,916.00	20,916.00
Adjusting Journal Entries JE # 3			
AJE - To reverse prior year accounts payable accrual paid on Check 23024 dated 7/23/21 to ACWA JPIA for workers compensation for period 4/1/21 thru 6/30/21.			
22200	ACCOUNTS PAYABLE	9,150.69	
56870	INSURANCE		9,150.69
Total		9,150.69	9,150.69
Adjusting Journal Entries JE # 4			
AJE - To accrue June 30 payables found during the Search for Unrecorded liabilities. Checks accrued 24729 (June exp), 24731 (wc 4/1-6/30), 24753 (June exp), 24773 (June exp), 24811 (Estimate to Invoice difference).			
11190	WORK IN PROGRES	8,369.92	
51170	VEHICLE EXPENSE	12,165.95	
51200	MAINTENANCE OF SYSTEM	9,500.00	
56870	INSURANCE	4,934.86	
57320	TREATMENT & DISPOSAL	353,498.75	
22200	ACCOUNTS PAYABLE		9,500.00
22200	ACCOUNTS PAYABLE		4,934.86
22200	ACCOUNTS PAYABLE		8,369.92
22200	ACCOUNTS PAYABLE		12,165.95
22210	ACCRUED SEWER SERV.CHGS.		353,498.75
Total		388,469.48	388,469.48
Adjusting Journal Entries JE # 5			
AJE - To adjust GASB 87 lease receivable and deferred inflows at June 30, 2023.			
28000	Def. Lease Inf.	33,407.35	
49910	RENTAL IN-CELL	36,190.80	
13950	Lease Receiv.		28,116.42
49250	INTEREST INCOME LEASE		8,074.38
49910	RENTAL IN-CELL		33,407.35
Total		69,598.15	69,598.15
Adjusting Journal Entries JE # 6			
GASB 68 Entry #1 - To reclassify 2022 contributions to NPL at June 30, 2023.			
25000	PENSION LIAB.	123,498.00	
17000	DEF. PEN. O/F		123,498.00
Total		123,498.00	123,498.00

Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
GASB 68 Entry #2 - To reclassify 2023 contributions to Deferred Outflows of Resources at June 30, 2023.			
17000	DEF. PEN. O/F	90,692.00	
51115	CALPERS-FIELD		39,904.00
56115	CALPERS-ADMIN		50,788.00
Total		90,692.00	90,692.00
Adjusting Journal Entries JE # 8			
GASB 68 Entry #3 - To record changes in pension liability during FY21/22 at June 30, 2023. Note: DOR & DIR entries are summarized.			
17000	DEF. PEN. O/F	505,809.00	
27000	DEF. PEN. I/F	140,837.00	
51115	CALPERS-FIELD	100,756.00	
56115	CALPERS-ADMIN	128,236.00	
25000	PENSION LIAB.		875,638.00
Total		875,638.00	875,638.00
Adjusting Journal Entries JE # 9			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY21/22 at June 30, 2023. Note: DOR & DIR entries are summarized.			
27000	DEF. PEN. I/F	60,368.00	
51115	CALPERS-FIELD	46,249.00	
56115	CALPERS-ADMIN	58,863.00	
17000	DEF. PEN. O/F		165,480.00
Total		165,480.00	165,480.00
Adjusting Journal Entries JE # 10			
AJE - To adjust beginning balance of Net Pension Liability for erroneous adjustments made during 2023.			
51115	CALPERS-FIELD	4,561.20	
56115	CALPERS-ADMIN	5,805.16	
25000	PENSION LIAB.		10,366.36
Total		10,366.36	10,366.36
Adjusting Journal Entries JE # 11			
AJE - To adjust beginning balance of OPEB Liability for erroneous adjustments made during 2023.			
24000	NET OPEB LIAB.	45,328.19	
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD		18,131.28
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN		27,196.91
Total		45,328.19	45,328.19
Adjusting Journal Entries JE # 12			
GASB 75 Entry #1 - To reclassify 2022 contributions to OPEB Liability at June 30, 2023.			
24000	NET OPEB LIAB.	60,459.00	
16000	DEFERRED OUTLFL		60,459.00
Total		60,459.00	60,459.00
Adjusting Journal Entries JE # 13			
GASB 75 Entry #2 - To contra reclassify 2023 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2023.			
16000	DEFERRED OUTLFL	41,939.00	
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD		16,775.00
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN		25,164.00
Total		41,939.00	41,939.00

**Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 14			
GASB 75 Entry #3 - To record changes in OPEB liability and related deferrals during FY21/22 in the current year.			
16000	DEFERRED OUTLFL	140,065.00	
26000	DEF. IN - OPEB	75,696.00	
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD	14,770.00	
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN	22,155.00	
16000	DEFERRED OUTLFL		75,696.00
24000	NET OPEB LIAB.		176,427.00
26000	DEF. IN - OPEB		563.00
Total		252,686.00	252,686.00
Adjusting Journal Entries JE # 15			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30, 2023.			
26000	DEF. IN - OPEB	40,074.00	
16000	DEFERRED OUTLFL		10,888.00
16000	DEFERRED OUTLFL		11,372.00
51470	GASB 75 CONTRA EXPENSE (INCOME) - FIELD		7,126.00
56470	GASB 75 CONTRA EXPENSE (INCOME) - ADMIN		10,688.00
Total		40,074.00	40,074.00
Adjusting Journal Entries JE # 16			
PPA - To adjust compensated absence accrual to include sick leave balance for retirement eligible employees at June 30, 2020.			
31100	UNAPPROPRIATED FUND BAL.	64,579.33	
22510	ACCRD SICK LV		64,579.33
Total		64,579.33	64,579.33
Adjusting Journal Entries JE # 17			
PPA - To 1) reverse prior year and 2) book 2021 compensated absence accrual to include sick leave balance for retirement eligible employees at June 30, 2021.			
22510	ACCRD SICK LV	64,579.33	
31100	UNAPPROPRIATED FUND BAL.	42,014.43	
22510	ACCRD SICK LV		42,014.43
31100	UNAPPROPRIATED FUND BAL.		64,579.33
Total		106,593.76	106,593.76
Adjusting Journal Entries JE # 18			
PPA - To 1) reverse prior year, 2) book 2022 compensated absence accrual to include sick leave balance for retirement eligible employees, and 3) correct 2022 vac leave at incorrect pay rates and include executive leave for GM at June 30, 2022.			
22510	ACCRD SICK LV	42,014.70	
31100	UNAPPROPRIATED FUND BAL.	69,137.03	
31100	UNAPPROPRIATED FUND BAL.	17,770.26	
22500	ACCRD.VACATION		17,770.26
22510	ACCRD SICK LV		69,137.03
31100	UNAPPROPRIATED FUND BAL.		42,014.70
Total		128,921.99	128,921.99

Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 19			
AJE - To 1) reverse prior year SL, 2) reverse prior year VL from JE 18, 3) book 2023 sick leave balance for retirement eligible employees, and 4) add exec leave accrual for GM at June 30, 2023.			
22500	ACCRD.VACATION	17,766.45	
22510	ACCRD SICK LV	69,137.03	
51110	SALARIES	7,327.76	
51110	SALARIES	24,914.58	
56110	SALARIES	48,892.64	
56110	SALARIES	794.08	
22500	ACCRD.VACATION		794.08
22510	ACCRD SICK LV		81,134.98
51110	SALARIES		7,008.75
51110	SALARIES		24,088.28
51110	SALARIES		1,711.85
56110	SALARIES		38,040.00
56110	SALARIES		16,054.60
Total		168,832.54	168,832.54
Adjusting Journal Entries JE # 20			
AJE - To reclassify miscellaneous expense account 56890 to specific expense accounts per analysis for June 30, 2023.			
56210	OFFICE SUPPLIES	329.21	
56210	OFFICE SUPPLIES	2,438.79	
56230	MEMBERSHIPS	138.95	
56400	EMPLOYEE BENEFITS	1,042.77	
56500	WATER CONSERV.	4,019.39	
56840	ACCOUNTING SERVICES	2,472.00	
56842	ADMIN CONSULTING	10,696.30	
56880	BAD DEBTS	68.45	
56890	MISCELLANEOUS	10,814.33	
58001	Customer Rebates	850.00	
58001	Customer Rebates	363.27	
58002	Property Tax Expense	2,331.74	
49700	NON OPERATING - OTHER		10,814.33
56890	MISCELLANEOUS		850.00
56890	MISCELLANEOUS		363.27
56890	MISCELLANEOUS		138.95
56890	MISCELLANEOUS		329.21
56890	MISCELLANEOUS		2,438.79
56890	MISCELLANEOUS		68.45
56890	MISCELLANEOUS		4,019.39
56890	MISCELLANEOUS		2,331.74
56890	MISCELLANEOUS		10,696.30
56890	MISCELLANEOUS		2,472.00
56890	MISCELLANEOUS		1,042.77
Total		35,565.20	35,565.20
Adjusting Journal Entries JE # 21			
AJE - To reclassify miscellaneous revenue account 49700 to specific revenue accounts per analysis for June 30, 2023.			
49700	NON OPERATING - OTHER	51,285.88	
49700	NON OPERATING - OTHER	62,607.84	
49700	NON OPERATING - OTHER	31,526.85	
41400	WATER SALES - MULTI-FAM		31,526.85
41700	WATER SALES - OTHER		62,607.84
49702	Insurance Recovery		51,285.88
Total		145,420.57	145,420.57

**Westborough Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2023**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 22			
AJE - To reclassify miscellaneous revenue account 42345 to specific revenue accounts per analysis for June 30, 2023.			
42345	MISC.-OPERATIONS REVENUE	500.00	
42375	SEWER INSPECT.		500.00
Total		500.00	500.00
Adjusting Journal Entries JE # 23			
AJE - To reclassify chk / cc charges account 56875 to specific expense accounts per analysis for June 30, 2023.			
41400	WATER SALES - MULTI-FAM	29,467.23	
56875	CRD/CK CHGS.FEE		29,467.23
Total		29,467.23	29,467.23
Total Adjusting Journal Entries		2,886,870.47	2,886,870.47
Total All Journal Entries		2,886,870.47	2,886,870.47

Legend:

AJE	Audit Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry
GASB 75 Entry	GASB 75 Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry

Preliminary Rate Study Results Report

March 2024 Agenda Item 6B

Although the official report will be given at our meeting and our contractor (L&T) will likely have a report ready for our packet, below are some key areas which were discussed in our finance committee meetings during the past month which may help you prepare for the meeting. Input from the full board is desired.

Balance Between Water and Sewer Funds – General Expense issue

While our monthly board packets show the financial position for Westborough Water District as a whole, in fact we manage 2 separate enterprise funds, one for water and one for sewer (see page 51 and 53 of our June 30, 2023 audit report). While as a whole we have health finances, in fact our water fund is in the hole (negative \$359K in unrestricted net position) and the sewer fund is very wealthy (positive \$3.351M in unrestricted net position). As mentioned in prior board meetings, this is partly due to how general expenses are allocated (see pg 53 of the audit report). Currently water pays all overhead (like office utilities, all payroll/benefits, all legal services, all non-project related engineering services, etc,) and receives all non-operations income. Obviously sewer pays for pump station utilities, treatment costs (to North San Mateo County Sanitation District or NSMCSD) and some for sanitation system maintenance. While we have tried to charge more things to sewer (like preparation of the Sewer System Management Report which is clearly not a water expense), for some items (like legal/engineering services, sanitation reports, director expense) it is just not practical to maintain separate accounts. Note that in the year ending June 30 2023 water is being charged \$1.29 million for General and Administrative Operational Expense (pg 53) while sewer is being charged \$500.

L&T and our GM say General Expense allocation is a board policy decision, assuming we have grounds to support any revision. After discussion on how water/sewer workload is split, a tentative proposal is to have sewer fund 30% of our GM's salary and benefits plus 30% of all other joint non-salary/benefits general and administrative expenses. Obviously sewer should receive 30% of all non-operational income (primarily property tax and cell phone tower rental income). All office personnel (less the GM) would continue to be funded by water.

Should we desire to make a change, details would have to be put in a motion, which then would need to be put on a meeting agenda. At our March meeting I would like to get the board's thoughts on how to proceed.

CIP (Capital Improvement Program) Scenarios – Update to our Request for Proposals

At our June 2023 meeting the board decided to ask for scenarios which provided \$1.5M, \$2.5M, and \$3.5M for water CIP and \$1M, \$2M, and \$3M for sewer CIP. L&T worked through those scenarios and provided some possible rate structures, with and without debt, at the Finance Committee's in February 2024. At that time the Finance Committee suggested concentrating on the \$1M scenario for sewer and \$2.5M scenario for water, both with a debt assist (suggesting we start debt in year 2 at our March 6 meeting). We really should refine our scenarios as soon as possible as to give our Capital Improvements Committee a budget so they can establish sewer and water CIPs.

For water, \$2.5 million is much more than we have ever spent, but particularly with aging AC pipes and how those pipes lose strength with age, the increase is justified. As for sewer, recent water intrusion problems at Rowntree and Avalon pump stations show we need more investment in our infrastructure in sewer. We also have some sewer main issues. One might question how much is appropriate to maintain a sewer system. Looking at NSMCSD's 10 year CIP (as Paty if you want a copy), they are estimating \$70.58M in CIP over the next 10 years, or \$7.058M a year. WWD represents 9.6% of NSMCSD's revenues (and thus are already projected to fund 9.6% of their CIP). Since our plant is 9.6% of theirs, perhaps our CIP should be 9.6% of theirs. That would yield an annual CIP of \$668K. That is well covered by our \$1M proposal.

Conclusion

Hopefully the above helps prepare you for our March 2024 meeting. Please do look carefully at our June 2023 audit report and interim report/discussions provided by L&T. I do hope we can provide a CIP budget for our Capital Improvements Committee at our March meeting and have a General Expense Allocation motion ready for approval by our April meeting (which hopefully can be implemented in the current 23/24 fiscal year).

Tom Chambers



Westborough Water District Water and Sewer Rate Study 2024 Water Tables V4 - Draft March 8, 2024



SUMMARY OF WATER TABLES

➤ Water Rate Scenarios:

- Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
- Scenario 2: \$2.5M in CIP Projects with Debt in Year 3

PROPOSED REVENUE INCREASES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	-	19.0%	7.0%	7.0%	7.0%	7.0%
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	-	19.0%	19.0%	4.0%	4.0%	4.0%

➤ Debt Assumptions:

- District will debt fund \$1,250,000 (50% of annual water CIP) with a bank loan/line of Credit
Total debt = \$6.25M over 5 years
- First loan will be either in Year 2 (2025/26) or Year 3 (2026/27)
- Terms: 7.0%, 15 years

➤ Rate Structure Adjustments

- Fixed vs. Variable Revenue Recovery
 - Current allocation: 31% Fixed / 69% Variable
 - Proposed allocation: 35% Fixed / 65% Variable
- Meter Equivalent Ratios for Meter Service Charge
 - AWWA recommended ratios

➤ Cash Flow Assumptions:

Over the five-year rate study period, the water rate increases are proposed to meet the following objectives:

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: Annual depreciation (\$365,000 for 2023/24)
 - c. Debt Service: Total debt service for one year

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 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, Misc. Operations (42345) revenues are split 70.0% for water and 30.0% for sewer.
- Misc. Operations (42345), Taxes & Assessments (49300), and Other Income (49700) are increased by 3.0% each year.
- Rental Income (49910) is escalated at 3.0% annually and is allocated 100% to the Water Fund.
- Interest (49210) is projected at 2.0% per year.
- Cap Facilities Income (49800) are not 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 100% each year.
- Water Purchases are increased by 6.0% each year based on the projected SFPUC wholesale water rates as of February 2023.
- All other expenses increased by 3.0% each year.
- Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund.
- Beginning in 2024/25, all other G&A Operating Expenses split 70% to water and 30% to sewer.

Table 1: Total Fund Reserves
Westborough Water District
Water and Sewer Rate Study 2024

	Total Reserves	Water Fund	Sewer Fund
2023/24 Budget			
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>
2022/23 Draft Audit			
Cash and cash equivalents (pg 51)	\$5,070,321	\$206,549	\$4,863,772
<i>Percent of Total</i>	<i>100.0%</i>	<i>4.1%</i>	<i>95.9%</i>

Table 2: Combined Historical Budget (Does not include 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
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)	\$18,050	\$4,227	\$12,960	\$23,977	\$19,200
Total Operating Revenues	\$6,057,523	\$5,943,433	\$6,733,546	\$7,338,483	\$7,500,821
Annual % Change		-1.9%	13.3%	9.0%	2.2%
Non-Operating Revenues [1]					
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
GASB 87 Adjustments (Net)	\$0	\$0	\$21,097	\$0	\$0
Subtotal Non-Operating Revenues	\$893,164	\$621,464	\$733,387	\$922,173	\$802,848
Annual % Change		-30.4%	18.0%	25.7%	-12.9%
TOTAL REVENUES	\$6,950,687	\$6,564,897	\$7,466,933	\$8,260,656	\$8,303,669
Annual % Change		-5.6%	13.7%	10.6%	0.5%
OPERATING EXPENSES					
Water 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 Expense	\$2,690,649	\$2,548,555	\$2,556,354	\$2,712,875	\$2,892,667
Annual % Change		-5.3%	0.3%	6.1%	6.6%
Sewer 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
Misc. Sewer Expenses (57390)	\$0	\$0	\$26,550	\$55,780	\$46,861
Total Sewer Operating Expense	\$2,418,991	\$2,474,171	\$2,622,245	\$2,661,597	\$2,925,026
Annual % Change					
Total G & A Operating Expenses	\$1,208,044	\$1,448,546	\$1,037,058	\$1,192,560	\$1,302,458
Annual % Change		19.9%	-28.4%	15.0%	9.2%
TOTAL OPERATING EXPENSES	\$6,317,684	\$6,471,272	\$6,215,657	\$6,567,032	\$7,120,151
Annual % Change		2.4%	-4.0%	5.7%	8.4%
NET OPERATING INCOME	\$633,003	\$93,625	\$1,251,276	\$1,693,624	\$1,183,518

Table 3: 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	\$1,613,000
TOTAL EXPENSES	\$6,646,583	\$7,200,155	\$6,723,723	\$6,767,032	\$8,733,151
NET INCOME	\$304,104	(\$635,258)	\$743,210	\$1,493,624	(\$429,482)

1 - Per January 26, 2024 email

FOR CAPITAL RESERVE TARGET:

Depreciation	\$297,258	\$338,236	\$314,050	\$301,425	\$365,000
Annual % Change		13.8%	-7.2%	-4.0%	21.1%
		3-Year Avg	\$323,194	5-Year Avg	\$326,825

Table 4: 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
General & Administrative (G&A) Expenses							
Salaries (56110) [1]	\$532,572	6.0%	\$565,000	\$599,000	\$635,000	\$673,000	\$713,000
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)	\$116,705	6.0%	\$124,000	\$131,000	\$139,000	\$147,000	\$156,000
OPEB - Prefunding (56450)	\$4,689	6.0%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
CalPERS (56115)	\$90,396	6.0%	\$96,000	\$102,000	\$108,000	\$114,000	\$121,000
Payroll Taxes (56410)	\$42,770	6.0%	\$45,000	\$48,000	\$51,000	\$54,000	\$57,000
Office Supplies & Postage (56210)	\$14,151	3.0%	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Memberships (56230)	\$48,129	3.0%	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000
Travel & Education (56250)	\$13,626	3.0%	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
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)	\$14,180	3.0%	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Parking Rental Fees (56750)	\$5,760	3.0%	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Directors Fees (56810)	\$11,300	3.0%	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Engineering Svs. (56830)	\$55,000	3.0%	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
Accounting Svs (56840)	\$37,960	3.0%	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000
Legal Svs. (56841)	\$25,400	3.0%	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000
Billing (56850)	\$55,347	3.0%	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
Communications (56860)	\$28,633	3.0%	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000
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)	\$50,470	3.0%	\$52,000	\$54,000	\$56,000	\$58,000	\$60,000
Banking and Cr.Card Fees (56875)	\$55,000	3.0%	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
GASB 87 Adjustments (Net)	\$0	3.0%	\$0	\$0	\$0	\$0	\$0
Total G & A Operating Expenses	\$1,302,458		\$1,368,000	\$1,433,000	\$1,501,000	\$1,572,000	\$1,647,000
<i>Annual % Change</i>			5.0%	4.8%	4.7%	4.7%	4.8%

1 - Beginning in 2024/25, \$88,000 in Salaries for the General Manager will be allocated to the Sewer Fund. All other expenses will be split 70% to water and 30% to :

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

Table 6: 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
<u>Capital Facility Expense (56885)</u>	<u>(\$81,048)</u>	<u>(\$4,149)</u>	<u>(\$7,715)</u>	<u>(\$667)</u>	<u>\$0</u>
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
<u>Tech. Communications (51860)</u>	<u>\$6,754</u>	<u>\$6,589</u>	<u>\$8,020</u>	<u>\$9,529</u>	<u>\$11,260</u>
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	\$1,300,000
<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	\$5,495,125
<i>Annual % Change</i>		14.4%	-13.6%	-4.2%	40.7%
Net Operating Income (Loss)	(\$152,862)	(\$1,126,360)	\$268,375	\$1,076,888	(\$476,344)

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 - Per January 26, 2024 email. Capital Projects for 2023/24 will be spent over 2 years

Table 7: Historical SFPUC Wholesale Water Rates
Westborough Water District
Water and Sewer Rate Study 2024

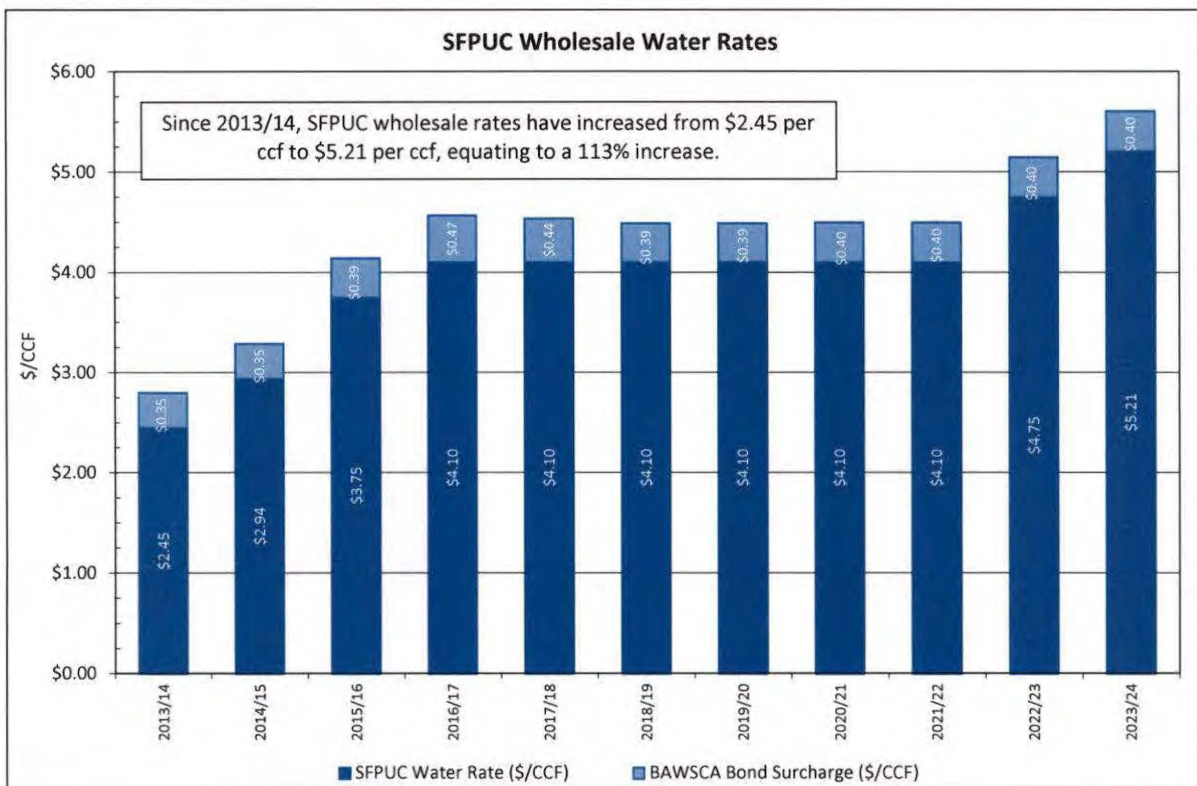


Table 8: Estimated SFPUC Water Purchase Costs
Westborough Water District
Water and Sewer Rate Study 2024

	Actual				Projected					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
SFPUC Rate (\$ per ccf) [1]	\$4.49	\$4.50	\$4.50	\$5.15	\$5.61	\$5.95	\$6.03	\$6.33	\$6.77	\$7.00
% Increase		0.2%	0.0%	14.5%	8.9%	6.1%	1.3%	5.0%	7.0%	3.4%
Total Water Purchased (ccf) [2]	426,355	382,590	332,197	340,055	350,700	350,700	350,700	350,700	350,700	350,700
% Increase		-10.3%	-13.2%	2.4%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Cost for Water Purchases [2]	\$1,877,800	\$1,740,639	\$1,448,500	\$1,730,108	\$1,967,427	\$2,086,665	\$2,114,721	\$2,219,931	\$2,374,239	\$2,454,662
% Increase		-7.3%	-16.8%	19.4%	13.7%	6.1%	1.3%	5.0%	7.0%	3.4%
Total Water Operating Expenses	\$2,690,649	\$2,548,555	\$2,556,354	\$2,712,875	\$2,892,667	\$3,067,000	\$3,251,000	\$3,447,000	\$3,655,000	\$3,875,000
% Increase		-5.3%	0.3%	6.1%	6.6%	6.0%	6.0%	6.0%	6.0%	6.0%
% of Water Purchases / Total Operating Expenses	69.8%	68.3%	56.7%	63.8%	68.0%	68.0%	65.0%	64.4%	65.0%	63.3%

1 - Includes BAWSCA Bond Surcharge. Rates for 2023/24 through 2028/29 are estimated based on San Francisco Public Utilities Commission (SFPUC) February 15, 2024 presentation

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

Table 9: Projected Water 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
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
Tech. Communications (51860)	\$11,260	3.0%	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Total Water Operating Expense	\$2,892,667		\$3,067,000	\$3,251,000	\$3,447,000	\$3,655,000	\$3,875,000
<i>Annual % Change</i>			6.0%	6.0%	6.0%	6.0%	6.0%

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%
Other Expenses	4.2%	4.1%	3.9%	3.8%	3.7%	3.5%
Total Water Operating Expense	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 10: History of Water Consumption
Westborough Water District
Water and Sewer Rate Study 2024

WATER CONSUMPTION		
Fiscal Year	Consumption (ccf)	% Change
2018/19	365,505	
2019/20	363,719	-0.49%
2020/21	370,550	1.88%
2021/22	338,638	-8.61%
2022/23	320,721	-5.29%

ESTIMATED SEWER FLOW		
Month	Consumption (ccf)	% Change
Jan/Feb 2019	50,112	
Jan/Feb 2020	50,811	1.39%
Jan/Feb 2021	50,226	-1.15%
Jan/Feb 2022	48,278	-3.88%
Jan/Feb 2023	47,001	-2.65%

% of Annual Use

14.0%

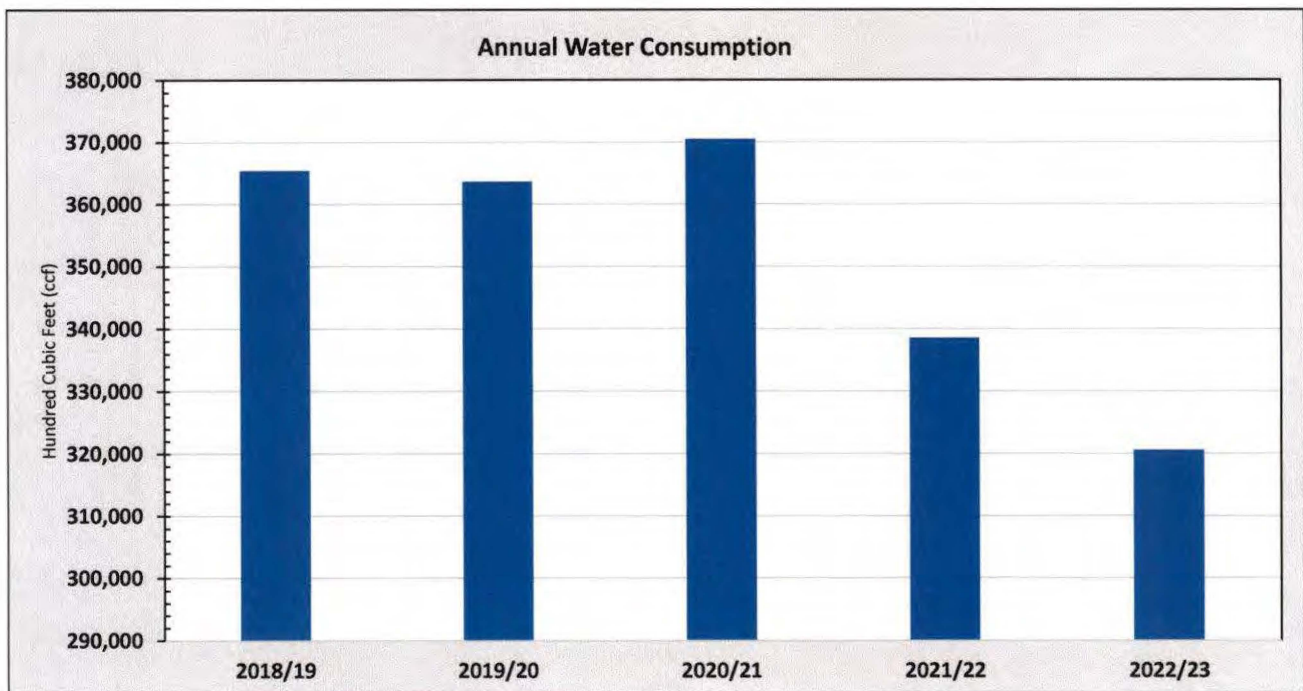


Table 11: Total Estimated Water Sales Revenues
Westborough Water District
Water and Sewer Rate Study

FY 2021/22 ESTIMATED WATER SALES REVENUES				
Customer Class	Meter Service Charges	Water Charges	Total Water Sales Revenues	% of Total
Single Family Residential	\$1,010,450	\$1,707,961	\$2,718,411	74.7%
Multi-Family Residential	\$24,880	\$276,269	\$301,149	8.3%
Commercial	\$38,774	\$225,585	\$264,360	7.3%
Irrigation	\$78,070	\$255,470	\$333,540	9.2%
<u>Fire Protection</u>	<u>\$21,165</u>	<u>\$0</u>	<u>\$21,165</u>	<u>0.6%</u>
Total	\$1,173,339	\$2,465,285	\$3,638,624	100.0%
<i>% of Total</i>	<i>32.2%</i>	<i>67.8%</i>	<i>100.0%</i>	

Budget Estimate \$3,620,708
Difference \$ -\$17,916
Difference % -0.5%

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%
<i>% of Total</i>	<i>30.0%</i>	<i>70.0%</i>	<i>100.0%</i>	

Budget Estimate \$4,035,672
Difference \$ \$105,449
Difference % 2.6%

Table 12: 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)

Table 13: 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	\$751,000	33.3%	33.3%	33.3%	100%
Engineering Svs. (56830)	\$40,000	33.3%	33.3%	33.3%	100%
Billing (56850)	\$40,000	0.0%	100.0%	0.0%	100%
Insurance (56870)	\$57,000	33.3%	33.3%	33.3%	100%
<u>Other Expenses</u>	<u>\$231,000</u>	<u>33.3%</u>	<u>33.3%</u>	<u>33.3%</u>	<u>100%</u>
Subtotal G&A Operating Expenses	\$1,119,000	\$359,667	\$399,667	\$359,667	\$1,119,000
Allocation %		32.1%	35.7%	32.1%	100.0%
Total Operating Expenses	\$4,186,000	\$708,333	\$748,333	\$2,729,333	\$4,186,000
Allocation %		16.9%	17.9%	65.2%	100.0%
Non-Operating Expenses					
Capital Projects [1]	\$2,200,000	16.9%	17.9%	65.2%	100%
<u>Debt Service [2]</u>	<u>\$274,000</u>	<u>16.9%</u>	<u>17.9%</u>	<u>65.2%</u>	<u>100%</u>
Subtotal Non-Operating Expenses	\$2,474,000	\$418,600	\$442,300	\$1,613,100	\$2,474,000
Allocation %		16.9%	17.9%	65.2%	100.0%
TOTAL WATER EXPENSES	\$6,660,000	\$1,126,933	\$1,190,633	\$4,342,433	\$6,660,000
Total Allocation %		16.9%	17.9%	65.2%	100.0%

1 - Average 5-year CIP costs

2 - Estimated

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

	Estimated Debt Service per \$1 Million	Scenario 1: \$2.5M Water + \$1M Sewer 50% Debt Funding
Total Annual CIP		
Total Water Annual CIP		\$2,500,000
Total Sewer Annual CIP		<u>\$1,000,000</u>
Total Annual Combined CIP		\$3,500,000
Debt Funded Portion		50%
Water Annual CIP - Debt Funded		\$1,250,000
Sewer Annual CIP - Debt Funded		<u>\$500,000</u>
Total CIP - Debt Funded	\$1,000,000	\$1,750,000
Loan Terms (Estimated)		
Loan Amount	\$1,000,000	\$1,250,000
Term (years)	15	15
Interest Rate	7.0%	7.0%
Annual Loan Payment	\$110,000	\$137,000
Reserve Fund Requirement Equal to Annual Debt Service	\$110,000	\$137,000

Table 15: Water Cash Flow Projection -- Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	Budget 2023/24	Projected: Years 1 - 5				
		2024/25	2025/26	2026/27	2027/28	2028/29
Revenue Adjustment		19.0%	7.0%	7.0%	7.0%	7.0%
Rate Increase Effective		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
BEGINNING FUND BALANCE (1)	\$1,000,000	\$1,173,656	\$943,556	\$1,449,556	\$1,465,556	\$1,494,556
REVENUES						
Operating Revenues [1]						
Water Sales (41100)	4,196,733	4,994,000	5,344,000	5,718,000	6,118,000	6,546,000
Misc. Operations (42345)	19,200	14,000	14,000	14,000	14,000	14,000
Interest (49210)	90,107	23,000	19,000	29,000	29,000	30,000
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
Capital Facility Expense (56885)	0	0	0	0	0	0
Subtotal Operating Revenues	5,018,781	5,555,900	5,918,000	6,318,000	6,735,000	7,181,000
Debt Proceeds	0	0	1,250,000	1,250,000	1,250,000	1,250,000
Total Revenues	5,018,781	5,555,900	7,168,000	7,568,000	7,985,000	8,431,000
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
Other Expenses	121,165	125,000	128,000	131,000	134,000	137,000
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	751,000	796,000	843,000	892,000	945,000
Engineering Svs. (56830)	55,000	40,000	41,000	42,000	43,000	44,000
Billing (56850)	55,347	40,000	41,000	42,000	43,000	44,000
Insurance (56870)	78,777	57,000	59,000	61,000	63,000	65,000
Other Expenses	322,702	231,000	237,000	243,000	249,000	255,000
Subtotal G&A Operating Expenses	1,302,458	1,119,000	1,174,000	1,231,000	1,290,000	1,353,000
Total Operating Expenses	4,195,125	4,186,000	4,425,000	4,678,000	4,945,000	5,228,000
Net Operating Revenues	823,656	1,369,900	1,493,000	1,640,000	1,790,000	1,953,000
Non-Operating Expenses						
Water Capital Projects [3]	650,000	1,500,000	2,000,000	2,500,000	2,500,000	2,500,000
Debt Service	0	0	137,000	274,000	411,000	548,000
Subtotal Non-Operating Expenses	650,000	1,500,000	2,137,000	2,774,000	2,911,000	3,048,000
Sewer Fund Loan Repayment	0	100,000	100,000	100,000	100,000	100,000
Total Expenses	4,845,125	5,786,000	6,662,000	7,552,000	7,956,000	8,376,000
NET REVENUES	173,656	(230,100)	506,000	16,000	29,000	55,000
ENDING FUND BALANCE	1,173,656	943,556	1,449,556	1,465,556	1,494,556	1,549,556
RESERVE FUNDS						
Proposed Operating Reserve Target (25% of O&M)	1,048,781	1,046,500	1,106,250	1,169,500	1,236,250	1,307,000
Proposed Capital Reserve Target (50% of Depreciation)	200,000	200,000	200,000	200,000	200,000	200,000
Total Water Reserve Funds	1,248,781	1,246,500	1,306,250	1,369,500	1,436,250	1,507,000
Target Met	no	no	yes	yes	yes	yes
DEBT SERVICE COVERAGE						
Debt Service Coverage Target - 1.25x (4)	-	-	10.90	5.99	4.36	3.56
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, Misc Operations & Taxes & Assessments allocated 70% to water and 30% to sewer.
2 - Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund. All other expenses split 70% to water and 30% to sewer.
3 - Approved 2023/24 projects include Remaining Work for Skyline Tank No.3 (\$1,150,000) and the purchase of additional 550 drive by meters and MXUs (\$150,000). Assumes 50% (\$650,000) will be spent in 2023/24 and remaining 50% (\$650,000) will be spent in 2024/25.

Table 16: Annual Revenue Requirement Allocation -- Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
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]		\$4,994,000	\$5,344,000	\$5,718,000	\$6,118,000	\$6,546,000
FIXED CHARGES						
Meters & Services	16.9%	\$844,985	\$904,205	\$967,486	\$1,035,166	\$1,107,583
<u>Customer Service Charge</u>	<u>17.9%</u>	<u>\$892,927</u>	<u>\$955,507</u>	<u>\$1,022,378</u>	<u>\$1,093,898</u>	<u>\$1,170,425</u>
Total Fixed Charges	34.8%	\$1,737,912	\$1,859,712	\$1,989,864	\$2,129,064	\$2,278,008
CONSUMPTION CHARGES						
<u>Base + Extra</u>	<u>65.2%</u>	<u>\$3,256,088</u>	<u>\$3,484,288</u>	<u>\$3,728,136</u>	<u>\$3,988,936</u>	<u>\$4,267,992</u>
Total Consumption Charges	65.2%	\$3,256,088	\$3,484,288	\$3,728,136	\$3,988,936	\$4,267,992
TOTAL	100.0%	\$4,994,000	\$5,344,000	\$5,718,000	\$6,118,000	\$6,546,000

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

Table 17: Water Fixed Charge Derivation – Scenario 1: \$2.5M in CIP Projects with Debt in Year 21
Westborough Water District
Water and Sewer Rate Study 2024

		PROJECTED				
		2024/25	2025/26	2026/27	2027/28	2028/29
REVENUE REQUIREMENT						
Meters & Services		\$844,985	\$904,205	\$967,486	\$1,035,166	\$1,107,583
Customer Service Charge		<u>\$892,927</u>	<u>\$955,507</u>	<u>\$1,022,378</u>	<u>\$1,093,898</u>	<u>\$1,170,425</u>
Total Fixed Charge Revenue Requirement		\$1,737,912	\$1,859,712	\$1,989,864	\$2,129,064	\$2,278,008
METER EQUIVALENT CHARGE						
Total Meters & Service Revenue Requirement		\$844,985	\$904,205	\$967,486	\$1,035,166	\$1,107,583
Total Number of Meter Equivalents		<u>4,965</u>	<u>4,965</u>	<u>4,965</u>	<u>4,965</u>	<u>4,965</u>
Total Meter Equivalent Charge		\$28.36	\$30.35	\$32.48	\$34.75	\$37.18
Meter Equivalent Charge by Meter Size						
<u>Meter Size</u>	<u>Meter Ratio</u>					
5/8"	1.00	\$28.36	\$30.35	\$32.48	\$34.75	\$37.18
3/4"	1.50	\$42.54	\$45.53	\$48.72	\$52.13	\$55.77
1"	2.50	\$70.90	\$75.88	\$81.20	\$86.88	\$92.95
1-1/2"	5.00	\$141.80	\$151.75	\$162.40	\$173.75	\$185.90
2"	8.00	\$226.88	\$242.80	\$259.84	\$278.00	\$297.44
3"	15.00	\$425.40	\$455.25	\$487.20	\$521.25	\$557.70
4"	25.00	\$709.00	\$758.75	\$812.00	\$868.75	\$929.50
6"	50.00	\$1,418.00	\$1,517.50	\$1,624.00	\$1,737.50	\$1,859.00
8"	80.00	\$2,268.80	\$2,428.00	\$2,598.40	\$2,780.00	\$2,974.40
CUSTOMER SERVICE CHARGE						
Total Customer Service Charge Rev Requirement		\$892,927	\$955,507	\$1,022,378	\$1,093,898	\$1,170,425
Total Number of Meters		<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		\$37.61	\$40.25	\$43.06	\$46.07	\$49.30
TOTAL BIMONTHLY FIXED CHARGE (1)						
<u>Meter Size</u>	<u>Current Rates</u>					
5/8"	\$44.00	\$65.97	\$70.60	\$75.54	\$80.82	\$86.48
3/4"	\$58.41	\$80.15	\$85.78	\$91.78	\$98.20	\$105.07
1"	\$76.01	\$108.51	\$116.13	\$124.26	\$132.95	\$142.25
1-1/2"	\$137.61	\$179.41	\$192.00	\$205.46	\$219.82	\$235.20
2"	\$183.81	\$264.49	\$283.05	\$302.90	\$324.07	\$346.74
3"	\$322.41	\$463.01	\$495.50	\$530.26	\$567.32	\$607.00
4"	\$692.01	\$746.61	\$799.00	\$855.06	\$914.82	\$978.80
6"	\$1,033.89	\$1,455.61	\$1,557.75	\$1,667.06	\$1,783.57	\$1,908.30
8"	\$1,526.14	\$2,306.41	\$2,468.25	\$2,641.46	\$2,826.07	\$3,023.70

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

Table 18: Water Charge Derivation -- Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
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	\$3,256,088	\$3,484,288	\$3,728,136	\$3,988,936	\$4,267,992
WATER CHARGE DERIVATION					
Total Revenue Requirement	\$3,256,088	\$3,484,288	\$3,728,136	\$3,988,936	\$4,267,992
Projected Consumption (ccf) [1]	<u>321,000</u>	<u>321,000</u>	<u>321,000</u>	<u>321,000</u>	<u>321,000</u>
Water Charge per ccf	\$10.14	\$10.85	\$11.61	\$12.43	\$13.30

1 - Based on 2022/23 total consumption

Table 19: Proposed Bimonthly Water Rates -- Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROPOSED				
		2024/25	2025/26	2026/27	2027/28	2028/29
METER SERVICE CHARGE						
<u>Meter Size</u>						
5/8"	\$44.00	\$65.97	\$70.60	\$75.54	\$80.82	\$86.48
3/4"	\$58.41	\$80.15	\$85.78	\$91.78	\$98.20	\$105.07
1"	\$76.01	\$108.51	\$116.13	\$124.26	\$132.95	\$142.25
1-1/2"	\$137.61	\$179.41	\$192.00	\$205.46	\$219.82	\$235.20
2"	\$183.81	\$264.49	\$283.05	\$302.90	\$324.07	\$346.74
3"	\$322.41	\$463.01	\$495.50	\$530.26	\$567.32	\$607.00
4"	\$692.01	\$746.61	\$799.00	\$855.06	\$914.82	\$978.80
6"	\$1,033.89	\$1,455.61	\$1,557.75	\$1,667.06	\$1,783.57	\$1,908.30
8"	\$1,526.14	\$2,306.41	\$2,468.25	\$2,641.46	\$2,826.07	\$3,023.70
WATER CHARGE (\$/CCF)						
All consumption per ccf	\$9.04	\$10.14	\$10.85	\$11.61	\$12.43	\$13.30

1 - one ccf (hundred cubic feet) = 748 gallons

Table 20: Sample Bimonthly Water Bill Impacts –Scenario 1: \$2.5M in CIP Projects with Debt in Year 2
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	6						
Meter Service Charge		\$44.00	\$65.97	\$70.60	\$75.54	\$80.82	\$86.48
<u>Water Charge</u>		<u>\$54.24</u>	<u>\$60.84</u>	<u>\$65.10</u>	<u>\$69.66</u>	<u>\$74.58</u>	<u>\$79.80</u>
Total Bimonthly Water Bill		\$98.24	\$126.81	\$135.70	\$145.20	\$155.40	\$166.28
\$ Change			\$28.57	\$8.89	\$9.50	\$10.20	\$10.88
% Change			29.1%	7.0%	7.0%	7.0%	7.0%
5/8" Meter, 10 ccf	10						
Meter Service Charge		\$44.00	\$65.97	\$70.60	\$75.54	\$80.82	\$86.48
<u>Water Charge</u>		<u>\$90.40</u>	<u>\$101.40</u>	<u>\$108.50</u>	<u>\$116.10</u>	<u>\$124.30</u>	<u>\$133.00</u>
Total Bimonthly Water Bill		\$134.40	\$167.37	\$179.10	\$191.64	\$205.12	\$219.48
\$ Change			\$32.97	\$11.73	\$12.54	\$13.48	\$14.36
% Change			24.5%	7.0%	7.0%	7.0%	7.0%
5/8" Meter, 20 ccf	20						
Meter Service Charge		\$44.00	\$65.97	\$70.60	\$75.54	\$80.82	\$86.48
<u>Water Charge</u>		<u>\$180.80</u>	<u>\$202.80</u>	<u>\$217.00</u>	<u>\$232.20</u>	<u>\$248.60</u>	<u>\$266.00</u>
Total Bimonthly Water Bill		\$224.80	\$268.77	\$287.60	\$307.74	\$329.42	\$352.48
\$ Change			\$43.97	\$18.83	\$20.14	\$21.68	\$23.06
% Change			19.6%	7.0%	7.0%	7.0%	7.0%

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	8						
Meter Service Charge		\$58.41	\$80.15	\$85.78	\$91.78	\$98.20	\$105.07
<u>Water Charge</u>		<u>\$72.32</u>	<u>\$81.12</u>	<u>\$86.80</u>	<u>\$92.88</u>	<u>\$99.44</u>	<u>\$106.40</u>
Total Bimonthly Water Bill		\$130.73	\$161.27	\$172.58	\$184.66	\$197.64	\$211.47
\$ Change			\$30.54	\$11.31	\$12.08	\$12.98	\$13.83
% Change			23.4%	7.0%	7.0%	7.0%	7.0%
3/4" Meter, 14 ccf	14						
Meter Service Charge		\$58.41	\$80.15	\$85.78	\$91.78	\$98.20	\$105.07
<u>Water Charge</u>		<u>\$126.56</u>	<u>\$141.96</u>	<u>\$151.90</u>	<u>\$162.54</u>	<u>\$174.02</u>	<u>\$186.20</u>
Total Bimonthly Water Bill		\$184.97	\$222.11	\$237.68	\$254.32	\$272.22	\$291.27
\$ Change			\$37.14	\$15.57	\$16.64	\$17.90	\$19.05
% Change			20.1%	7.0%	7.0%	7.0%	7.0%
3/4" Meter, 26 ccf	26						
Meter Service Charge		\$58.41	\$80.15	\$85.78	\$91.78	\$98.20	\$105.07
<u>Water Charge</u>		<u>\$235.04</u>	<u>\$263.64</u>	<u>\$282.10</u>	<u>\$301.86</u>	<u>\$323.18</u>	<u>\$345.80</u>
Total Bimonthly Water Bill		\$293.45	\$343.79	\$367.88	\$393.64	\$421.38	\$450.87
\$ Change			\$50.34	\$24.09	\$25.76	\$27.74	\$29.49
% Change			17.2%	7.0%	7.0%	7.0%	7.0%

Table 21: Water Cash Flow Projection -- Scenario 2: \$2.5M in CIP Projects with Debt in Year 3
Westborough Water District
Water and Sewer Rate Study 2024

	Budget 2023/24	Projected: Years 1 - 5				
		2024/25	2025/26	2026/27	2027/28	2028/29
1						
2 Revenue Adjustment		19.0%	19.0%	4.0%	4.0%	4.0%
3 Rate Increase Effective		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
4						
5 BEGINNING FUND BALANCE (1)	\$1,000,000	\$1,173,656	\$943,556	\$935,556	\$1,541,556	\$2,019,556
6						
7 REVENUES						
8 Operating Revenues [1]						
9 Water Sales (41100)	4,196,733	4,994,000	5,943,000	6,181,000	6,428,000	6,685,000
10 Misc. Operations (42345)	19,200	14,000	14,000	14,000	14,000	14,000
11 Interest (49210)	90,107	23,000	19,000	19,000	31,000	40,000
12 Taxes & Assessments (49300)	676,549	487,900	503,000	518,000	534,000	550,000
13 Other Income (49700)	0	0	0	0	0	0
14 Rental Income (49910)	36,192	37,000	38,000	39,000	40,000	41,000
15 Cap Facilities Income (49800)	0	0	0	0	0	0
16 Capital Facility Expense (56885)	0	0	0	0	0	0
17 Subtotal Operating Revenues	5,018,781	5,555,900	6,517,000	6,771,000	7,047,000	7,330,000
18						
19 Debt Proceeds	0	0	0	1,250,000	1,250,000	1,250,000
20						
21 Total Revenues	5,018,781	5,555,900	6,517,000	8,021,000	8,297,000	8,580,000
22						
23 EXPENSES						
24 Water Operating Expenses						
25 Salaries & Benefits	610,327	648,000	687,000	728,000	772,000	818,000
26 Utilities (51130)	162,716	179,000	197,000	217,000	239,000	263,000
27 Water Purchases (51300)	1,906,743	2,021,000	2,142,000	2,271,000	2,407,000	2,551,000
28 Special Services (51150)	91,717	94,000	97,000	100,000	103,000	106,000
29 Other Expenses	121,165	125,000	128,000	131,000	134,000	137,000
30 Subtotal Water Operating Expenses	2,892,667	3,067,000	3,251,000	3,447,000	3,655,000	3,875,000
31						
32 General & Administrative (G&A) Expenses [2]						
33 Salaries & Benefits	790,632	751,000	796,000	843,000	892,000	945,000
34 Engineering Svs. (56830)	55,000	40,000	41,000	42,000	43,000	44,000
35 Billing (56850)	55,347	40,000	41,000	42,000	43,000	44,000
36 Insurance (56870)	78,777	57,000	59,000	61,000	63,000	65,000
37 Other Expenses	322,702	231,000	237,000	243,000	249,000	255,000
38 Subtotal G&A Operating Expenses	1,302,458	1,119,000	1,174,000	1,231,000	1,290,000	1,353,000
39						
40 Total Operating Expenses	4,195,125	4,186,000	4,425,000	4,678,000	4,945,000	5,228,000
41						
42 Net Operating Revenues	823,656	1,369,900	2,092,000	2,093,000	2,102,000	2,102,000
43						
44 Non-Operating Expenses						
45 Water Capital Projects [3]	650,000	1,500,000	2,000,000	2,500,000	2,500,000	2,500,000
46 Debt Service	0	0	0	137,000	274,000	411,000
47 Subtotal Non-Operating Expenses	650,000	1,500,000	2,000,000	2,637,000	2,774,000	2,911,000
48						
49 Sewer Fund Loan Repayment	0	100,000	100,000	100,000	100,000	100,000
50						
51 Total Expenses	4,845,125	5,786,000	6,525,000	7,415,000	7,819,000	8,239,000
52						
53 NET REVENUES	173,656	(230,100)	(8,000)	606,000	478,000	341,000
54						
55 ENDING FUND BALANCE	1,173,656	943,556	935,556	1,541,556	2,019,556	2,360,556
56						
57						
58 RESERVE FUNDS						
59 Proposed Operating Reserve Target (25% of O&M)	1,048,781	1,046,500	1,106,250	1,169,500	1,236,250	1,307,000
60 Proposed Capital Reserve Target (50% of Depreciation)	200,000	200,000	200,000	200,000	200,000	200,000
61 Total Water Reserve Funds	1,248,781	1,246,500	1,306,250	1,369,500	1,436,250	1,507,000
62 Target Met	no	no	no	yes	yes	yes
63						
64 DEBT SERVICE COVERAGE						
65 Debt Service Coverage Target - 1.25x (4)	-	-	-	15.28	7.67	5.11
66 Target Met?	-	-	-	yes	yes	yes
67						

1 - Interest is estimated at 2% of fund balance. All Other Revenues escalated by 3%. Beginning in 2024/25, Misc Operations & Taxes & Assessments allocated 70% to water and 30% to sewer.
2 - Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund. All other expenses split 70% to water and 30% to sewer.
3 - Approved 2023/24 projects include Remaining Work for Skyline Tank No.3 (\$1,150,000) and the purchase of additional 550 drive by meters and MXUs (\$150,000). Assumes 50% (\$650,000) will be spent in 2023/24 and remaining 50% (\$650,000) will be spent in 2024/25.

Table 22: Proposed Bimonthly Water Rates -- Scenario 2: \$2.5M in CIP Projects with Debt in Year 3
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROPOSED				
		2024/25	2025/26	2026/27	2027/28	2028/29
METER SERVICE CHARGE						
Meter Size						
5/8"	\$44.00	\$65.97	\$78.51	\$81.66	\$84.92	\$88.31
3/4"	\$58.41	\$80.15	\$95.39	\$99.22	\$103.18	\$107.30
1"	\$76.01	\$108.51	\$129.14	\$134.33	\$139.69	\$145.27
1-1/2"	\$137.61	\$179.41	\$213.51	\$222.10	\$230.96	\$240.19
2"	\$183.81	\$264.49	\$314.76	\$327.43	\$340.49	\$354.10
3"	\$322.41	\$463.01	\$551.01	\$573.20	\$596.06	\$619.89
4"	\$692.01	\$746.61	\$888.51	\$924.30	\$961.16	\$999.59
6"	\$1,033.89	\$1,455.61	\$1,732.26	\$1,802.05	\$1,873.91	\$1,948.84
8"	\$1,526.14	\$2,306.41	\$2,744.76	\$2,855.35	\$2,969.21	\$3,087.94
WATER CHARGE (\$/CCF)						
All consumption per ccf	\$9.04	\$10.14	\$12.07	\$12.55	\$13.06	\$13.58

1 - one ccf (hundred cubic feet) = 748 gallons

Table 23: Sample Bimonthly Water Bill Impacts – Scenario 2: \$2.5M in CIP Projects with Debt in Year 3
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	6						
Meter Service Charge		\$44.00	\$65.97	\$78.51	\$81.66	\$84.92	\$88.31
<u>Water Charge</u>		<u>\$54.24</u>	<u>\$60.84</u>	<u>\$72.42</u>	<u>\$75.30</u>	<u>\$78.36</u>	<u>\$81.48</u>
Total Bimonthly Water Bill		\$98.24	\$126.81	\$150.93	\$156.96	\$163.28	\$169.79
\$ Change			\$28.57	\$24.12	\$6.03	\$6.32	\$6.51
% Change			29.1%	19.0%	4.0%	4.0%	4.0%
5/8" Meter, 10 ccf	10						
Meter Service Charge		\$44.00	\$65.97	\$78.51	\$81.66	\$84.92	\$88.31
<u>Water Charge</u>		<u>\$90.40</u>	<u>\$101.40</u>	<u>\$120.70</u>	<u>\$125.50</u>	<u>\$130.60</u>	<u>\$135.80</u>
Total Bimonthly Water Bill		\$134.40	\$167.37	\$199.21	\$207.16	\$215.52	\$224.11
\$ Change			\$32.97	\$31.84	\$7.95	\$8.36	\$8.59
% Change			24.5%	19.0%	4.0%	4.0%	4.0%
5/8" Meter, 20 ccf	20						
Meter Service Charge		\$44.00	\$65.97	\$78.51	\$81.66	\$84.92	\$88.31
<u>Water Charge</u>		<u>\$180.80</u>	<u>\$202.80</u>	<u>\$241.40</u>	<u>\$251.00</u>	<u>\$261.20</u>	<u>\$271.60</u>
Total Bimonthly Water Bill		\$224.80	\$268.77	\$319.91	\$332.66	\$346.12	\$359.91
\$ Change			\$43.97	\$51.14	\$12.75	\$13.46	\$13.79
% Change			19.6%	19.0%	4.0%	4.0%	4.0%

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	8						
Meter Service Charge		\$58.41	\$80.15	\$95.39	\$99.22	\$103.18	\$107.30
<u>Water Charge</u>		<u>\$72.32</u>	<u>\$81.12</u>	<u>\$96.56</u>	<u>\$100.40</u>	<u>\$104.48</u>	<u>\$108.64</u>
Total Bimonthly Water Bill		\$130.73	\$161.27	\$191.95	\$199.62	\$207.66	\$215.94
\$ Change			\$30.54	\$30.68	\$7.67	\$8.04	\$8.28
% Change			23.4%	19.0%	4.0%	4.0%	4.0%
3/4" Meter, 14 ccf	14						
Meter Service Charge		\$58.41	\$80.15	\$95.39	\$99.22	\$103.18	\$107.30
<u>Water Charge</u>		<u>\$126.56</u>	<u>\$141.96</u>	<u>\$168.98</u>	<u>\$175.70</u>	<u>\$182.84</u>	<u>\$190.12</u>
Total Bimonthly Water Bill		\$184.97	\$222.11	\$264.37	\$274.92	\$286.02	\$297.42
\$ Change			\$37.14	\$42.26	\$10.55	\$11.10	\$11.40
% Change			20.1%	19.0%	4.0%	4.0%	4.0%
3/4" Meter, 26 ccf	26						
Meter Service Charge		\$58.41	\$80.15	\$95.39	\$99.22	\$103.18	\$107.30
<u>Water Charge</u>		<u>\$235.04</u>	<u>\$263.64</u>	<u>\$313.82</u>	<u>\$326.30</u>	<u>\$339.56</u>	<u>\$353.08</u>
Total Bimonthly Water Bill		\$293.45	\$343.79	\$409.21	\$425.52	\$442.74	\$460.38
\$ Change			\$50.34	\$65.42	\$16.31	\$17.22	\$17.64
% Change			17.2%	19.0%	4.0%	4.0%	4.0%

Table 24: Water Scenario Comparison
Westborough Water District
Water and Sewer Rate Study 2024

PROPOSED REVENUE INCREASES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	-	19.0%	7.0%	7.0%	7.0%	7.0%
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	-	19.0%	19.0%	4.0%	4.0%	4.0%

MEET WATER RESERVE FUND TARGETS

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	no	no	yes	yes	yes	yes
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	no	no	no	yes	yes	yes

MEET DEBT SERVICE COVERAGE (1.25)

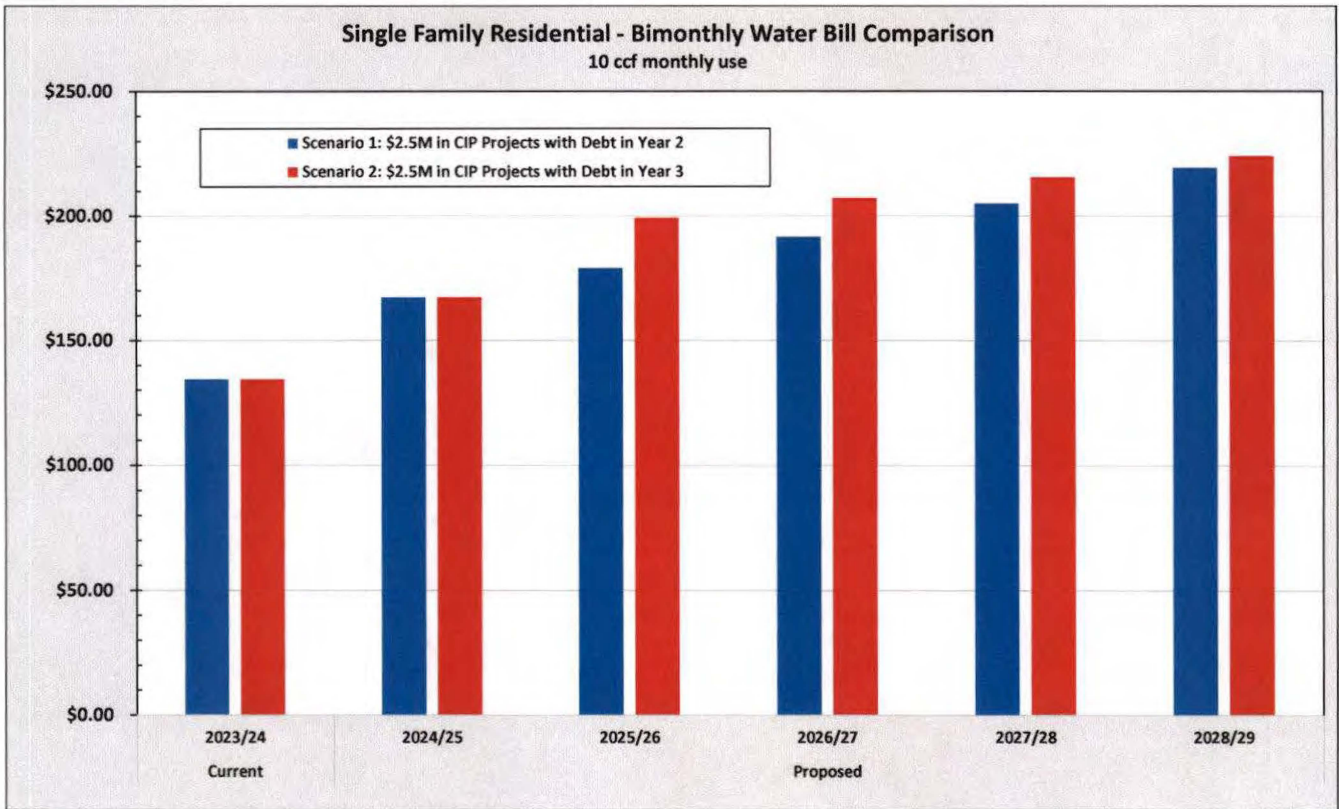
	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	-	-	10.90	5.99	4.36	3.56
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	-	-	-	15.28	7.67	5.11

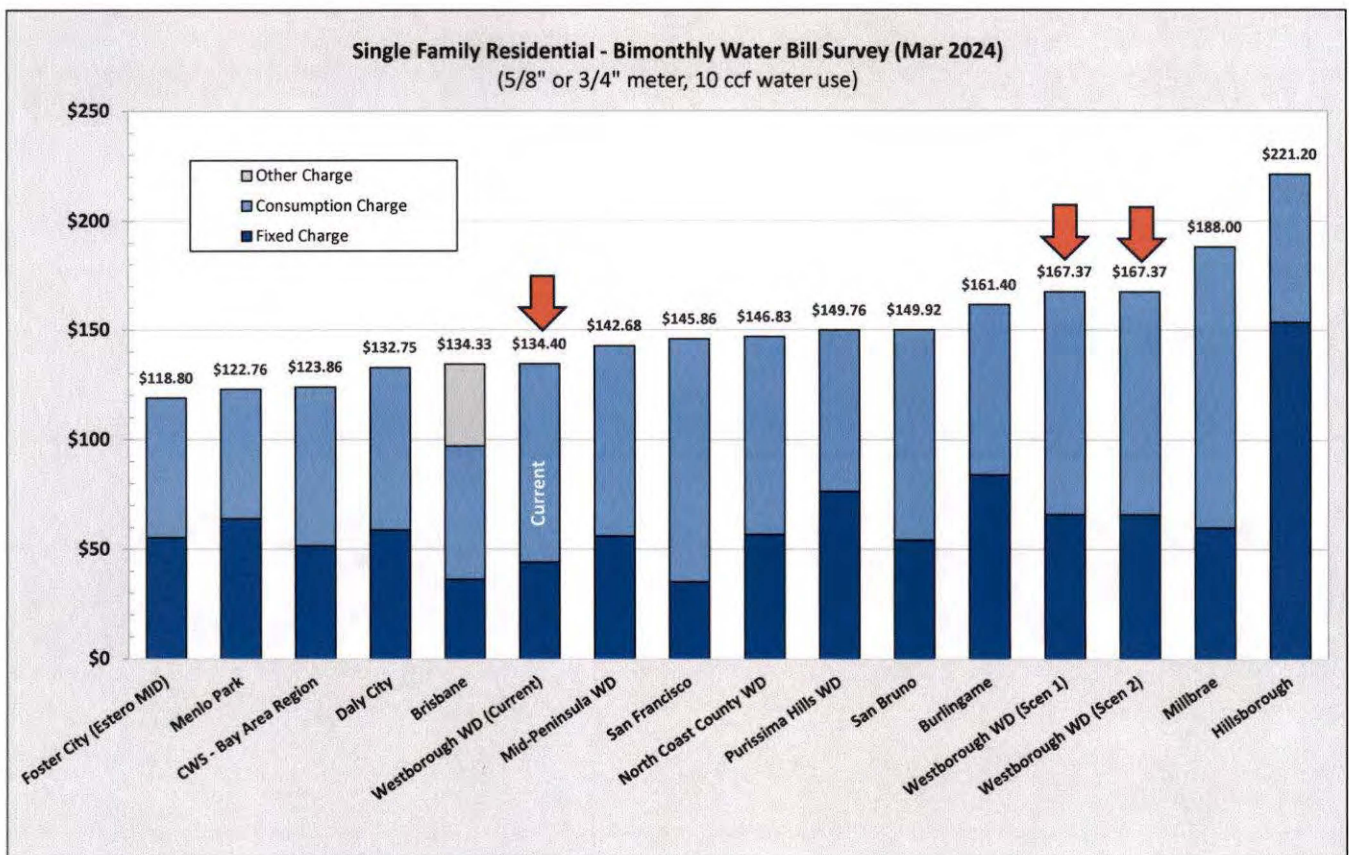
MAINTAIN POSITIVE NET INCOME

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	\$173,656	(\$230,100)	\$506,000	\$16,000	\$29,000	\$55,000
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	\$173,656	(\$230,100)	(\$8,000)	\$606,000	\$478,000	\$341,000

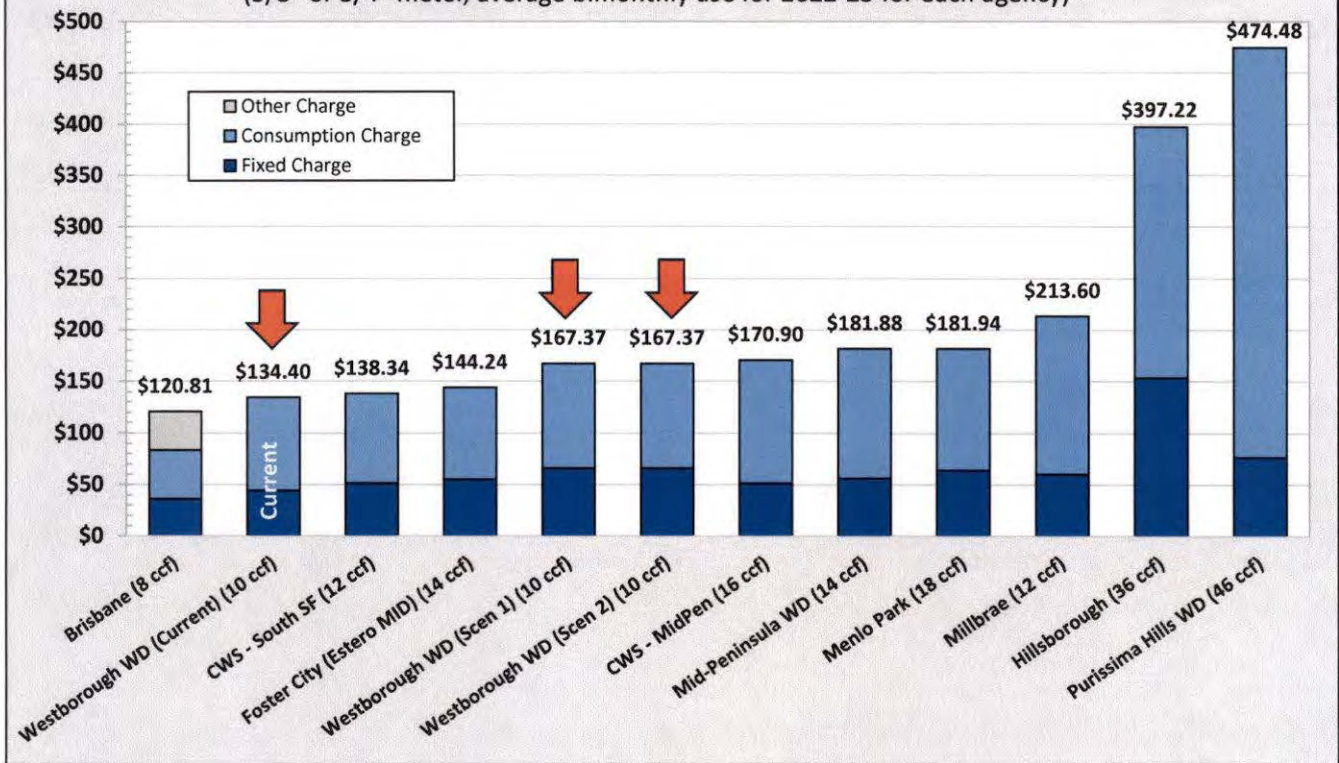
AVERAGE BIMONTHLY BILL - 5/8" METER, 10 CCF

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$2.5M in CIP Projects with Debt in Year 2	\$134.40	\$167.37	\$179.10	\$191.64	\$205.12	\$219.48
Scenario 2: \$2.5M in CIP Projects with Debt in Year 3	\$134.40	\$167.37	\$199.21	\$207.16	\$215.52	\$224.11





Single Family Residential - Bimonthly Water Bill Survey (Mar 2024)
 (5/8" or 3/4" meter, average bimonthly use for 2022-23 for each agency)





Westborough Water District Water and Sewer Rate Study 2024 Sewer Tables V5 - Draft March 14, 2024



SUMMARY OF SEWER TABLES

➤ Sewer Rate Scenarios:

- Scenario 1: \$1.0M in CIP Projects with no Debt (*Tables 11 – 14*)
- Scenario 1a: \$1.0M in CIP Projects with no Debt + 4 ccf Minimum Charge (*Tables 22 -24*)
- Scenario 2: \$1.0M in CIP Projects with Debt in Year 2 (*Tables 15 – 18*)
- Scenario 1a: \$1.0M in CIP Projects with no Debt + 4 ccf Minimum Charge (*Tables 25 -27*)

PROPOSED REVENUE INCREASES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenarios 1 and 1a	-	14.0%	11.0%	11.0%	11.0%	11.0%
Scenarios 2 and 2a	-	12.0%	12.0%	9.0%	9.0%	9.0%

PROPOSED SEWER RATES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with No Debt	\$11.86	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16
% Change		12.0%	11.0%	11.0%	11.0%	11.0%
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
% Change		9.6%	11.0%	11.0%	11.0%	11.0%
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$11.86	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92
% Change		10.0%	12.0%	9.0%	9.0%	9.0%
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 & 4 ccf min charge	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
% Change		7.7%	12.0%	9.0%	9.0%	9.0%

AVERAGE BIMONTHLY BILL (10 ccf)

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with No Debt	\$118.60	\$132.80	\$147.41	\$163.62	\$181.63	\$201.60
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$118.60	\$130.03	\$144.34	\$160.21	\$177.85	\$197.40
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$118.60	\$130.46	\$146.10	\$159.26	\$173.58	\$189.22
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	\$118.60	\$127.74	\$143.06	\$155.94	\$169.97	\$185.28

➤ **Debt Assumptions for Scenario 2:**

- District will debt fund \$500,000 (50% of annual sewer CIP) with a bank loan/line of Credit
- Total debt = \$2.5M over 5 years (2025/26 through 2029/30)
- First loan will be in Year 2 (2025/26)
- Terms: 7.0%, 15 years

➤ **Revisions from Draft #4:**

- For Scenarios 1a and 2a, total flow is increased from 47,000 to 48,000 ccf
- Includes \$100,000 interfund loan repayment from Water Fund over 8 years (2024/25 through 2031/32)
- First debt issuance is in Year 2 (2025/26)

➤ **Cash Flow Assumptions:**

Over the five-year rate study period, the water rate increases are proposed to meet the following objectives:

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: Annual depreciation (\$365,000 for 2023/24)
 - c. Debt Service: Total debt service for one year

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, Misc. Operations (42345) revenues are split 70.0% for water and 30.0% for sewer.
- Misc. Operations (42345), Taxes & Assessments (49300), and Other Income (49700) are increased by 3.0% each year.
- No Rental Income (49910) is included.
- Interest (49210) is projected at 2.0% per year.
- Cap Facilities Income (49800) are not 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 due to conservation.

Expenses

- Salaries & Benefits are increased by 6.0% each year.
- Utilities are increased by 10.0% each year.
- Treatment & Disposal (57310) is escalated by 10.0% each year. The projections will be updated once the District receives estimates from the North San Mateo Sanitation District (NSMSD).
- All other expenses increased by 3.0% each year.
- Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund.
- Beginning in 2024/25, all other G&A Operating Expenses split 70% to water and 30% to sewer.

Table 1: Total Fund Reserves
Westborough Water District
Water and Sewer Rate Study 2024

	Total Reserves	Water Fund	Sewer Fund
2023/24 Budget			
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>
2022/23 Draft Audit			
Cash and cash equivalents (pg 51)	\$5,070,321	\$206,549	\$4,863,772
<i>Percent of Total</i>	<i>100.0%</i>	<i>4.1%</i>	<i>95.9%</i>

Table 2: Combined Historical Budget (Does not include 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
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
Annual % Change		-1.9%	13.3%	9.0%	2.2%
Non-Operating Revenues [1]					
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
GASB 87 Adjustments (Net)	<u>\$0</u>	<u>\$0</u>	<u>\$21,097</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Non-Operating Revenues	\$893,164	\$621,464	\$733,387	\$922,173	\$802,848
Annual % Change		-30.4%	18.0%	25.7%	-12.9%
TOTAL REVENUES	\$6,950,687	\$6,564,897	\$7,466,933	\$8,260,656	\$8,303,669
Annual % Change		-5.6%	13.7%	10.6%	0.5%
OPERATING EXPENSES					
Water 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)	<u>\$6,754</u>	<u>\$6,589</u>	<u>\$8,020</u>	<u>\$9,529</u>	<u>\$11,260</u>
Total Water Operating Expense	\$2,690,649	\$2,548,555	\$2,556,354	\$2,712,875	\$2,892,667
Annual % Change		-5.3%	0.3%	6.1%	6.6%
Sewer Operating Expenses					
Treatment & Disposal (57310)	\$2,306,435	\$2,372,264	\$2,442,977	\$2,466,087	\$2,715,565
Utilites (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
Misc. Sewer Expenses (57390)	<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
Annual % Change					
Total G & A Operating Expenses	\$1,208,044	\$1,448,546	\$1,037,058	\$1,192,560	\$1,302,458
Annual % Change		19.9%	-28.4%	15.0%	9.2%
TOTAL OPERATING EXPENSES	\$6,317,684	\$6,471,272	\$6,215,657	\$6,567,032	\$7,120,151
Annual % Change		2.4%	-4.0%	5.7%	8.4%
NET OPERATING INCOME	\$633,003	\$93,625	\$1,251,276	\$1,693,624	\$1,183,518

Table 3: Combined 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
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
<u>Misc. Operations (42345)</u>	<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
<u>G & A Expenses</u>	<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	\$1,613,000
TOTAL EXPENSES	\$6,646,583	\$7,200,155	\$6,723,723	\$6,767,032	\$8,733,151
NET INCOME	\$304,104	(\$635,258)	\$743,210	\$1,493,624	(\$429,482)

1 - Per January 26, 2024 email

FOR CAPITAL RESERVE TARGET:

Depreciation	\$297,258	\$338,236	\$314,050	\$301,425	\$365,000
Annual % Change		13.8%	-7.2%	-4.0%	21.1%
		3-Year Avg	\$323,194	5-Year Avg	\$326,825

Table 4: 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
General & Administrative (G&A) Expenses							
Salaries (56110)	\$532,572	6.0%	\$565,000	\$599,000	\$635,000	\$673,000	\$713,000
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)	\$116,705	6.0%	\$124,000	\$131,000	\$139,000	\$147,000	\$156,000
OPEB - Prefunding (56450)	\$4,689	6.0%	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
CalPERS (56115)	\$90,396	6.0%	\$96,000	\$102,000	\$108,000	\$114,000	\$121,000
Payroll Taxes (56410)	\$42,770	6.0%	\$45,000	\$48,000	\$51,000	\$54,000	\$57,000
Office Supplies & Postage (56210)	\$14,151	3.0%	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Memberships (56230)	\$48,129	3.0%	\$50,000	\$52,000	\$54,000	\$56,000	\$58,000
Travel & Education (56250)	\$13,626	3.0%	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
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)	\$14,180	3.0%	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Parking Rental Fees (56750)	\$5,760	3.0%	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Directors Fees (56810)	\$11,300	3.0%	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Engineering Svs. (56830)	\$55,000	3.0%	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
Accounting Svs (56840)	\$37,960	3.0%	\$39,000	\$40,000	\$41,000	\$42,000	\$43,000
Legal Svs. (56841)	\$25,400	3.0%	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000
Billing (56850)	\$55,347	3.0%	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000
Communications (56860)	\$28,633	3.0%	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000
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)	\$50,470	3.0%	\$52,000	\$54,000	\$56,000	\$58,000	\$60,000
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>	3.0%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total G & A Operating Expenses	\$1,302,458		\$1,368,000	\$1,433,000	\$1,501,000	\$1,572,000	\$1,647,000
<i>Annual % Change</i>			5.0%	4.8%	4.7%	4.7%	4.8%

1 - Beginning in 2024/25, \$88,000 in Salaries for the General Manager will be allocated to the Sewer Fund. All other expenses will be split 70% to water and 30% to sewer.

Table 5: Historical & Current Sewer Rates
Westborough Water District
Water and Sewer Rate Study 2024

Fiscal Year	WWD (Total Sewer Rate)	NSMCSD's rate	Difference (WWD less NSMCSD)	% Annual Increase
2007-2008	\$5.03	\$4.82	\$0.21	
2008-2009	\$5.27	\$4.82	\$0.45	4.8% [1]
2009-2010	\$5.73	\$4.82	\$0.91	8.7% [2]
2010-2011	\$5.73	\$4.82	\$0.91	0.0%
2011-2012	\$5.73	\$4.82	\$0.91	0.0%
2012-2013	\$5.73	\$4.82	\$0.91	0.0%
2013-2014	\$6.17	\$5.26	\$0.91	7.7%
2014-2015	\$6.87	\$5.74	\$1.13	11.3% [3]
2015-2016	\$7.52	\$6.26	\$1.26	9.5% [4]
2016-2017	\$8.02	\$6.76	\$1.26	6.6%
2017-2018	\$8.87	\$7.30	\$1.57	10.6% [5]
2018-2019	\$9.87	\$7.88	\$1.99	11.3% [6]
2019-2020	\$9.87	\$7.88	\$1.99	0.0%
2020-2021	\$9.87	\$7.88	\$1.99	0.0%
2021-2022	\$10.30	\$8.27	\$2.03	4.4% [7]
2022-2023	\$11.05	\$9.02	\$2.03	7.3%
2023-2024	\$11.86	\$9.83	\$2.03	7.3%

Notes:

Minimum Charge is for 12 units (ccf). 2023/24 minimum charge is \$142.32

1 - Includes WWD increase of 24 cents; from 21 cents to 45 cents

2 - Includes WWD increase of 46 cents; from 45 cents to 91 cents

3 - Includes WWD increase of 22 cents; from 91 cents to \$1.13

4 - Includes WWD increase of 13 cents; from \$1.13 to \$1.26

5 - Includes WWD increase of 31 cents; from \$1.26 to \$1.57

6 - Includes WWD increase of 23 cents; from \$1.80 to \$2.03; however, WWD only ended up charging \$1.99 above NSMCSD rate

7 - Includes WWD increase of 4 cents; from \$1.99 to \$2.03; this corrects adjustment amount approved for FY 2018-2019

Table 5: Historical & Current Sewer Rates
Westborough Water District
d Sewer Rate Study 2024

Fiscal Year	DISTRICT		NSMCSD		Difference (WWD less NSMCSD)	
	Sewer Rate ccf	per % Annual Increase	NSMCSD's Rate per ccf	% Annual Increase		
2007-2008	\$5.03		\$4.82		\$0.21	
2008-2009	\$5.27	4.8%	\$4.82	0.0%	\$0.45	[1]
2009-2010	\$5.73	8.7%	\$4.82	0.0%	\$0.91	[2]
2010-2011	\$5.73	0.0%	\$4.82	0.0%	\$0.91	
2011-2012	\$5.73	0.0%	\$4.82	0.0%	\$0.91	
2012-2013	\$5.73	0.0%	\$4.82	0.0%	\$0.91	
2013-2014	\$6.17	7.7%	\$5.26	9.1%	\$0.91	
2014-2015	\$6.87	11.3%	\$5.74	9.1%	\$1.13	[3]
2015-2016	\$7.52	9.5%	\$6.26	9.1%	\$1.26	[4]
2016-2017	\$8.02	6.6%	\$6.76	8.0%	\$1.26	
2017-2018	\$8.87	10.6%	\$7.30	8.0%	\$1.57	[5]
2018-2019	\$9.87	11.3%	\$7.88	7.9%	\$1.99	[6]
2019-2020	\$9.87	0.0%	\$7.88	0.0%	\$1.99	
2020-2021	\$9.87	0.0%	\$7.88	0.0%	\$1.99	
2021-2022	\$10.30	4.4%	\$8.27	4.9%	\$2.03	[7]
2022-2023	\$11.05	7.3%	\$9.02	9.1%	\$2.03	
2023-2024	\$11.86	7.3%	\$9.83	9.0%	\$2.03	

Notes:

Based on January and February water consumption

Minimum Charge is for 12 units (ccf). 2023/24 minimum charge is \$142.32

1 - Includes WWD increase of 24 cents; from 21 cents to 45 cents

2 - Includes WWD increase of 46 cents; from 45 cents to 91 cents

3 - Includes WWD increase of 22 cents; from 91 cents to \$1.13

4 - Includes WWD increase of 13 cents; from \$1.13 to \$1.26

5 - Includes WWD increase of 31 cents; from \$1.26 to \$1.57

6 - Includes WWD increase of 23 cents; from \$1.80 to \$2.03; however, WWD only ended up charging \$1.99 above NSMCSD rate

7 - Includes WWD increase of 4 cents; from \$1.99 to \$2.03; this corrects adjustment amount approved for FY 2018-2019

Table 6: 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
Utilites (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

Table 7: Projected Water 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)	\$2,715,565	10.0%	\$2,987,000	\$3,286,000	\$3,615,000	\$3,977,000	\$4,375,000
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)	<u>\$46,861</u>	3.0%	<u>\$48,000</u>	<u>\$49,000</u>	<u>\$50,000</u>	<u>\$52,000</u>	<u>\$54,000</u>
Total Sewer Operating Expense	\$2,925,026		\$3,212,000	\$3,528,000	\$3,876,000	\$4,259,000	\$4,680,000
<i>Annual % Change</i>			9.8%	9.8%	9.9%	9.9%	9.9%

Percent of Total

Treatment & Disposal (57310)	92.8%	93.0%	93.1%	93.3%	93.4%	93.5%
Utilities (57320)	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Repair of Pipelines (57340)	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Repair of Pumps (57350)	0.7%	0.7%	0.6%	0.6%	0.6%	0.5%
Misc. Sewer Expenses (57390)	<u>1.6%</u>	<u>1.5%</u>	<u>1.4%</u>	<u>1.3%</u>	<u>1.2%</u>	<u>1.2%</u>
Total Sewer Operating Expense	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 8: History of 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

Table 9: Estimated Sewer Rate Revenues, FY 2023/24
Westborough Water District
Water and Sewer Rate Study

FY 2023/24 ESTIMATED SEWER CHARGE REVENUES				
Customer Class	Sewer Charge (\$/ccf)	Jan/Feb Consumption (ccf)	Sewer Charge Revenue (\$)	% of Total
Property Tax Roll	\$11.86	42,807	\$3,046,146	92.3%
<u>Multi-Family Billed Bimonthly</u>	\$11.86	<u>3,596</u>	<u>\$255,891</u>	<u>7.7%</u>
Total		46,403	\$3,302,037	100.0%

Budget Estimate	\$3,284,888
Difference	\$17,150
	0.52%

Table 10: Sewer Debt Scenarios
Westborough Water District
Water and Sewer Rate Study 2024

	Estimated Debt Service per \$1 Million	Scenario 1: \$2.5M Water + \$1M Sewer 50% Debt Funding
Total Annual CIP		
Total Water Annual CIP		\$2,500,000
<u>Total Sewer Annual CIP</u>		<u>\$1,000,000</u>
Total Annual Combined CIP		\$3,500,000
Debt Funded Portion		50%
Water Annual CIP - Debt Funded		\$1,250,000
<u>Sewer Annual CIP - Debt Funded</u>		<u>\$500,000</u>
Total CIP - Debt Funded	\$1,000,000	\$1,750,000
Loan Terms (Estimated)		
Loan Amount	\$1,000,000	\$500,000
Term (years)	15	15
Interest Rate	7.0%	7.0%
Annual Loan Payment	\$110,000	\$55,000
Reserve Fund Requirement		
Equal to Annual Debt Service	\$110,000	\$55,000

Table 11: Sewer Cash Flow Projection -- Scenario 1: \$1.0M in CIP Projects with no Debt
Westborough Water District
Water and Sewer Rate Study 2024

	Budget 2023/24	Projected: Years 1 - 5				
		2024/25	2025/26	2026/27	2027/28	2028/29
1						
2 Revenue Adjustment		14.0%	11.0%	11.0%	11.0%	11.0%
3 Rate Increase Effective		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
4						
5 BEGINNING FUND BALANCE	\$2,347,102	\$2,393,964	\$2,044,064	\$1,780,064	\$1,616,064	\$1,570,064
6						
7 REVENUES						
8 Operating Revenues [1]						
9 Sewer Service Fees (42351)	3,284,888	3,745,000	4,157,000	4,614,000	5,122,000	5,685,000
10 Misc. Operations (42345)	0	6,000	6,000	6,000	6,000	6,000
11 Interest (49210)	0	48,000	41,000	36,000	32,000	31,000
12 Taxes & Assessments (49300)	0	209,100	215,000	221,000	228,000	235,000
13 Other Income (49700)	0	0	0	0	0	0
14 Rental Income (49910)	0	0	0	0	0	0
15 Cap Facilities Income (49800)	0	0	0	0	0	0
16 Capital Facility Expense (56885)	0	0	0	0	0	0
17 Interfund Loan Repayment	0	100,000	100,000	100,000	100,000	100,000
18 Subtotal Operating Revenues	3,284,888	4,108,100	4,519,000	4,977,000	5,488,000	6,057,000
19						
20 Debt Proceeds	0	0	0	0	0	0
21						
22 Total Revenues	3,284,888	4,108,100	4,519,000	4,977,000	5,488,000	6,057,000
23						
24 EXPENSES						
25 Sewer Operating Expenses						
26 Treatment & Disposal (57310)	2,715,565	2,987,000	3,286,000	3,615,000	3,977,000	4,375,000
27 Utilities (57320)	137,600	151,000	166,000	183,000	201,000	221,000
28 Repair of Pipelines (57340)	5,000	5,000	5,000	5,000	5,000	5,000
29 Repair of Pumps (57350)	20,000	21,000	22,000	23,000	24,000	25,000
30 Misc. Sewer Expenses (57390)	46,861	48,000	49,000	50,000	52,000	54,000
31 Subtotal Sewer Operating Expenses	2,925,026	3,212,000	3,528,000	3,876,000	4,259,000	4,680,000
32						
33 General & Administrative (G&A) Expenses [2]						
34 Salaries & Benefits	0	88,000	93,000	99,000	105,000	111,000
35 Engineering Svs. (56830)	0	17,000	18,000	19,000	20,000	21,000
36 Billing (56850)	0	17,000	18,000	19,000	20,000	21,000
37 Insurance (56870)	0	24,000	25,000	26,000	27,000	28,000
38 Other Expenses	0	100,000	101,000	102,000	103,000	104,000
39 Subtotal G&A Operating Expenses	0	246,000	255,000	265,000	275,000	285,000
40						
41 Total Operating Expenses	2,925,026	3,458,000	3,783,000	4,141,000	4,534,000	4,965,000
42						
43 Net Operating Revenues	359,862	650,100	736,000	836,000	954,000	1,092,000
44						
45 Non-Operating Expenses						
46 Sewer Capital Projects	313,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
47 Debt Service	0	0	0	0	0	0
48 Subtotal Non-Operating Expenses	313,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
49						
50 Total Expenses	3,238,026	4,458,000	4,783,000	5,141,000	5,534,000	5,965,000
51						
52 NET REVENUES	46,862	(349,900)	(264,000)	(164,000)	(46,000)	92,000
53						
54 ENDING FUND BALANCE	2,393,964	2,044,064	1,780,064	1,616,064	1,570,064	1,662,064
55						
56 RESERVE FUNDS						
57 Proposed Operating Reserve Target (25% of O&M)	731,256	864,500	945,750	1,035,250	1,133,500	1,241,250
58 Proposed Capital Reserve Target (50% of Depreciation)	200,000	200,000	200,000	200,000	200,000	200,000
59 Total Sewer Reserve Fund Target	931,256	1,064,500	1,145,750	1,235,250	1,333,500	1,441,250
60 Target Met	yes	yes	yes	yes	yes	yes
62						

1 - Interest is estimated at 2% of fund balance. All Other Revenues escalated by 3%. Beginning in 2024/25, Misc Operations & Taxes & Assessments allocated 70% to water and 30% to sewer.
2 - Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund. All other G&A expenses split 70% to water and 30% to sewer.

Table 12: Sewer Rate Derivation -- Scenario 1: \$1.0M in CIP Projects with no Debt
Westborough Water District
Water and Sewer Rate Study 2024

	PROJECTED				
	2024/25	2025/26	2026/27	2027/28	2028/29
Total Revenue Requirement [1]	\$3,745,000	\$4,157,000	\$4,614,000	\$5,122,000	\$5,685,000
Projected Winter (Jan/Feb) Flow	47,000	47,000	47,000	47,000	47,000
Sewer Rate per ccf	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16

1 - From Cash Flow - Table 11, Line 9

Table 13: Proposed Sewer Rates -- Scenario 1: \$1.0M in CIP Projects with no Debt
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROPOSED				
		2024/25	2025/26	2026/27	2027/28	2028/29
Sewer Rate per ccf [1]	\$11.86	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16
<i>Percent Change</i>		<i>12.0%</i>	<i>11.0%</i>	<i>11.0%</i>	<i>11.0%</i>	<i>11.0%</i>

1 - Based on January and February consumption.

Table 14: Sample Sewer Bill Impacts -- Scenario 1: \$1.0M in CIP Projects with no Debt
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROJECTED				
		2024/25	2025/26	2026/27	2027/28	2028/29
AVERAGE SINGLE FAMILY RESIDENTIAL CUSTOMER - 10 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16
Bimonthly Flow (ccf)	10	10	10	10	10	10
Total Bimonthly Sewer Bill	\$118.60	\$132.80	\$147.41	\$163.62	\$181.63	\$201.60
\$ Change		\$14.20	\$14.61	\$16.21	\$18.01	\$19.96
% Change		12.0%	11.0%	11.0%	11.0%	11.0%
MINIMUM CHARGE - 2 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16
Annual Flow (ccf)	12	12	12	12	12	12
Minimum Annual Sewer Charge	\$142.32	\$159.36	\$176.89	\$196.34	\$217.96	\$241.91
Total Bimonthly Sewer Bill	\$23.72	\$26.56	\$29.48	\$32.72	\$36.33	\$40.32
\$ Change		\$17.04	\$17.53	\$19.45	\$21.62	\$23.96
% Change		12.0%	11.0%	11.0%	11.0%	11.0%

Table 15: Sewer Cash Flow Projection -- Scenario 2: \$1.0M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	Budget 2023/24	Projected: Years 1 - 5				
		2024/25	2025/26	2026/27	2027/28	2028/29
1						
2 Revenue Adjustment		12.0%	12.0%	9.0%	9.0%	9.0%
3 Rate Increase Effective		July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
4						
5 BEGINNING FUND BALANCE	\$2,347,102	\$2,393,964	\$1,978,064	\$2,121,064	\$2,230,064	\$2,305,064
6						
7 REVENUES						
8 Operating Revenues [1]						
9 Sewer Service Fees (42351)	3,284,888	3,679,000	4,120,000	4,491,000	4,895,000	5,336,000
10 Misc. Operations (42345)	0	6,000	6,000	6,000	6,000	6,000
11 Interest (49210)	0	48,000	40,000	42,000	45,000	46,000
12 Taxes & Assessments (49300)	0	209,100	215,000	221,000	228,000	235,000
13 Other Income (49700)	0	0	0	0	0	0
14 Rental Income (49910)	0	0	0	0	0	0
15 Cap Facilities Income (49800)	0	0	0	0	0	0
16 Capital Facility Expense (56885)	0	0	0	0	0	0
17 Interfund Loan Repayment	0	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
18 Subtotal Operating Revenues	3,284,888	4,042,100	4,481,000	4,860,000	5,274,000	5,723,000
19						
20 Debt Proceeds	0	0	500,000	500,000	500,000	500,000
21						
22 Total Revenues	3,284,888	4,042,100	4,981,000	5,360,000	5,774,000	6,223,000
23						
24 EXPENSES						
25 Sewer Operating Expenses						
26 Treatment & Disposal (57310)	2,715,565	2,987,000	3,286,000	3,615,000	3,977,000	4,375,000
27 Utilities (57320)	137,600	151,000	166,000	183,000	201,000	221,000
28 Repair of Pipelines (57340)	5,000	5,000	5,000	5,000	5,000	5,000
29 Repair of Pumps (57350)	20,000	21,000	22,000	23,000	24,000	25,000
30 Misc. Sewer Expenses (57390)	<u>46,861</u>	<u>48,000</u>	<u>49,000</u>	<u>50,000</u>	<u>52,000</u>	<u>54,000</u>
31 Subtotal Sewer Operating Expenses	2,925,026	3,212,000	3,528,000	3,876,000	4,259,000	4,680,000
32						
33 General & Administrative (G&A) Expenses [2]						
34 Salaries & Benefits	0	88,000	93,000	99,000	105,000	111,000
35 Engineering Svs. (56830)	0	17,000	18,000	19,000	20,000	21,000
36 Billing (56850)	0	17,000	18,000	19,000	20,000	21,000
37 Insurance (56870)	0	24,000	25,000	26,000	27,000	28,000
38 Other Expenses	0	<u>100,000</u>	<u>101,000</u>	<u>102,000</u>	<u>103,000</u>	<u>104,000</u>
39 Subtotal G&A Operating Expenses	0	246,000	255,000	265,000	275,000	285,000
40						
41 Total Operating Expenses	2,925,026	3,458,000	3,783,000	4,141,000	4,534,000	4,965,000
42						
43 Net Operating Revenues	359,862	584,100	698,000	719,000	740,000	758,000
44						
45 Non-Operating Expenses						
46 Sewer Capital Projects	313,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
47 Debt Service	0	0	55,000	110,000	165,000	220,000
48 Subtotal Non-Operating Expenses	313,000	1,000,000	1,055,000	1,110,000	1,165,000	1,220,000
49						
50 Total Expenses	3,238,026	4,458,000	4,838,000	5,251,000	5,699,000	6,185,000
51						
52 NET REVENUES	46,862	(415,900)	143,000	109,000	75,000	38,000
53						
54 ENDING FUND BALANCE	2,393,964	1,978,064	2,121,064	2,230,064	2,305,064	2,343,064
55						
56 RESERVE FUNDS						
57 Proposed Operating Reserve Target (25% of O&M)	731,256	864,500	945,750	1,035,250	1,133,500	1,241,250
58 Proposed Capital Reserve Target (50% of Depreciation)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
59 Total Sewer Reserve Fund Target	931,256	1,064,500	1,145,750	1,235,250	1,333,500	1,441,250
60 Target Met	yes	yes	yes	yes	yes	yes
61						
62 DEBT SERVICE COVERAGE						
63 Debt Service Coverage Target - 1.25x [3]	-	-	12.69	6.54	4.48	3.45
64 Target Met?	-	-	yes	yes	yes	yes
65						

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

2 - Beginning in 2024/25, 1/3 of the General Manager's salary is allocated to the Sewer Fund. All other G&A expenses split 70% to water and 30% to sewer.

3 - Net Operating Revenues / Debt Service

Table 16: Sewer Rate Derivation for Variable Charge Only -- Scenario 2: \$1.0M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	PROJECTED				
	2024/25	2025/26	2026/27	2027/28	2028/29
Total Revenue Requirement [1]	\$3,679,000	\$4,120,000	\$4,491,000	\$4,895,000	\$5,336,000
Projected Winter (Jan/Feb) Flow	47,000	47,000	47,000	47,000	47,000
Sewer Rate per ccf	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92

1 - From Cash Flow - Table 15, Line 9

Table 17: Proposed Sewer Rates -- Scenario 2: \$1.0M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROPOSED				
		2024/25	2025/26	2026/27	2027/28	2028/29
Sewer Rate per ccf [1]	\$11.86	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92
<i>Percent Change</i>		<i>10.0%</i>	<i>12.0%</i>	<i>9.0%</i>	<i>9.0%</i>	<i>9.0%</i>

1 - Based on January and February consumption.

Table 18: Sample Sewer Bill Impacts -- Scenario 2: \$1.0M in CIP Projects with Debt in Year 2
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROJECTED				
		2024/25	2025/26	2026/27	2027/28	2028/29
AVERAGE SINGLE FAMILY RESIDENTIAL CUSTOMER - 10 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92
Bimonthly Flow (ccf)	10	10	10	10	10	10
Total Bimonthly Sewer Bill	\$118.60	\$130.46	\$146.10	\$159.26	\$173.58	\$189.22
\$ Change		\$11.86	\$15.64	\$13.16	\$14.33	\$15.64
% Change		10.0%	12.0%	9.0%	9.0%	9.0%
MINIMUM CHARGE - 2 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92
Annual Flow (ccf)	12	12	12	12	12	12
Minimum Annual Sewer Charge	\$142.32	\$156.55	\$175.32	\$191.11	\$208.30	\$227.06
Total Bimonthly Sewer Bill	\$23.72	\$26.09	\$29.22	\$31.85	\$34.72	\$37.84
\$ Change		\$14.23	\$18.77	\$15.79	\$17.19	\$18.77
% Change		10.0%	12.0%	9.0%	9.0%	9.0%

Table 19: Sewer Scenario Comparison
Westborough Water District
Water and Sewer Rate Study 2024

PROPOSED REVENUE INCREASES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with no Debt	-	14.0%	11.0%	11.0%	11.0%	11.0%
Scenario 1a: \$1.0M in CIP Projects with no Debt + 4 ccf Min Charge	-	14.0%	11.0%	11.0%	11.0%	11.0%
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	-	12.0%	12.0%	9.0%	9.0%	9.0%
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	-	12.0%	12.0%	9.0%	9.0%	9.0%

MEET SEWER RESERVE FUND TARGETS

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with no Debt	yes	yes	yes	yes	yes	yes
Scenario 1a: \$1.0M in CIP Projects with no Debt + 4 ccf Min Charge	yes	yes	yes	yes	yes	yes
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	yes	yes	yes	yes	yes	yes
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	yes	yes	yes	yes	yes	yes

MEET DEBT SERVICE COVERAGE (1.25)

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with no Debt	-	-	-	-	-	-
Scenario 1a: \$1.0M in CIP Projects with no Debt + 4 ccf Min Charge	-	-	-	-	-	-
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	-	-	12.69	6.54	4.48	3.45
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	-	-	12.69	6.54	4.48	3.45

MAINTAIN POSITIVE NET INCOME

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with no Debt	\$46,862	(\$349,900)	(\$264,000)	(\$164,000)	(\$46,000)	\$92,000
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$46,862	(\$349,900)	(\$264,000)	(\$164,000)	(\$46,000)	\$92,000
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$46,862	(\$415,900)	\$143,000	\$109,000	\$75,000	\$38,000
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	\$46,862	(\$415,900)	\$143,000	\$109,000	\$75,000	\$38,000

AVERAGE BIMONTHLY BILL (10 ccf)

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with No Debt	\$118.60	\$132.80	\$147.41	\$163.62	\$181.63	\$201.60
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$118.60	\$130.03	\$144.34	\$160.21	\$177.85	\$197.40
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$118.60	\$130.46	\$146.10	\$159.26	\$173.58	\$189.22
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	\$118.60	\$127.74	\$143.06	\$155.94	\$169.97	\$185.28

PROPOSED SEWER RATES

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with No Debt	\$11.86	\$13.28	\$14.74	\$16.36	\$18.16	\$20.16
% Change		12.0%	11.0%	11.0%	11.0%	11.0%
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
% Change		9.6%	11.0%	11.0%	11.0%	11.0%
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$11.86	\$13.05	\$14.61	\$15.93	\$17.36	\$18.92
% Change		10.0%	12.0%	9.0%	9.0%	9.0%
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 & 4 ccf min charge	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
% Change		7.7%	12.0%	9.0%	9.0%	9.0%

BIMONTHLY BILL FOR MINIMUM CHARGE (Increase Min Charge from 2 ccf to 4 ccf)

	Current 2023/24	Proposed				
		2024/25	2025/26	2026/27	2027/28	2028/29
Scenario 1: \$1.0M in CIP Projects with No Debt	\$23.72	\$53.12	\$58.96	\$65.45	\$72.65	\$80.64
Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Min Charge	\$23.72	\$52.01	\$57.74	\$64.08	\$71.14	\$78.96
Scenario 2: \$1.0M in CIP Projects with Debt in Year 2	\$23.72	\$52.18	\$58.44	\$63.70	\$69.43	\$75.69
Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Min Charge	\$23.72	\$51.10	\$57.22	\$62.38	\$67.99	\$74.11

Table 20: FY2023/24 Sewer Bill Distribution with 2 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

Jan + Feb Usage (ccf)	Annual Usage (ccf)	Number of Bills	Total Sewer Charges FY2023/24
2	12	412	\$58,636
3	18	238	\$50,808
4	24	242	\$68,883
5	30	271	\$96,422
6	36	272	\$116,133
7	42	302	\$150,432
8	48	279	\$158,829
9	54	270	\$172,919
10	60	237	\$168,649
11	66	197	\$154,204
12	72	173	\$147,728
13	78	145	\$134,137
14	84	104	\$103,609
15	90	90	\$96,066
16	96	82	\$93,362
17	102	67	\$81,051
18	108	57	\$73,010
19	114	49	\$66,250
20	120	46	\$65,467
21	126	44	\$65,752
22	132	35	\$54,793
23	138	20	\$32,734
24	144	19	\$32,449
25	150	15	\$26,685
26	156	14	\$25,902
27	162	6	\$11,528
28	168	12	\$23,910
29	174	14	\$28,891
30	180	8	\$17,078
31	186	11	\$24,266
32	192	5	\$11,386
33	198	2	\$4,697
34	204	5	\$12,097
35	210	4	\$9,962
36	216	1	\$2,562
38	228	2	\$5,408
39	234	5	\$13,876
40	240	3	\$8,539
41	246	2	\$5,835
42	252	2	\$5,977
44	264	1	\$3,131
45	270	4	\$12,809
48	288	1	\$3,416
49	294	1	\$3,487
53	318	2	\$7,543
54	324	1	\$3,843
55	330	1	\$3,914
56	336	2	\$7,970
57	342	1	\$4,056
59	354	1	\$4,198
68	408	1	\$4,839
70	420	1	\$4,981
74	444	2	\$10,532
78	468	1	\$5,550
79	474	1	\$5,622
94	564	1	\$6,689
125	750	1	\$8,895
141	846	1	\$10,034
192	1,152	1	\$13,663
314	1,884	1	\$22,344
448	2,688	1	\$31,880
502	3,012	1	\$35,722
503	3,018	1	\$35,793
616	3,696	1	\$43,835
990	5,940	1	\$70,448
1,260	7,560	1	\$89,662
1,551	9,306	1	\$110,369
Total		3,795	\$3,046,146

Table 21: FY2023/24 Sewer Bill Distribution with 4 ccf minimum
Westborough Water District
Water and Sewer Rate Study 2024

Jan + Feb Usage (ccf)	Annual Usage (ccf)	Number of Bills	Total Sewer Charges FY2023/24
4	24	892	\$253,899
5	30	271	\$96,422
6	36	272	\$116,133
7	42	302	\$150,432
8	48	279	\$158,829
9	54	270	\$172,919
10	60	237	\$168,649
11	66	197	\$154,204
12	72	173	\$147,728
13	78	145	\$134,137
14	84	104	\$103,609
15	90	90	\$96,066
16	96	82	\$93,362
17	102	67	\$81,051
18	108	57	\$73,010
19	114	49	\$66,250
20	120	46	\$65,467
21	126	44	\$65,752
22	132	35	\$54,793
23	138	20	\$32,734
24	144	19	\$32,449
25	150	15	\$26,685
26	156	14	\$25,902
27	162	6	\$11,528
28	168	12	\$23,910
29	174	14	\$28,891
30	180	8	\$17,078
31	186	11	\$24,266
32	192	5	\$11,386
33	198	2	\$4,697
34	204	5	\$12,097
35	210	4	\$9,962
36	216	1	\$2,562
38	228	2	\$5,408
39	234	5	\$13,876
40	240	3	\$8,539
41	246	2	\$5,835
42	252	2	\$5,977
44	264	1	\$3,131
45	270	4	\$12,809
48	288	1	\$3,416
49	294	1	\$3,487
53	318	2	\$7,543
54	324	1	\$3,843
55	330	1	\$3,914
56	336	2	\$7,970
57	342	1	\$4,056
59	354	1	\$4,198
68	408	1	\$4,839
70	420	1	\$4,981
74	444	2	\$10,532
78	468	1	\$5,550
79	474	1	\$5,622
94	564	1	\$6,689
125	750	1	\$8,895
141	846	1	\$10,034
192	1,152	1	\$13,663
314	1,884	1	\$22,344
448	2,688	1	\$31,880
502	3,012	1	\$35,722
503	3,018	1	\$35,793
616	3,696	1	\$43,835
990	5,940	1	\$70,448
1,260	7,560	1	\$89,662
1,551	9,306	1	\$110,369
Total		25 3,795	\$3,121,718

Table 22: Sewer Rate Derivation -- Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

	PROJECTED				
	2024/25	2025/26	2026/27	2027/28	2028/29
Total Revenue Requirement [1]	\$3,745,000	\$4,157,000	\$4,614,000	\$5,122,000	\$5,685,000
Projected Winter (Jan/Feb) Flow	48,000	48,000	48,000	48,000	48,000
Sewer Rate per ccf	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74

1 - From Cash Flow - Table 11, Line 9

Table 23: Proposed Sewer Rates -- Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROPOSED				
		2024/25	2025/26	2026/27	2027/28	2028/29
Sewer Rate per ccf [1]	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
<i>Percent Change</i>		9.6%	11.0%	11.0%	11.0%	11.0%

1 - Based on January and February consumption.

Table 24: Sample Sewer Bill Impacts -- Scenario 1a: \$1.0M in CIP Projects with No Debt + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROJECTED				
		2024/25	2025/26	2026/27	2027/28	2028/29
AVERAGE SINGLE FAMILY RESIDENTIAL CUSTOMER - 10 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
Bimonthly Flow (ccf)	10	10	10	10	10	10
Total Bimonthly Sewer Bill	\$118.60	\$130.03	\$144.34	\$160.21	\$177.85	\$197.40
\$ Change		\$11.43	\$14.31	\$15.87	\$17.64	\$19.55
% Change		9.6%	11.0%	11.0%	11.0%	11.0%
MINIMUM CHARGE - 2 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
Annual Flow (ccf)	12	12	12	12	12	12
Minimum Annual Sewer Charge	\$142.32	\$156.04	\$173.21	\$192.25	\$213.42	\$236.88
Total Bimonthly Sewer Bill	\$23.72	\$26.01	\$28.87	\$32.04	\$35.57	\$39.48
\$ Change		\$13.72	\$17.17	\$19.04	\$21.17	\$23.46
% Change		9.6%	11.0%	11.0%	11.0%	11.0%
MINIMUM CHARGE - 4 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$13.00	\$14.43	\$16.02	\$17.78	\$19.74
Annual Flow (ccf)	12	24	24	24	24	24
Minimum Annual Sewer Charge	\$142.32	\$312.08	\$346.42	\$384.50	\$426.83	\$473.75
Total Bimonthly Sewer Bill	\$23.72	\$52.01	\$57.74	\$64.08	\$71.14	\$78.96
\$ Change		\$169.76	\$34.33	\$38.08	\$42.33	\$46.92
% Change		119.3%	11.0%	11.0%	11.0%	11.0%

Table 25: Sewer Rate Derivation -- Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

	PROJECTED				
	2024/25	2025/26	2026/27	2027/28	2028/29
Total Revenue Requirement [1]	\$3,679,000	\$4,120,000	\$4,491,000	\$4,895,000	\$5,336,000
Projected Winter (Jan/Feb) Flow	48,000	48,000	48,000	48,000	48,000
Sewer Rate per ccf	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53

1 - From Cash Flow - Table 15, Line 9

**Table 26: Proposed Sewer Rates -- Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024**

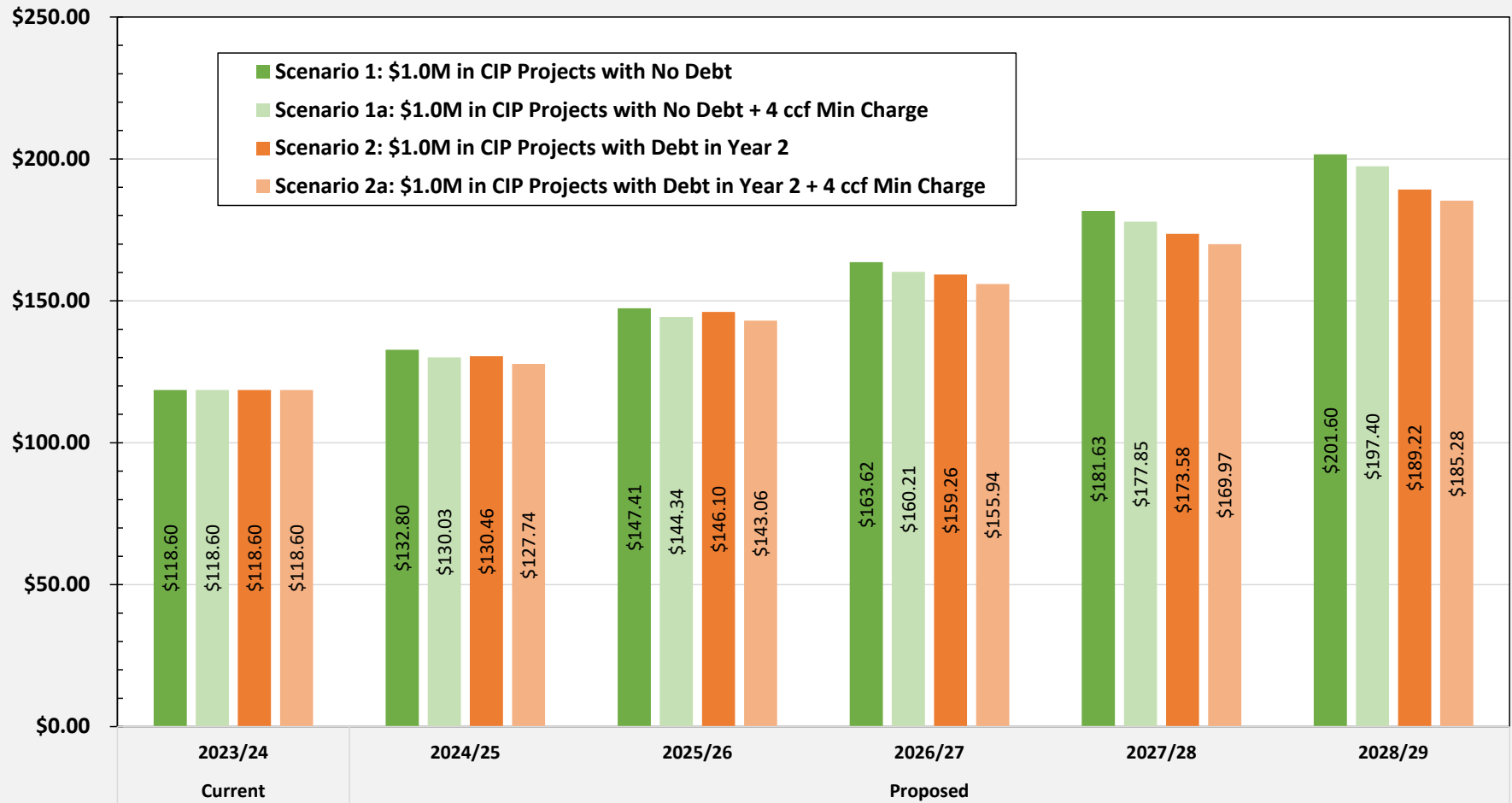
	Current	PROJECTED - RATE STUDY PERIOD				
		2024/25	2025/26	2026/27	2027/28	2028/29
All Customers						
Sewer Rate per ccf	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
Percent Change		7.7%	12.0%	9.0%	9.0%	9.0%

Table 27: Sample Sewer Bill Impacts -- Scenario 2a: \$1.0M in CIP Projects with Debt in Year 2 + 4 ccf Minimum Charge
Westborough Water District
Water and Sewer Rate Study 2024

	Current	PROJECTED				
		2024/25	2025/26	2026/27	2027/28	2028/29
AVERAGE SINGLE FAMILY RESIDENTIAL CUSTOMER - 10 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
Bimonthly Flow (ccf)	10	10	10	10	10	10
Total Bimonthly Sewer Bill	\$118.60	\$127.74	\$143.06	\$155.94	\$169.97	\$185.28
\$ Change		\$9.14	\$15.31	\$12.88	\$14.03	\$15.31
% Change		7.7%	12.0%	9.0%	9.0%	9.0%
MINIMUM CHARGE - 2 CCF BIMONTHLY [1]						
Sewer Rate per ccf	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
Annual Flow (ccf)	12	12	12	12	12	12
Minimum Annual Sewer Charge	\$142.32	\$153.29	\$171.67	\$187.13	\$203.96	\$222.33
Total Bimonthly Sewer Bill	\$23.72	\$25.55	\$28.61	\$31.19	\$33.99	\$37.06
\$ Change		\$10.97	\$18.38	\$15.46	\$16.83	\$18.38
% Change		7.7%	12.0%	9.0%	9.0%	9.0%
MINIMUM CHARGE - 4 CCF BIMONTHLY						
Sewer Rate per ccf	\$11.86	\$12.77	\$14.31	\$15.59	\$17.00	\$18.53
Annual Flow (ccf)	12	24	24	24	24	24
Minimum Annual Sewer Charge	\$142.32	\$306.58	\$343.33	\$374.25	\$407.92	\$444.67
Total Bimonthly Sewer Bill	\$23.72	\$51.10	\$57.22	\$62.38	\$67.99	\$74.11
\$ Change		\$164.26	\$36.75	\$30.92	\$33.67	\$36.75
% Change		115.4%	12.0%	9.0%	9.0%	9.0%

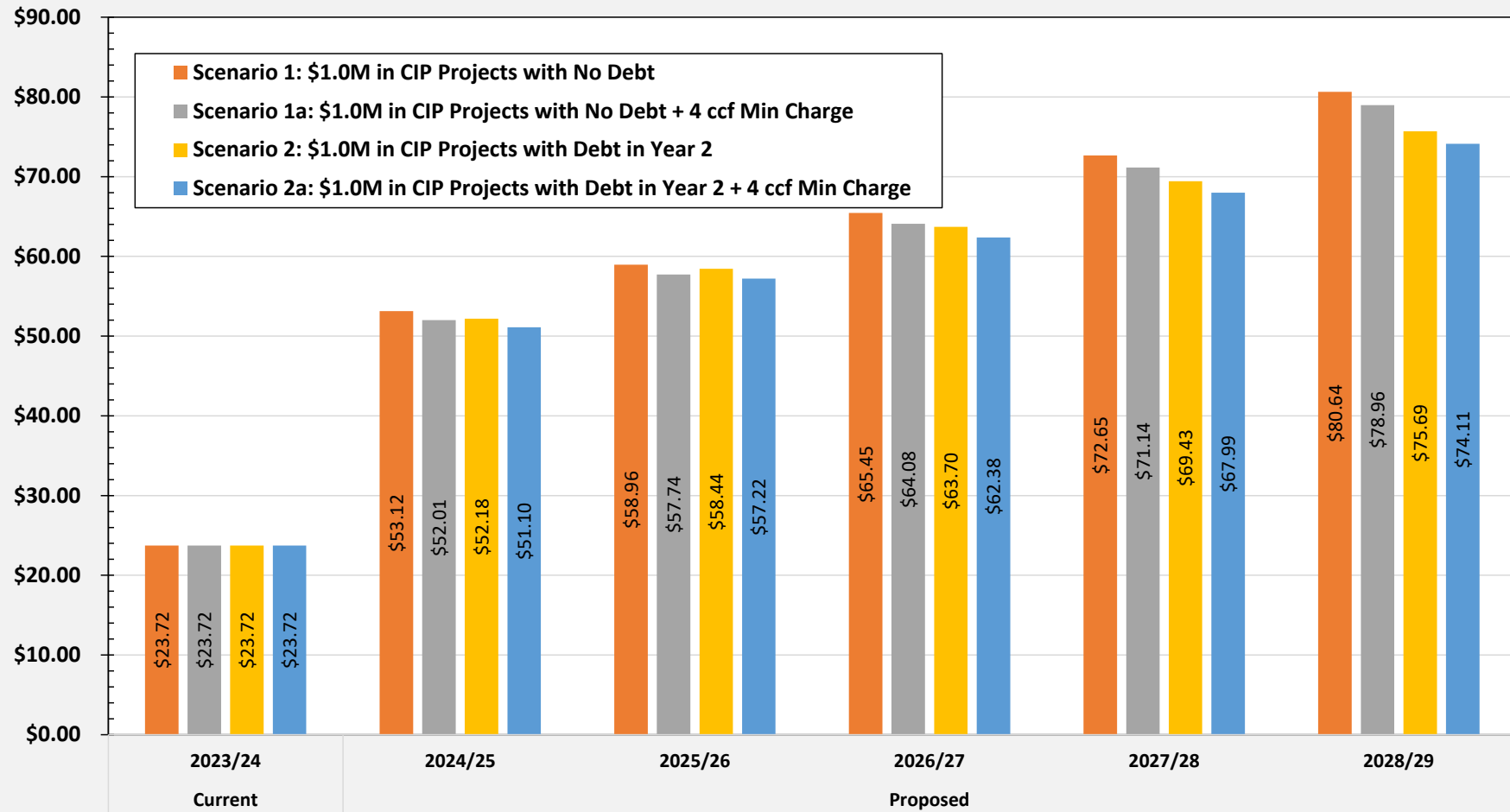
Single Family Residential Bimonthly Sewer Bill Comparison

10 ccf monthly use

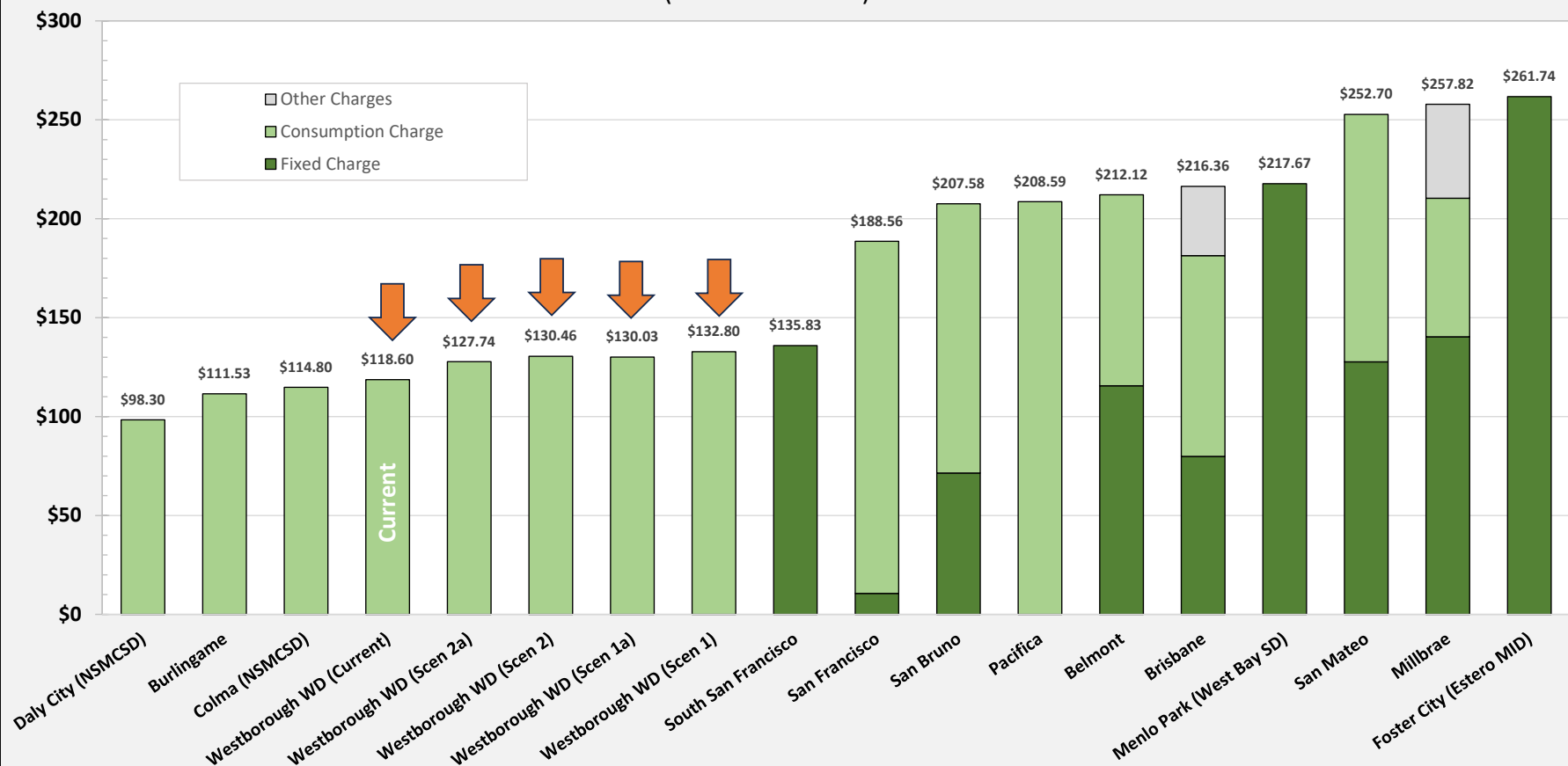


Minimum Charge - Bimonthly Sewer Bill Comparison

2 ccf bimonthly use for 2023/24, 4 ccf bimonthly use for future years



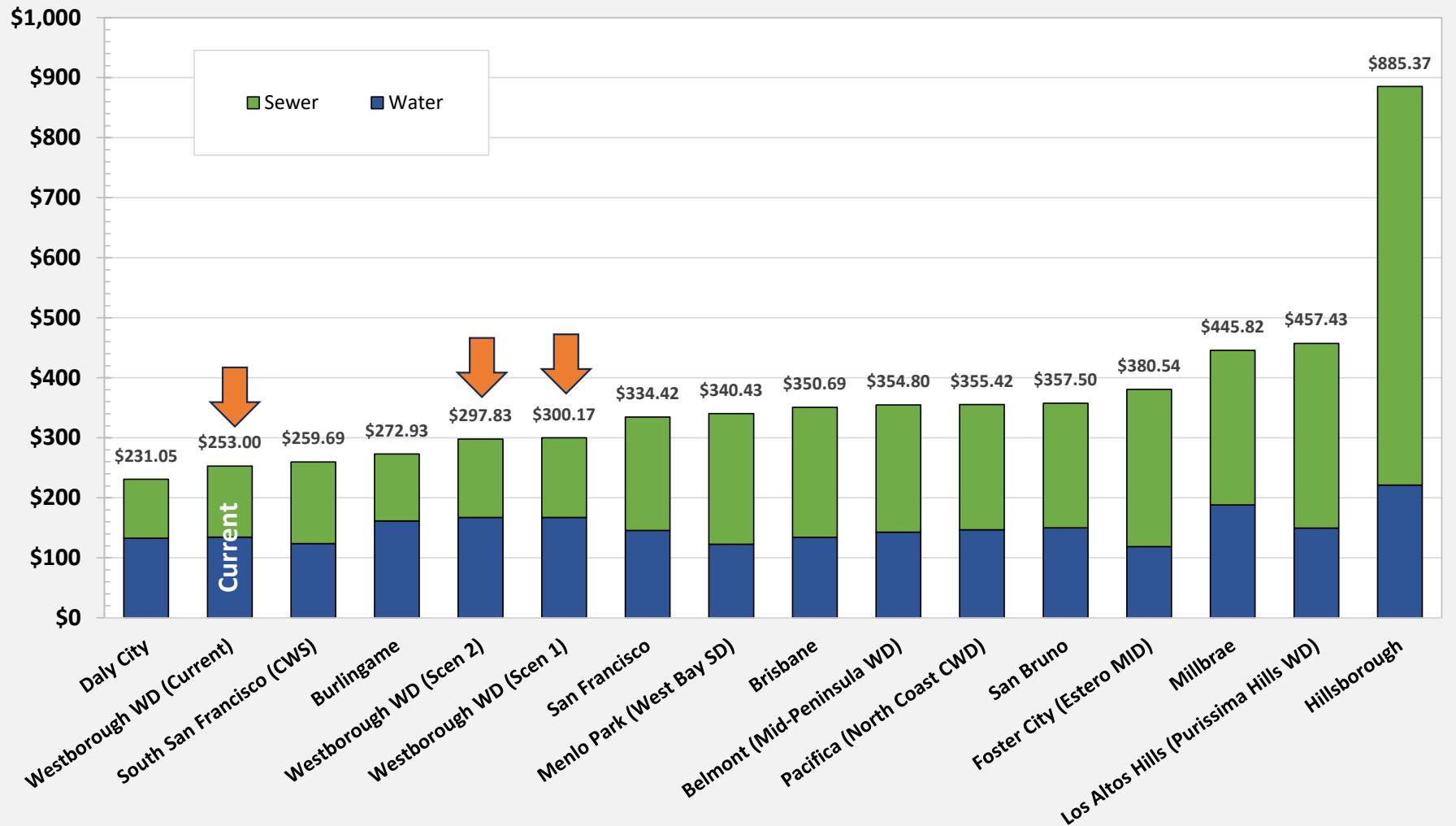
Single Family Residential - Bimonthly Sewer Bill Survey (Mar 2024) (10 ccf water use)



Single Family Residential - Bimonthly Combined Water and Sewer Bill Survey

(Mar 2024)

(5/8" or 3/4" meter, 10 ccf water use)



Single Family Residential - Bimonthly Combined Water and Sewer Bill Survey
(Mar 2024)
 (5/8" or 3/4" meter, 10 ccf water use)



Patricia Mairena

From: Patrick Sumner <psumner@dalycity.org>
Sent: Wednesday, March 13, 2024 1:17 PM
To: Patricia Mairena
Cc: Michael Patolo
Subject: updated bid form for the Rowntree roof
Attachments: Rowntree PS Roof Bid Results REV 1.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Paty
We realized the results on pg.1 are a little confusing so I added the attached explanation. The choice is one or the other. Either accepting the base bid or the add alternate. No combination of the two. This is from our roofing contractor. Take a look at them side by side and choose the one you prefer.

Thank you
Patrick Sumner

Bid Tally Sheet**Westborough Water District****Rowntree Pump Station Roof Replacement****Bid Date 3-6-24 @ 2:00 pm**

Bidder	<u>Option 1</u> Base Bid	<u>Option 2</u> Add Alternate
Stronger Building Services	\$26,900	\$37,500
SF Roofing Services, Inc.	\$40,000	\$49,000
Pioneer Contractors, Inc.	\$59,330	\$68,330

Option 1 - Keep current drain configuration, with roof drain piping below the concrete deck into the pump station and through the wall into the tank.

Option 2 - Abandon the (E)drain and core a new scupper and an overflow scupper(currently no overflow present) through the parapet wall on the northwest corner of the roof. Tapered insulation will be installed to redirect the drain plane towards new scupper drains. Pipe from existing drain will be removed and concrete wall at tank will be infilled and patched.

Pre-Bid Meeting Sign In Sheet

Westborough Water District

Rowntree Pump Station Roof Replacement

Date 2-22-24 @ 10:00 am



Company Name	Representative Name	Email	Phone
Stronger Building Services	Ismael Avila	ismael@strongerbuilding.com	(415) 823-6355
SF Roofing Services, Inc.	Manny Avila	manny@sroofingservices.com	(650) 679-2816
Pioneer Contractors, Inc.	Robert Walsh	Robert.Walsh@pioneercontractors.com	(914) 215-3597

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form
Westborough Water District
Rowntree Pump Station Roof Replacement

Item 1 - Acknowledgments

In submitting this proposal, the contractor acknowledges the following:

Acceptance:

The Owner reserves the right to accept or reject any bid for any reason without recourse by any bidder and to award a contract to any bidder on any basis which the Owner, in its sole and absolute discretion, determined to be in the best interest of the Owner.

Time Limit:

The undersigned agrees that the work of the contractor will be commenced within 30 days of Notice to Proceed.

Contract price:

Bids due on Wed, March 6th at 2pm. The proposed lump sum contract price as per Specifications, and Drawings.

Contractor to hold bid price for a period of 3 months from date of bid submission.

Return Bids To (e-mail):

Michael Patolo
mpatolo@dalycity.org

Patrick Sumner
PSumner@Dalycity.org

Pre-Bid Walkthrough:

10:00 a.m. on 22nd day of February, 2024.

Bid Deadline and Opening:

2:00 p.m. on the 6th day of March, 2024.

Westborough Water District –Rowntree PS:

Base Bid: Twenty Six Thousand Nine Hundred dollars \$ 26,900.00

Replace roof with (N) 2-ply modified bitumen roofing, retaining (E) drain and slope configuration.

Add Alternate 1: Thirty Seven Thousand Five Hundred dollars \$ 37,500.00

Replace roof with (N) 2-ply modified bitumen roofing, overbuilding (E) drain, installing (N) ¼" tapered insulation to (N) scupper and overflows scupper at North corner, demo (E) drain pipe below to wall and patching w/ concrete mortar.

Contractor Name: Stronger Building Services

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form

Acknowledgments (continued)

FIRM NAME	Ismael Avila
LICENSE #:	955618
BY	Ismael Avila
TITLE	Project Manager, Estimator
OFFICIAL ADDRESS	580 Harlan St San Leandro, CA 94577
DATE	3/6/2024
WITNESS	Jovanny Avila

Item 2 - Form of Warrant

Project:	Rowntree Pump Station Roof Replacement
Owner:	Westborough Water District

We hereby acknowledge and agree that:

1. We have completed our Contract in full conformity with the intent of the Contract Documents and have no substitutions in materials.

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form
Westborough Water District
Rowntree Pump Station Roof Replacement

Item 1 - Acknowledgments

In submitting this proposal, the contractor acknowledges the following:

Acceptance:

The Owner reserves the right to accept or reject any bid for any reason without recourse by any bidder and to award a contract to any bidder on any basis which the Owner, in its sole and absolute discretion, determined to be in the best interest of the Owner.

Time Limit:

The undersigned agrees that the work of the contractor will be commenced within 30 days of Notice to Proceed.

Contract price:

Bids due on Wed, March 6th at 2pm. The proposed lump sum contract price as per Specifications, and Drawings.

Contractor to hold bid price for a period of 3 months from date of bid submission.

Return Bids To (e-mail):

Michael Patolo
mpatolo@dalycity.org

Patrick Sumner
PSumner@Dalycity.org

Pre-Bid Walkthrough:

10:00 a.m. on 22nd day of February, 2024.

Bid Deadline and Opening:

2:00 p.m. on the 6th day of March, 2024.

Westborough Water District – Rowntree PS:

Base Bid: Forty Thousand dollars \$ 40,000.00

Replace roof with (N) 2-ply modified bitumen roofing, retaining (E) drain and slope configuration.

Add Alternate 1: Forty Nine Thousand dollars \$ 49,000.00

Replace roof with (N) 2-ply modified bitumen roofing, overbuilding (E) drain, installing (N) ¼" tapered insulation to (N) scupper and overflows scupper at North corner, demo (E) drain pipe below to wall and patching w/ concrete mortar.

Contractor Name: San Francisco Roofing Services, Inc.

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form

Acknowledgments (continued)

FIRM NAME	<u>San Francisco Roofing Services, Inc.</u>
LICENSE #:	<u>1047655.</u>
BY	<u>Manuel Avila Jr.</u>
TITLE	<u>Corporate Secretary</u>
OFFICIAL ADDRESS	<u>1314 Donner Ave</u>
	<u>San Francisco CA 94124</u>
DATE	<u>3/6/2024</u>
WITNESS	<u>Ulises Avila</u>

Item 2 - Form of Warrant

Project:	<u>Rowntree Pump Station Roof Replacement</u>
Owner:	<u>Westborough Water District</u>

We hereby acknowledge and agree that:

1. We have completed our Contract in full conformity with the intent of the Contract Documents and have no substitutions in materials.

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form
Westborough Water District
Rowntree Pump Station Roof Replacement

Revised
Bid
after typo
discovered.
3/6

Item 1 - Acknowledgments

In submitting this proposal, the contractor acknowledges the following:

Acceptance:

The Owner reserves the right to accept or reject any bid for any reason without recourse by any bidder and to award a contract to any bidder on any basis which the Owner, in its sole and absolute discretion, determined to be in the best interest of the Owner.

Time Limit:

The undersigned agrees that the work of the contractor will be commenced within 30 days of Notice to Proceed.

Contract price:

Bids due on Wed, March 6th at 2pm. The proposed lump sum contract price as per Specifications, and Drawings.

Contractor to hold bid price for a period of 3 months from date of bid submission.

Return Bids To (e-mail):

Michael Patolo
mpatolo@dalycity.org

Patrick Sumner
PSumner@Dalycity.org

Pre-Bid Walkthrough:

10:00 a.m. on 22nd day of February, 2024.

Bid Deadline and Opening:

2:00 p.m. on the 6th day of March, 2024.

Westborough Water District – Rowntree PS:

Base Bid: 59,330 dollars \$ [REDACTED]

Replace roof with (N) 2-ply modified bitumen roofing, retaining (E) drain and slope configuration.

Add Alternate 1: 68,330 dollars \$ [REDACTED]

Replace roof with (N) 2-ply modified bitumen roofing, overbuilding (E) drain, installing (N) ¼" tapered insulation to (N) scupper and overflows scupper at North corner, demo (E) drain pipe below to wall and patching w/ concrete mortar.

Contractor Name: Pioneer Contractors

Rowntree Pump Station Roof Replacement
Westborough Water District
2263 Westborough Blvd, South San Francisco, CA 94080

Bid Form

Acknowledgments (continued)

FIRM NAME Pioneer Contractors
LICENSE #: 777064
BY Robert Walsh
TITLE Project Manager
OFFICIAL ADDRESS 1485 Armstrong Ave
San Francisco Ca
DATE 3/6/2024
WITNESS Michael Li

Item 2 - Form of Warrant

Project: Rowntree Pump Station Roof Replacement
Owner: Westborough Water District

We hereby acknowledge and agree that:

1. We have completed our Contract in full conformity with the intent of the Contract Documents and have no substitutions in materials.





DEMO ABANDONED FLUE
FLASHING TO DECK, INSTALL
SHEET METAL COVER OVER
HOLE IN DECK, OVERBUILD
W/ (N) ROOFING.

INSTALL (N) GENERATOR
FLUE FLASHING. TERMINATE
ROOFING W/ REINFORCED
TUFF FLASH LO.



ADD ALTERNATE 1 ONLY
OVERBUILD (E) DRAIN, DEMO
DRAIN PIPE BELOW
STRUCTURAL DECK BACK
TO WALL AND PATCH W/
CONCRETE MORTAR.

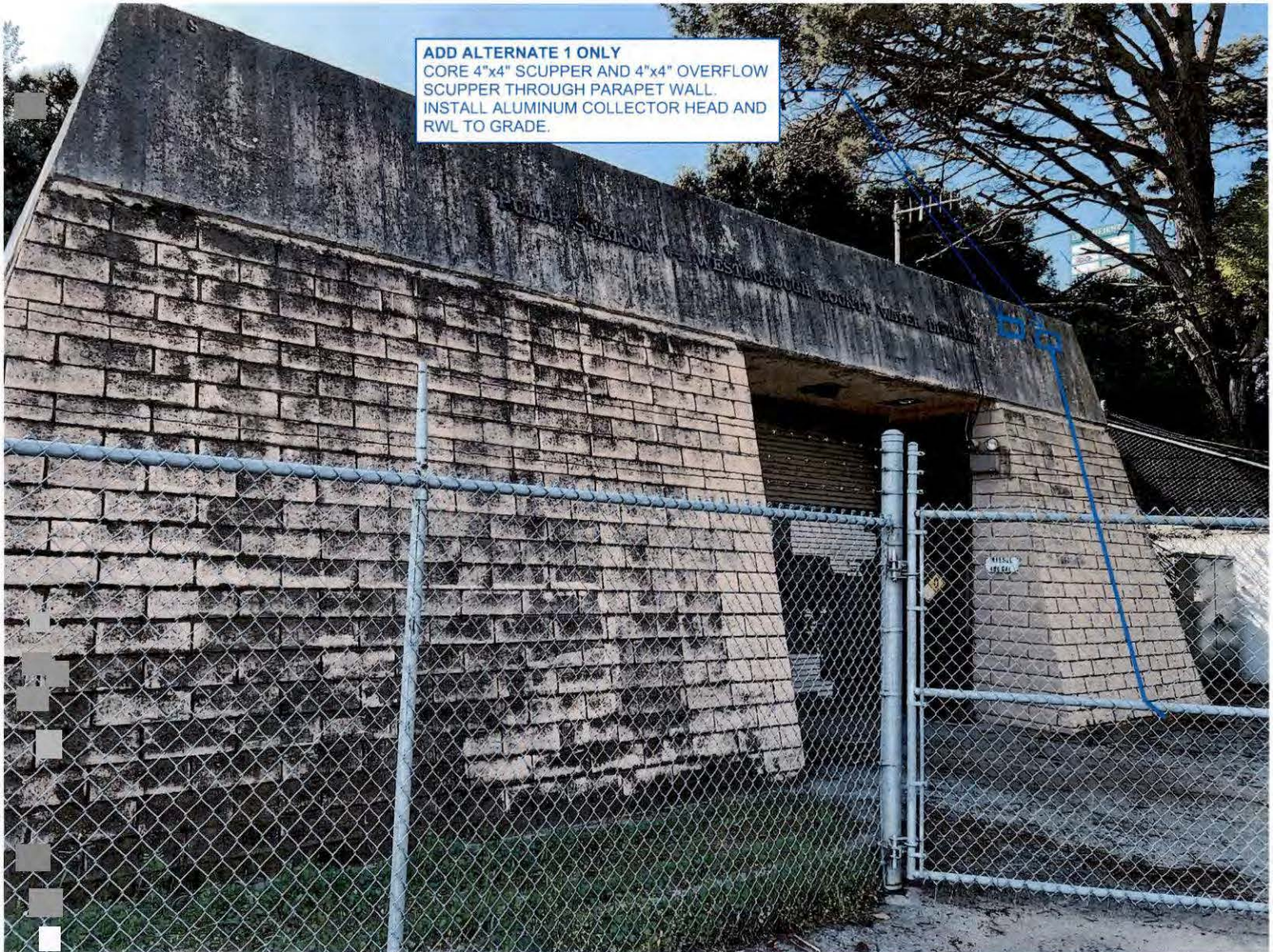


DEMO ABANDONED FLUE FLASHING TO DECK, INSTALL SHEET METAL COVER OVER HOLE IN DECK, OVERBUILD W/ (N) ROOFING.

INSTALL (N) GENERATOR FLUE FLASHING. TERMINATE ROOFING W/ REINFORCED TUFF FLASH LO.



ADD ALTERNATE 1 ONLY
CORE 4"x4" SCUPPER AND 4"x4" OVERFLOW
SCUPPER THROUGH PARAPET WALL.
INSTALL ALUMINUM COLLECTOR HEAD AND
RWL TO GRADE.



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					
04/06/21 to 05/05/21	27430	30	914.33					
05/06/21 to 06/03/21	30907	29	1065.76					
Total Purchases	382590	364	1051.07	Total Purchases	250374	274	913.77	

GPCPD YTD	50.68
GPCPD 22/23	49.46
GPCPD 21/22	50.62
GPCPD 20/21	58.30
GPCPD 19/20	59.11

