

AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS

Thursday, November 10, 2022

7:30 p.m.

Note: Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the AB 361 [Government Code Section 54953(e)]. Directors may participate remotely, but the public is welcome attend the meeting in person, in addition to participating remotely as shown below.

Join Zoom Meeting

<https://us06web.zoom.us/j/85612024985?pwd=YjNrOGJPb09vYUd5aGRVb0VlVTJRZz09>

Meeting ID: 856 1202 4985

Passcode: 766459

One tap mobile

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1. ROLL CALL:

2. PLEDGE OF ALLEGIANCE:

3. SPECIAL ORDER OF BUSINESS:

- A. Consideration of Resolution 665, Declaring that District Meetings will Continue to be Held Via Teleconference.

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4. 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 October 13, 2022.

B. Accountant's Report for Period Ending September 30, 2022.

C. Investment Report for Period Ending October 31, 2022.

D. Claims Register for October 31, 2022.

5. 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.

6. BUSINESS (OLD):

A. LAFCo - Westborough Water District Municipal Service Review (MSR).

7. BUSINESS (NEW):

A. Review and Acceptance of Claims Reimbursement from ACWA JPIA for Pipe Repair – Loss of September 9, 2021, Claim #22-289 in the amount of \$51,285.88.

B. Resolution No. 666, Adopting Policies and Procedures for Award of Contracts and for Bidding Requirements.

C. Volvo Portable Generator Problems due to Possible Bad Fuel and Quote for Repairs.

D. ACWA General Session - November 30, 2022: Voting on Proposed Amended and Restated Bylaws of ACWA and Authorization to Complete Voter Designation Form.

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8. WRITTEN COMMUNICATIONS:

- A. Letter Dated October 20, 2022 from the Special Districts Leadership Foundation, Regarding the District Transparency Certificate of Excellence Approval.

9. ATTORNEY'S REPORT:

10. GENERAL MANAGER'S REPORT:

- A. Report on District's Water Conservation for October 2022.
- B. Intertie Water Deliveries to North Coast County Water District due to Transmission Line Repairs.

11. ITEMS FROM BOARD OF DIRECTORS: None

12. CLOSED SESSION: None

13. 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.

RESOLUTION NO. 665

A RESOLUTION OF BOARD OF DIRECTORS OF THE WESTBOROUGH WATER DISTRICT DECLARING THAT DISTRICT MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCE

WESTBOROUGH WATER DISTRICT

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the State prepare for a broader spread of COVID-19; and

WHEREAS, on March 17, 2020, in response to the COVID-19 pandemic, Governor Newsom issued Executive Order N-29-20, which suspended certain provisions of the Ralph M. Brown Act in order to allow legislative bodies to conduct meetings electronically without a physical meeting place; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order N-08-21, which specified that Executive Order N-29-20 would remain in effect through September 30, 2021, at which point it would expire; and

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 into law as urgency legislation that goes into effect on October 1, 2021, amending Government Code Section 54953 of the Brown Act to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency where state or local officials have recommended measures to promote social distancing; and

WHEREAS, the Governor's proclaimed State of Emergency remains in effect, and State and local officials, including the California Department of Public Health and the Department of Industrial Relations, have imposed or recommended measures to promote social distancing.

NOW, THEREFORE, BE IT RESOLVED that, in order to ensure the health and safety of the public, meetings of the Westborough Water District, its committees and subsidiary bodies, will continue to be held with board members participating via teleconference in accordance with Assembly Bill 361 and the provisions of Government Code Section 54953(e).

PASSED AND ADOPTED this 10th day of November, 2022, by the following vote:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Board Secretary

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

Thursday, October 13, 2022

Note: Due to COVID-19, this meeting was conducted as a teleconference pursuant to the provisions of the AB 361 [Government Code Section 54953(e)]. Directors participated remotely, but the public was welcome to attend the meeting in person, as the General Manager and Office Supervisor were present at the Westborough Water District Office, in addition to participating on the teleconference.

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

1. ROLL CALL:

Directors Present:

Janet Medina
Tom Chambers
Julie Richards
Perry Bautista
Don Amuzie (*joined later in the meeting*)

Staff Present:

Patricia Mairena, General Manager
Catherine Groves, Attorney
Wendy Bellinger, Office Supervisor

Visitors Present:

None

For the record, General Manager Mairena stated that both Office Supervisor Bellinger and she were present at the District's Office for any visitors who wished to attend the board meeting in person.

2. PLEDGE OF ALLEGIANCE: Led by Director Chambers.

3. SPECIAL ORDER OF BUSINESS:

A. Consideration of Resolution 664, Declaring that District Meetings will Continue to be Held Via Teleconference.

Attorney Groves stated that it was still permissible for the Board of Directors to continue to reenact this resolution. Attorney Groves mentioned that AB 2449 had recently passed but it did not change any of the rules until January 1, 2024, so at this point, the Board was still allowed to enact this resolution and continue meeting remotely.

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Director Chambers stated that he was in favor of this resolution but perhaps the Board may want to consider meeting in person soon and let General Manager Mairena know their thoughts. Director Chambers commented that unless the virus got worse, BAWSCA was considering meeting in person, and he knew of other agencies that were already doing so.

President Bautista mentioned that General Manager Mairena was planning on reopening the lobby to customers after the holidays, possibly in January, and he felt that it would be suitable to also start the in-person board meetings around that time too. Director Chambers replied that the November and December meetings would be via Zoom and virus permitting, January would be an in-person meeting.

Director Chambers moved to approve Resolution 664, Declaring that District Meetings will Continue to be Held Via Teleconference, seconded by Director Medina.

Roll Call

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

The motion was carried unanimously.

4. CONSENT CALENDAR:

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

Director Medina moved to approve the Consent Calendar, seconded by Director Chambers.

Roll Call

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

The motion was carried unanimously.

5. PUBLIC COMMENT: None.

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6. BUSINESS (OLD): None.

7. BUSINESS (NEW):

A. LAFCo - Westborough Water District Municipal Service Review (MSR).

President Bautista reported that Directors Chambers, Amuzie, and he, along with General Manager Mairena had attended the LAFCo meeting on September 21, 2022. President Bautista stated that LAFCo was pretty much planning on leaving everything as it was and wait until the November 16th meeting for a final vote. He mentioned that there was a virtual Community Workshop scheduled for October 17th and the information was provided on the board packet, in case any board members wanted to join in. President Bautista also reported that there were four items that had stuck with him and commented on them:

1. Budget narrative
2. Staff reports for board packet items
3. Video recordings of meetings on website
4. Multi-year Capital Improvement Program

Director Chambers also commented on these items and stated that the Budget Committee could provide a summary of any budget change proposals. He stated that Mr. Bartoli did not realize how involved board members were and how thin District staff was. Director Chambers asked Attorney Groves about replying to LAFCo. Director Groves stated that the Board could reply and let LAFCo know if they agree with their recommendations or not, but it was not necessary to do it by October 17th. With regards to posting videos of the board meetings, Director Chambers stated that unless the District was to invest mega bucks on a recording system, there would be no Zoom meeting recordings starting with the January, 2023 meeting.

President Bautista told the Board that Vice Chair Draper had complimented the District for "looking forward" and making decisions for the future.

Director Amuzie stated that he thought it was a good idea for the District to have good cooperation with the City of South San Francisco.

Director Chambers commented on the LAFCo report and how they were working off an outdated Urban Water Management Plan (UWMP) and population data. He stated that on pages 23 and 24, LAFCo had messed up on their paragraph numbering as there were two recommendations labeled #2. Director Chambers stated that the City of South San Francisco did not provide water services but contracted with CalWater, and he did not see any benefits for turning District facilities to CalWater, but he did see a couple of potential downfalls:

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1. CalWater is not a public agency, hence, not eligible for Hetch Hetchy water (as stated in the Raker Act) and San Francisco has worked around that by selling the Calaveras and Crystal Springs water to them, which were local supply sources. Currently, CalWater uses 23% of all BAWSCA member agencies' water demand. Director Chambers also stated that he was not sure if there would be any problems with the use of municipal bonds for financing, as only public agencies could issue tax free bonds.
2. For sewer, with regard to LAFCo's idea that both the District and the City of South San Francisco could use the same rate structure, Director Chambers stated that the methodology for calculating sewer charges was very different, and he thought the District would need to approach the City of South San Francisco to see if this was realistic and if they would even want to do it.
3. Director Chambers also mentioned that the City Council of South San Francisco would not be able to set the water rates as these are regulated by the PUC for CalWater.

Director Chambers told the Board that the reorganization recommendations could be cleared after the report was final by contacting the City of South San Francisco and asking them if this was something they would want to do, and if they did, the District could look further into the three pitfalls he mentioned before.

President Bautista asked Attorney Groves for clarification as to what a subsidiary district was and whether this would be similar to what the North San Mateo County Sanitation District was to the City of Daly City. Attorney Groves mentioned she had not heard that term before, but she did believe that he was right, and essentially the City Council would serve as the Board if the District was to become a subsidiary district. Director Chambers affirmed the information Attorney Groves provided and stated that the District would lose its CSDA status since in order to join, the District would have to be an independent district.

General Manager Mairena reported that she had reviewed older minutes to gather additional information on LAFCo's recommendation to join the City of South San Francisco Sewer System and she wanted to share information she found on the minutes of the November 9, 1995 board meeting. She stated the minutes referenced a letter from the City of South San Francisco which was written in response to a LAFCo review. The discussion by the Board was centered on the cost to the District to connect to the City's sewer system: \$9 million dollars to connect to the City's system, an additional cost of buying into their system of about \$5 million per every 1 million gallons per day of sewage to expand the City's treatment plant, and approximately \$60,000 for a study on connecting the sewer to their plant. General Manager Mairena also reported that this did not happen because the District did not have the extra \$10

to \$12million to connect to the City's sewer system. In addition, General Manager Mairena recalled that there were also concerns about the EPA possibly not allowing the extra treated sewage to be disposed in the Bay. Director Chambers commented that there could also be issues with algae bloom.

General Manger Mairena stated that these were 1995 numbers, and the present cost would be much higher today, and she wanted to mention this in the event that the District needed to reply further to LAFCo on joining the City's sewer system.

No action was taken.

B. Review/Approve Revisions to District's Personnel Manual.

President Bautista told the Board that everyone had received a red-lined copy of the proposed District's Personnel Manual. President Bautista addressed Attorney Groves for clarification on page 7.B.7, under Time Cards, where it stated the "Supervisor or General Manager being able to make changes only after such changes were authorized in writing by the employee." Attorney Groves replied she was not certain because it was a labor and employment attorney who had worked with Attorney Conneran, but her take on this was that there would have to be a conversation between the General Manager (or Supervisor) and the employee to make any changes to a time card.

Director Chambers asked why the General Manager position was being removed from the Safety-Sensitive Employees List. General Manager Mairena replied that she was advised by former General Manager Barrow, to remove herself from the list, since she did not drive a District owned vehicle, nor operated any equipment, such as the VacCon. Ms. Mairena stated that she had also run this by the Personnel Committee to get their input, and they had been in agreement with doing so. Director Chambers asked if the removal was also related to her getting a monthly vehicle allowance instead of a District owned vehicle and General Manager Mairena concurred. Director Chambers stated that since she supervised employees, she should be able to drive a District truck. General Manager Mairena replied she had no problem being on the Safety-Sensitive Employee List and that it was probably a good idea in the event that the next general manager drove a District owned vehicle or equipment, then the District would not need to add the position back.

Director Amuzie inquired about the time clock system the employees used. General Manager Mairena replied that the employees used a daily log detailing their work. President Bautista commented it was an honor system. Director Amuzie asked about getting an electronic time clock since this was the year 2022. Director Chambers commented the District did not need to get a time clock and do maintenance on it, and if anyone falsified records, you

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would just fire the employee. President Bautista inquired if there had been any problems, and General Manager Mairena replied that in her 35 years there had been no problems.

Director Chambers moved to approve the Revisions to the District's Personnel Manual with the exception of adding the General Manager position back in the Safety-Sensitive Employees List, seconded by Director Medina.

Roll Call

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

The motion was carried unanimously.

C. List of Goals for General Manager for 2022-2023.

President Bautista commented that the General Manager had a list of goals for 2022-2023 and he wanted to suggest adding the list of recommendations made by LAFCo which were previously discussed. General Manager Mairena replied that she could definitely work on putting the board packets on the website; however, she needed to make sure these were machine readable in order to be ADA compliant.

Director Chambers stated he would like to add to the list for her to work on the financial policies such as the policy on reserves and the budget narrative. Director Chambers asked General Manager Mairena about the Water Loss Program being on the original list but not on this list. General Manager Mairena replied that she had just completed it today and logged in to the Water Resources Control Board to submit the report.

President Bautista asked the Board if anyone else had anything to add to the General Manager's List of Goals.

Director Amuzie stated that the Board should add the wording "other duties as assigned" because of the unforeseen. Attorney Groves asked General Manager Mairena her thoughts and if something similar was handled by former General Manager Barrow. Ms. Mairena stated that this was a list that was used by the Board as part of measuring her performance during her evaluation and that of course, when unforeseen things would come up, she would deal with them. Director Chambers stated that this was only one of the four or five sections of the General Manager evaluation, and this list was not her job description, it was a

list of special things the Board wanted her to work on during 2022-2023. Director Chambers stated that “other duties as assigned” was too general and could not be measured.

Attorney Groves agreed that this list is not meant to be comprehensive and exhaustive, but it should state the key initiatives the Board would like their general manager to focus on for the next year, and of course, there were many things that were not on the list which would need to be accomplished as well.

President Bautista asked General Manger if she had her updated list. General Manger Mairena replied she did and would be adding the two items mentioned by Director Chambers: the budget summary and the financial reserves policy.

President Bautista asked Attorney Groves if there should be a motion and she agreed.

Director Chambers moved to approve the revised List of Goals for the General Manager for 2022-2023, including the budget summary and the financial reserves policy, seconded by Director Medina.

Roll Call

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

The motion was carried unanimously.

8. WRITTEN COMMUNICATIONS:

A. Correspondence from Kelvin Mulnar, City of South San Francisco Engineering Division Regarding 2304 Olympic Drive.

General Manager Mairena reported on an email she had received from Kelvin Mulnar on September 23, 2022, regarding 2304 Olympic Drive and an application that was received for building a new house. Ms. Mairena reviewed with the Board that this location was currently an empty lot at the corner of Olympic and Dublin and that there was history on this property going back to the early 1980s. General Manager Mairena stated that there used to be two houses in this lot and due to an underground river (or the like) the houses had lost their foundation and sank, so the District was sued along with the City of South San Francisco, and the developer. Ms. Mairena commented she had replied to Mr. Mulnar’s email letting him know this history and that she would have to run it by the District’s legal counsel, as she was certain there had

been a monetary settlement, and the District would not like to undertake any additional liability, especially since they were plans for building a new house. General Manager Mairena also reported that the property had changed hands a couple of years back, and it now belonged to an investment company. General Manger Mairena stated she had consulted with Attorney Conneran, and per his advice, she then emailed Mr. Mulnar back letting him know that the District would request a geotechnical report to be done to make sure the property could safely be developed prior to any plan reviews, and letting him know that in the future, should problems re-emerge, the City could be the target of a lawsuit; hence, the importance of a thorough review of suitability for development. Director Chambers commented he hoped the District had legal protection.

Director Chambers stated there really was an underground creek running there, and he was not sure if the water went into a storm drain. General Manager Mairena replied there was a pipe that runs thru the lot with water running 24/7, draining to a storm drain, and the water was very corrosive, to the point that the pipes were very corroded.

President Bautista asked Attorney Groves who would have the rights to the water if there was an artesian well running underneath. Attorney Groves replied she did not have the answer and would have to get back to him. Both Director Chambers and General Manger Mairena replied that the District would not want that water, as the water was too corrosive.

President Bautista stated that under Written Communications, he also wanted to report that LAFCo had an alternate seat on their Board. Director Bautista stated there were three candidates running for that seat: Virginia Kiraly with the Harbor District, Donna Rutherford with the Mosquito Control District, and Chris Mickelsen with the Coastside County Water District (CCWD). President Bautista also stated he needed to return the ballot by October 17th, and he asked the Board if anyone knew any of the candidates as he was leaning towards the CCWD candidate since he would be knowledgeable on the water business. Director Chambers concurred and stated that Mr. Mickelsen was also a director representing CCWD on the BAWSCA Board. President Bautista told the Board if there were no objections, he would be voting for Mr. Mickelsen and would return the ballot before October 17th to the General Manager or probably by tomorrow.

9. ATTORNEY'S REPORT:

Attorney Groves reported on the new Brown Act legislation, AB 2449. Attorney Groves stated that the main take away at this point was that it would not change anything for at least a year and the Board could continue relying upon the Governor's State of Emergency and continue meeting remotely until it was lifted, or the State Legislature voted to rescind the State of Emergency. Attorney Groves stated that once AB 2249 went into effect on January 1, 2024,

the state of the law would be to go back to the old teleconference rules or use these new hybrid rules which are not as helpful as they were hoping for and were also very confusing.

Attorney Groves reviewed with the new board members that under the old teleconference rules, the majority of the Board members would have to be within the physical jurisdiction of the agency and any time there was any teleconferencing, those sites would need to be made available to the public, so for example, if a director was home, the director would have to open his/her home for the public to be able to participate on the meeting. Director Groves stated that due to health reasons, that rule had been suspended during the pandemic, but as of January 1, 2024, we would have to go back to the old rules and potentially to the new hybrid alternatives.

Attorney Groves mentioned that she would continue to update the Board and that they were working on a list of FAQs internally to identify the ambiguities on this law, and if anyone had any questions, to please send them to her.

General Manager Mairena stated that she would email Hanson and Bridgett LLP's communications alert to the Board so they could read about the new law.

10. GENERAL MANAGER'S REPORT:

A. Report on Sewer Backup at the District's Office.

General Manager Mairena told the Board that this was the same sewer backup she had mentioned at the last board meeting. General Manager Mairena reported that the sewer backup occurred at the District's office on September 8th and water came out at the base of the women's toilet. Ms. Mairena stated that she had staff contact the North San Mateo County Sanitation District (NSMCSD) and a crew of new employees had responded, worked on the basics, and advised staff to contact a plumbing company. General Manager Mairena said that District staff used a 50-foot snake to try to clear the problem but were unsuccessful, so staff contacted Discount Plumbing Rooter, who came the next day. Ms. Mairena also reported that after the plumbing company also snaked the line unsuccessfully, they went ahead and jetted it at a cost of \$1,495. General Manager Mairena also told the Board that since the water had spilled onto the hallway and the carpet, the entire office carpet was sanitized by COIT at a cost of \$500.

Ms. Mairena added that the problem reoccurred on October the 4th and since the job was still under warranty, Discount Plumbing Rooter came back and re-jetted the line but mentioned that if the problem was to reoccur, they would recommend deescalating the line at a cost of \$3,850. Former General Manager happened to stop by the District's office and advised General Manager Mairena to contact the NSMCSD again and ask if they could assist the

District in any way. General Manager Mairena emailed Kevin at the NSMCSD and asked if he could review the quote and the televised recording of the line, render his opinion, and possibly assist with the work, even if they were to charge for their hours. On October 11th, the NSMCSD sent a crew who televised the line again, found some issues from the cleanout outside Field Supervisor Kennedy's office, and jetted the line from the cleanout to the main. The NSMCSD felt very confident that they were able to clear any issues with the line. General Manger Mairena told the Board that since staff was able to contain the overflow, the carpet had not been affected this time.

B. Report on District's Water Conservation for September 2022.

General Manager Mairena reported on the water conservation efforts for September 2022 and presented worksheets comparing water consumption for the previous two years. Ms. Mairena commented that the conservation efforts had not been as good as the previous month and the District had purchased more water this month than the year before and also than the measurement year. General Manager Mairena stated that she had directed office staff to keep a close watch on the irrigation meters usage to make sure usage is not going up.

Director Chambers stated that he wanted to change the HCF to GPPD. Director Chambers mentioned that in the year 2019-2020 the average GPPD was 59.8, for 2020-2021 it was 51.29, and this year we are at 54.46, using the year-to-date totals, since the month-to-month usage has a lot more variability; thus, the District usage was down 9% from 2019-2020, which is the SFPUC guideline, and the District was short from the SFPUC goal of 10% reduction and definitely short from the Governor's 15% reduction, so we will need to do more.

Director Chambers commented on Senate Bill 1157, Hertzberg, which deals with outdoor and indoor use: indoor use is supposed to be 47 GPPD by 2025, and 42 GPPD by 2030. Director Chambers stated that it may be a challenge to meet those numbers given that there is not a lot of irrigation use in the District, but we should continue doing our best and hope for rain.

11. ITEMS FROM BOARD OF DIRECTORS:

A. Report on BAWSCA Meeting of September 15, 2022 (Chambers).

Director Chambers stated that his report for the September meeting was in the board packet if anyone had any questions.

Director Chambers mentioned that BAWSCA had a Policy Committee meeting yesterday, so he knew what most likely would be on the October meeting: the voluntary agreement which was moving slowly. Director Chambers mentioned that they had also approved an Investment

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Policy and were reviewing Tier 2 extensions. Director Chambers explained that Tier 2 is the procedure used to reduce the ISG (Individual Supply Guarantee) during a drought in order to meet the conservation demands that were in place. Director Chambers also stated that we have been operating under the Tier 2 for the first time during the past year and the Tier 2 allocations were initially set to expire in 2018 and had been extended year-by-year and will need to be extended again this year. Mr. Chambers stated that the new Tier 2 allocations would have to be approved unanimously by all 26 BAWSCA agencies, which would take a while to do, and possibly another year.

President Bautista asked Director Chambers if BAWSCA was investing in recycling water. Director Chambers replied that they were a 5% partner with the San Francisco Peninsula Recycling Water. Director Chambers stated that we wanted this to happen, as we need alternative water supplies.

12. CLOSED SESSION: None.

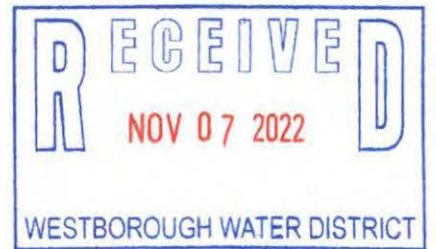
13. ADJOURNMENT: ?

Without objection, President Bautista adjourned meeting.
Time 8:43 p.m.

Secretary

President

Date



Westborough Water District

Financial Statements
With Accountant's Compilation Report
September 30, 2022



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

Westborough Water District

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Accountant's Compilation Report

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

Management is responsible for the accompanying financial statements of the business-type activities of the Westborough Water District, CA (the "District"), as of and for the three months ended September 30, 2022, 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 three months ended September 30, 2022, 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 three months ended September 30, 2022, 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

November 4, 2022
Morgan Hill, California

Westborough Water District
Statement of Net Position
September 30, 2022

ASSETS

Utility Plant in Service (Note 5):

Land	\$	182,633
Work in Progress		136,232
Water Facility		7,884,944
Building		1,493,829
Joint-Use Facilities		94,907
Meters		691,487
Office Furniture and Equipment		156,528
Maintenance Facility		502,117
Sewer Facility		3,367,613
Total Utility Plant in Service (Capital Assets)		14,510,290
Less Accumulated Depreciation		(6,678,666)
Utility Plant in Service-Net Depreciation Expense		7,831,624

Current Assets:

Cash (Including \$2,046,656 in Time Deposits)		2,663,818
Receivables		
Water		1,750,906
Other		94,268
Prepaid Expenses and Other		15,435
Inventory		346,547
Total Current Assets		4,870,974
Total Assets	\$	12,702,598

DEFERRED OUTFLOWS

Deferred Pension Outflows	\$	254,553
Deferred OPEB Outflows		93,166
Total Deferred Outflows	\$	347,719

(continued)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Net Position
September 30, 2022

LIABILITIES

Current Liabilities:

Accounts Payable (Note 2)	\$	767,577
Customers' Deposits		358,990
Unearned Revenue		12,928
Total Current Liabilities		1,139,495

Long-term Liabilities:

Accrued Vacation		50,694
Net Pension Liability		786,071
Net OPEB Obligation		368,912
Total Long-term Liabilities		1,205,677
Total Liabilities	\$	2,345,172

DEFERRED INFLOWS

Deferred Pension Inflows	\$	65,453
Deferred OPEB Inflows		125,990
Total Deferred Inflows	\$	191,443

NET POSITION

Net Investment in Capital Assets	\$	7,831,624
Restricted for Capital Facilities		347,103
Unrestricted:		
Reserved for Contingencies		278,273
Reserved for Capital Expenditures		1,694,720
Non-spendable Inventory and Prepaids		361,982
Total Net Position	\$	10,513,702

(concluded)

See accompanying notes and accountant's compilation report

Westborough Water District
Statement of Activities
For the three months ended September 30, 2022

Operating Revenue:	
Water Sales (Note 3)	\$ 1,073,213
Sewer Svc. and Transfer Charges	859,438
Misc. Operations	5,110
Total Operating Revenue	<u>1,937,761</u>
Operating Expense:	
Water Expenditures	717,186
Sanitary Sewer Expenditures	657,749
Admin. and General Expenditures	329,677
Depreciation	84,897
Capital Facility Expense	200
Total Operating Expenses	<u>1,789,709</u>
Operating Income (Loss)	148,052
Non-operating Income (Expense):	
Property Taxes	203,530
Investment Interest	3,332
Other	41,685
Total Non-operating Income (Expense)	<u>248,547</u>
Change in Net Position	396,599
Net Position - Beginning	<u>10,117,103</u>
Net Position - Ending	<u>\$ 10,513,702</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
September 30, 2022

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

NOTE 2 - Accounts payable at September 30, 2022, includes \$609,111 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 \$26 to account for uncollectible water receivables for the period.

NOTE 5 - Changes in utility plant in-service for the three months ended September 30, 2022, were as follows:

Beginning Balance	\$ 14,506,555
Engineering	-
Surveying	-
Contractors	-
Other Fixed Assets	<u>3,735</u>
Ending Balance	<u><u>\$ 14,510,290</u></u>

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the three months ended September 30, 2022

	September	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Operating Revenue:						
Water Sales (Note 3)	\$ 399,870	\$ 1,073,214	\$ 4,058,845	26.44%	1.44%	\$ 58,503
Sewer Svc. and Transfer Charges	285,727	859,438	3,200,831	26.85%	1.85%	59,230
Misc. Operations	1,822	5,110	-	100.00%	100.00%	5,110
Total Operating Revenue	687,419	1,937,762	7,259,676	26.69%	1.69%	122,843
Operating Expense:						
Water Expenditures	232,550	717,186	2,702,930	26.53%	-1.53%	(41,454)
Sanitary Sewer Expenditures	217,587	657,749	2,771,431	23.73%	1.27%	35,109
Admin. and General Expenditures	84,319	329,677	1,213,815	27.16%	-2.16%	(26,223)
Depreciation	28,314	84,897	365,000	23.26%	1.74%	6,353
Capital Facility Expense	-	200	-	100.00%	-100.00%	(200)
Total Operating Expenses	562,770	1,789,709	7,053,176	25.37%	-0.37%	(26,415)
Operating Income (Loss)	124,649	148,053	206,500	71.70%	-46.70%	96,428
Non-operating Income (Expense):						
Property Taxes	31,027	203,530	613,231	33.19%	8.19%	50,222
Investment Interest	2,076	3,332	12,052	27.65%	2.65%	319
Other	3,105	41,685	36,000	115.79%	90.79%	32,685
Total Non-operating Income (Expense)	36,208	248,547	661,283	37.59%	12.59%	83,226
Net Income (Loss)	\$ 160,857	\$ 396,600	\$ 867,783	45.70%	20.70%	\$ 179,654

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the three months ended September 30, 2022

	September	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Water Expenditures:						
Salaries	\$ 32,445	\$ 98,012	\$ 407,317	24.06%	0.94%	\$ 3,817
Salaries Overtime	388	1,451	8,000	18.14%	6.86%	549
Benefits	7,340	48,283	117,178	41.20%	-16.20%	(18,987)
OPEB	1,794	5,381	11,870	45.33%	-20.34%	(2,414)
Payroll Taxes	2,485	7,532	32,220	23.38%	1.62%	523
Technical Communications	764	2,222	9,052	24.55%	0.45%	41
Utilities	13,572	41,674	136,634	30.50%	-5.50%	(7,516)
Supplies and Small Tools	2,675	4,208	15,000	28.05%	-3.05%	(458)
Maintenance of System	1,287	3,262	60,148	5.42%	19.58%	11,775
Special Services	3,144	27,388	74,526	36.75%	-11.75%	(8,757)
Vehicle Expense	3,873	6,464	30,400	21.26%	3.74%	1,136
Water Purchases	162,783	471,309	1,800,585	26.18%	-1.18%	(21,163)
Total Water Expenditures	<u>232,550</u>	<u>717,186</u>	<u>2,702,930</u>	<u>26.53%</u>	<u>-1.53%</u>	<u>(41,454)</u>
Sanitary Sewer Expenditures:						
Treatment & Disposal	203,037	609,111	2,601,335	23.42%	1.58%	41,223
Utilities	9,417	28,487	103,287	27.58%	-2.58%	(2,665)
Repair of Pipelines	-	-	5,000	0.00%	25.00%	1,250
Repair of Pumps	-	1,085	15,000	7.23%	17.77%	2,665
Miscellaneous Sewer Expenses	5,133	19,066	46,809	40.73%	-15.73%	(7,364)
Total Sanitary Sewer Expenditures	<u>217,587</u>	<u>657,749</u>	<u>2,771,431</u>	<u>23.73%</u>	<u>1.27%</u>	<u>35,109</u>

Westborough Water District
Schedule of Income and Expense - Budget to Actual
For the three months ended September 30, 2022

	September	Year to Date	2022-23 Budget	Percentage to Date	Percentage Variance	\$ Variance YTD Plan
Administrative and General Expenditures:						
Salaries	37,865	110,631	510,682	21.66%	3.34%	17,040
Salaries-Temporary	(353)	706	2,000	35.30%	-10.30%	(206)
Salaries-Overtime	-	-	2,000	0.00%	25.00%	500
Employee Benefits	12,099	80,001	179,751	44.51%	-19.51%	(35,064)
OPEB	2,691	8,072	19,816	40.73%	-15.73%	(3,118)
Office Supplies and Postage	2,595	4,561	10,070	45.29%	-20.30%	(2,044)
Memberships	-	7,711	45,545	16.93%	8.07%	3,675
Utilities	12	49	1,000	4.90%	20.10%	201
Telephone	364	1,092	4,534	24.08%	0.93%	42
Payroll Taxes	1,833	7,705	41,072	18.76%	6.24%	2,563
Water Conservation	-	-	16,000	0.00%	25.00%	4,000
Building & Grounds Maintenance	3,038	4,464	9,668	46.17%	-21.17%	(2,047)
Parking Rentals	450	1,350	5,760	100.00%	-100.00%	90
Directors Fees	1,100	2,700	10,500	25.71%	-0.71%	(75)
Engineering Services	1,475	29,779	50,000	59.56%	-34.56%	(17,279)
Accounting	1,500	8,749	22,325	39.19%	-14.19%	(3,168)
Legal	8,719	14,941	23,400	63.85%	-38.85%	(9,091)
Billing	3,834	6,831	46,442	14.71%	10.29%	4,780
Communications	552	6,445	25,530	25.24%	-0.25%	(63)
General Election	-	-	3,750	0.00%	25.01%	938
Insurance	3,643	16,514	71,000	23.26%	1.74%	1,236
Bad Debts (Note 1)	-	-	2,000	0.00%	25.00%	500
Travel	1,675	1,675	9,000	18.61%	6.39%	575
Miscellaneous	1,227	15,701	101,970	15.40%	9.60%	9,792
Total Admin. and General Expenditures	<u>84,319</u>	<u>329,677</u>	<u>1,213,815</u>	<u>27.16%</u>	<u>-2.16%</u>	<u>(26,223)</u>
Depreciation Expense	28,314	84,897	365,000	23.26%	1.74%	6,353
Capital Facility Expense	-	200	-	100.00%	-100.00%	(200)
Total Expenses	<u>\$ 562,770</u>	<u>\$ 1,789,709</u>	<u>\$ 7,053,176</u>	<u>25.37%</u>	<u>-0.37%</u>	<u>\$ (26,415)</u>

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: October 31, 2022

LOCAL AGENCY INVESTMENT FUND
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginning Balance			\$1,903,855.27
10/14/22	\$ 8,141.80	Interest Earned	\$1,911,997.07
Ending Balance			\$1,911,997.07

Total Investments Last Report Period = \$1,903,855.27
Total Investments at End of Report Period = \$1,911,997.07

Effective Interest Rate: 1.513%
(as of 09/22)

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

November 07, 2022

[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

October 2022 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/14/2022	10/13/2022	QRD	1716092	N/A	SYSTEM	8,141.80

Account Summary

Total Deposit:	8,141.80	Beginning Balance:	1,903,855.27
Total Withdrawal:	0.00	Ending Balance:	1,911,997.07

WESTBOROUGH WATER DISTRICT
INVESTMENT REPORT FOR PERIOD ENDING: OCTOBER 31, 2022

MULTI-BANK SECURITIES, INC.
MONTHLY ACTIVITY REPORT

<u>DATE</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>	<u>TRANSACTION BALANCE</u>
Beginning Balance			\$138,990.75
09/30/22	\$ (946.11)	Change in Account Value	\$138,044.64
Ending Balance			\$138,044.64

Total Investments Last Report Period = \$138,990.75
Total Investments at End of Report Period = \$138,044.64

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.

October 1, 2022 - October 31, 2022
Account Number: RMB-023565

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

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

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$138,990.75
Net Change in Portfolio¹	-946.11
ENDING ACCOUNT VALUE	\$138,044.64
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.

4.C.4

Asset Summary

Percent	Asset Type	Last Period	This Period
100%	Fixed Income	138,990.75	138,044.64
100%	Account Total	\$138,990.75	\$138,044.64

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

Your electronic delivery selections for account communications are listed below:

Electronic Delivery

Enrollment	Communication
<input checked="" type="checkbox"/>	Statements and Reports
<input checked="" type="checkbox"/>	Trade Confirmations
<input checked="" type="checkbox"/>	Tax Documents
<input checked="" type="checkbox"/>	Notifications
<input checked="" type="checkbox"/>	Prospectus
<input checked="" type="checkbox"/>	Proxy/Shareholder Communications

You have not enrolled any of the above documents for electronic delivery. Please log in to your account or contact your Account Executive to make any changes to your electronic delivery preferences.

Income and Expense Summary

	Current Period		Year-to-Date	
	Taxable	Non Taxable	Taxable	Non Taxable
Interest Income				
Bond Interest	0.00	0.00	1,670.37	0.00
Other Interest	0.00	0.00	1,643.13	0.00
Total Income	\$0.00	\$0.00	\$3,313.50	\$0.00

4.C.5

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	97.9040	138,044.64	452.55	5,005.50	3.62%
Total Certificates of Deposit	141,000.0000		\$138,044.64	\$452.55	\$5,005.50	
TOTAL FIXED INCOME	141,000.0000		\$138,044.64	\$452.55	\$5,005.50	
			Market Value	Accrued Interest	Estimated Annual Income	
Total Portfolio Holdings			\$138,044.64	\$452.55	\$5,005.50	

Portfolio Holdings Disclosures

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

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

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

Portfolio Holdings Disclosures (continued)

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 the number of shares in your margin account.

Activity Summary *(All amounts shown are in base currency)*

	Credits This Period	Debits This Period	Net This Period	Credits Year-to-Date	Debits Year-to-Date	Net Year-to-Date
Securities						
Securities Bought	0.00	0.00	0.00	0.00	-141,000.00	-141,000.00
Total Securities	\$0.00	\$0.00	\$0.00	\$0.00	-\$141,000.00	-\$141,000.00
Dividends and Interest	\$0.00	\$0.00	\$0.00	\$3,313.50	\$0.00	\$3,313.50
Distributions	\$0.00	\$0.00	\$0.00	\$141,000.00	\$0.00	\$141,000.00
Cash						
Withdrawals	0.00	0.00	0.00	0.00	-3,313.50	-3,313.50
Total Cash	\$0.00	\$0.00	\$0.00	\$0.00	-\$3,313.50	-\$3,313.50
Totals	\$0.00	\$0.00	\$0.00	\$144,313.50	-\$144,313.50	\$0.00

Messages

Although a money market mutual fund (money fund) seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money fund. 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).

eDelivery

Going digital is more important than ever before, and the benefits of electronic delivery--speed, convenience and safety--are clear. 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 for set-up. 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 efficient digital tools.

Important Information and Disclosures

The Role of Pershing

- Pershing carries your account as clearing broker pursuant to a clearing agreement with your financial institution. Pershing may accept from your financial institution without inquiry or investigation (i) orders for the purchase and sale of securities and other property and (ii) any other instructions concerning your account. 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.

Important Information and Disclosures (continued)

The Role of Pershing (continued)

- For a description of other functions performed by Pershing please consult the Disclosure Statement provided to you upon the opening of your account. This notice is not meant as a definitive enumeration of every possible circumstance, but as a general disclosure. If you have any questions regarding this notice or if you would like additional copies of the Disclosure Statement, please contact your financial institution.
- Pershing is a member of the Securities Investor Protection Corporation (SIPC®). Please note that SIPC does not protect against loss due to market fluctuation. In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: www.pershing.com/about/strength-and-stability.
- This statement will be deemed conclusive. You are advised to report any inaccuracy or discrepancy (including unauthorized trading) promptly, but no later than ten days after receipt of this statement, to your financial organization and Pershing. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act.
- Your financial organization's contact information can be found on the first page of this statement. Pershing's contact information is as follows: **Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330.** Errors and Omissions excepted.

Important Arbitration Disclosures

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

Important Arbitration Agreement

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

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

4.C.9

CLAIMS REGISTER: OCTOBER 2022

1. GENERAL ACCOUNT FUND:

Total from Cash Disbursements \$ 65,045.03

Checks Issued During Month:

ACWA-JPIA (Health Benefits & Ins.-11/22)	13,483.48
ACWA/JPIA (Workers' Compensation Program, 07/01/22-09/30/22) & (Deposit Premium Property Renewal, 22/23)	36,711.41
AT&T (P.S. Phone Bill to 10/01/22)	247.62
AT&T Mobility (Field & Office Cell Phones, 09/03-10/02)	350.17
BAWSCA (FY 22-23 2nd Quarter Assessment)	6,996.25
Bay Alarm (Skyline P.S. Burglar, 11/01/22-02/01/23)	158.94
Bay Alarm (Skyline Bldg. Burglar, 11/01/22-02/01/23)	229.62
Bay Alarm (Skyline Bldg. Firm Alarm, 11/01/22-02/01/23, w/Upgraded Cell & UL Certificate)	449.23
CalPERS (Retirement Contributions-10/15/22)	5,405.49
CalPERS (Retirement Contributions-10/31/22)	5,405.49
Colina Association (Three Parking Spaces Rental, 11/22)	450.00
Comcast (Internet & Phone Lines, 10/11-11/10)	363.21
Direct Line (Answering Service, 09/15-10/14)	324.18
EFTPS (Employment Taxes-10/15/22)	9,464.49
EFTPS (Employment Taxes-10/31/22)	10,146.34
EDD (Employment Taxes-10/15/22)	2,416.35
EDD (Employment Taxes-10/31/22)	2,601.28
Employment Develop. Dept. (Quarterly Payroll Taxes-3rd Qtr.)	80.60
Erler & Kalinowski, Inc. (WIP 2022 AWSDA, Payment #3)	1,469.00
Hanson Bridgett LLP (Special Legal Services & Monthly Retainer-09/22)	3,984.00
Lowe's Business (Field Supplies to 10/17/22)	43.52
Mairena, Patricia (GM Mairena's Internet Services, 09/27-10/26)	65.00
MRC (Xerox Copier Maintenance Agreement, 09/19-10/18)	47.13
North Coast County Water (Bacteria Analyses-09/22 & Share of PG&E Bill, 06/22/22-09/21/22)	603.43
O'Reilly Auto Parts (Brake Pads & Car Wash)	78.51
PG&E (Summary Bill to 10/19/22)	22,176.16
Quadient Leasing USA, Inc. (Property Tax Recovery Charge - Postage Meter Lease)	69.95
San Mateo County (1st Property Tax installment)	1,165.87
Selerum (IT Technical Assistance - Bitdefender, etc)	103.50
SF Water Dept. (Water Purchases, 09/07-10/05)	165,302.57
So. SF Scavengers (Garbage Services, 09/22)	120.83
Staples Credit Plan (Breakroom Supplies)	45.59
Telstar Instruments, Inc. (New Volvo Generator Start-Up)	4,784.91
Tri Counties Bank (Monthly Charges Ending 09/30/22)	1,743.45
Unified Power (Preventive Maint. for Generator at WWD Pump #3 & Rowntree Lift)	6,556.26
United State Postal Serv. (Postage Meter Refill)	500.00
United State Postal Serv. (Billing - Bulk Mail, Permit #419)	3,000.00
WES Bank (Wright Express-Gas Purchases to 10/14/22)	1,486.31

SUB-TOTAL \$ 373,675.17

Updated Checks Voided During Month:

NONE	
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TOTAL CLAIMS REGISTER AMOUNT \$ 373,675.17

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

Invoice No	Description	Invoice Date	Actual Period	G/L Tm	Account #	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal					
100122-	DIRECTOR AMUZIE'S INTERNET SERVICE, 10/10-11/09	10/01/22	11-22	A	59450	65.00	.00	65.00
		10/01/22	05-23					
** Vendor's Subtotal ----->						65.00	.00	65.00

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

102222-	DIRECTOR BAUTISTA'S INTERNET SERVICE, 11/22	10/22/22	11-22	A	59450	65.00	.00	65.00
		10/22/22	05-23					
** Vendor's Subtotal ----->						65.00	.00	65.00

VENDOR I.D.: CAS01 (PETTY CASH)

103122-	MISC. EXPENSES - 10/22	10/31/22	11-22	A	59450	235.22	.00	235.22
		10/31/22	05-23					
** Vendor's Subtotal ----->						235.22	.00	235.22

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

C&A-17644-	ACCOUNTING SERVICES FOR 09/22	11/07/22	11-22	A	59450	1500.00	.00	1500.00
		11/07/22	05-23					
** Vendor's Subtotal ----->						1500.00	.00	1500.00

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

101122-	DIRECTOR CHAMBERS' INTERNET SERVICE, 10/16-11/15	10/11/22	11-22	A	59450	65.00	.00	65.00
		10/11/22	05-23					
** Vendor's Subtotal ----->						65.00	.00	65.00

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

Q304223-	(40) 14 PVC PIPE 20'	10/17/22	11-22	A	59450	3190.77	.00	3190.77
		10/17/22	05-23					
** Vendor's Subtotal ----->						3190.77	.00	3190.77

VENDOR I.D.: HAC01 (HACH COMPANY)

13286725-	(2) CHEMKEY - AMMONIA	10/14/22	11-22	A	59450	203.18	.00	203.18
		10/14/22	05-23					
** Vendor's Subtotal ----->						203.18	.00	203.18

VENDOR I.D.: K1101 (K-119 TOOLS OF CALIFORNIA)

85409-	FIELD TOOLS	10/13/22	11-22	A	59450	104.38	.00	104.38
		10/13/22	05-23					
** Vendor's Subtotal ----->						104.38	.00	104.38

VENDOR I.D.: LEU01 (LEUNG, KWOK LAM)

101922-	TWO WWD HET REBATES FOR ACCT NO LEU0018	10/19/22	11-22	A	59450	100.00	.00	100.00
		10/19/22	05-23					
** Vendor's Subtotal ----->						100.00	.00	100.00

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

Posting Period.: 11-22 Fiscal Period.: (05-23) Cash Account No.: 13110

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

Invoice No	Description	Invoice Date		Actual Period		G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal	Tm	Discount					
100122-	DIRECTOR MEDINA'S INTERNET SERVICE, 10/10-11/09	10/01/22	11-22	A	59450			65.00	.00	65.00
		10/01/22	05-23							
** Vendor's Subtotal ----->								65.00	.00	65.00

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

093022-	DIRECTOR RICHARDS INTERNET SERVICE, 10/22	09/30/22	11-22	A	59450			65.00	.00	65.00
		09/30/22	05-23							
** Vendor's Subtotal ----->								65.00	.00	65.00

VENDOR I.D.: SAN02 (SFPUC FINANCIAL SERV.-FINANCE)

I0003471-	SPECIAL TESTING SERVICES	10/27/22	11-22	A	59450			2460.00	.00	2460.00
		10/27/22	05-23							
** Vendor's Subtotal ----->								2460.00	.00	2460.00

VENDOR I.D.: SHE01 (SHEN, WENQING)

102822-	ONE WWD WASHING MACHINE REBATE FOR ACCT NO SHE0038	10/28/22	11-22	A	59450			100.00	.00	100.00
		10/28/22	05-23							
** Vendor's Subtotal ----->								100.00	.00	100.00

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

114053-	PERMIT TESTING ON VOLVO GENERATOR & MAIN OPC ATS	10/18/22	11-22	A	59450			3529.52	.00	3529.52
		10/18/22	05-23							
114134-	ELECTRICIAL SERVICES AT ROWNTREE PUMP STATION	10/25/22	11-22	A	59450			3120.06	.00	3120.06
		10/25/22	05-23							
** Vendor's Subtotal ----->								6649.58	.00	6649.58

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

103122-	PAYROLL TRANSFER - 10/22	10/31/22	11-22	A	59450			48315.48	.00	48315.48
		10/31/22	05-23							
** Vendor's Subtotal ----->								48315.48	.00	48315.48

VENDOR I.D.: \C020 (VIVIAN CASTILE)

000C21001-	MQ CUSTOMER REFUND FOR CAS0105	11/01/22	11-22	Z	59450			57.71	.00	57.71
		11/01/22	05-23							
** Vendor's Subtotal ----->								57.71	.00	57.71

VENDOR I.D.: \C040 (VINCE CHEUNG)

000C21001-	MQ CUSTOMER REFUND FOR CHE0214	11/01/22	11-22	Z	59450			69.19	.00	69.19
		11/01/22	05-23							
** Vendor's Subtotal ----->								69.19	.00	69.19

VENDOR I.D.: \D016 (EARL DOUGLAS)

000C21001-	MQ CUSTOMER REFUND FOR DOU0006	11/01/22	11-22	Z	59450			173.21	.00	173.21
		11/01/22	05-23							
** Vendor's Subtotal ----->								173.21	.00	173.21

VENDOR I.D.: \F004 (SELINA POIN FONG)

Invoice No	Description	Invoice Date	Actual Period	G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal Tm					
000C21001-	MQ CUSTOMER REFUND FOR FON0059	11/01/22	11-22	Z 59450		43.03	.00	43.03
		11/01/22	05-23					
** Vendor's Subtotal ----->						43.03	.00	43.03

VENDOR I.D.: \H018 (ROBERT HENDRICKSON)

000C21001-	MQ CUSTOMER REFUND FOR HEN0009	11/01/22	11-22	Z 59450		109.37	.00	109.37
		11/01/22	05-23					
** Vendor's Subtotal ----->						109.37	.00	109.37

VENDOR I.D.: \I007 (GALINA SIGAL & ALEX IVANKOVITSER)

000C21001-	MQ CUSTOMER REFUND FOR IVA0003	11/01/22	11-22	Z 59450		73.59	.00	73.59
		11/01/22	05-23					
** Vendor's Subtotal ----->						73.59	.00	73.59

VENDOR I.D.: \L045 (SOCHEATA LAO)

000C21001-	MQ CUSTOMER REFUND FOR LAO0005	11/01/22	11-22	Z 59450		116.27	.00	116.27
		11/01/22	05-23					
** Vendor's Subtotal ----->						116.27	.00	116.27

VENDOR I.D.: \L046 (JOANNE M. LEONE)

000C21001-	MQ CUSTOMER REFUND FOR LEO0044	11/01/22	11-22	Z 59450		144.13	.00	144.13
		11/01/22	05-23					
** Vendor's Subtotal ----->						144.13	.00	144.13

VENDOR I.D.: \L047 (ROSANNE LUJ & DANIEL LI)

000C21001-	MQ CUSTOMER REFUND FOR LI 0043	11/01/22	11-22	Z 59450		88.84	.00	88.84
		11/01/22	05-23					
** Vendor's Subtotal ----->						88.84	.00	88.84

VENDOR I.D.: \L058 (MEDELLINE LOWE)

000C21001-	MQ CUSTOMER REFUND FOR LOW0010	11/01/22	11-22	Z 59450		114.95	.00	114.95
		11/01/22	05-23					
** Vendor's Subtotal ----->						114.95	.00	114.95

VENDOR I.D.: \M035 (MARIBEL C. MELO)

000C21001-	MQ CUSTOMER REFUND FOR MEL0021	11/01/22	11-22	Z 59450		63.54	.00	63.54
		11/01/22	05-23					
** Vendor's Subtotal ----->						63.54	.00	63.54

VENDOR I.D.: \N011 (FELDO NARTAPURA)

000C21001-	MQ CUSTOMER REFUND FOR NAR0009	11/01/22	11-22	Z 59450		85.61	.00	85.61
		11/01/22	05-23					
** Vendor's Subtotal ----->						85.61	.00	85.61

VENDOR I.D.: \S009 (LAURO AND LEA SANGALANG)

VENDOR I.D.: \S009 (LAURO AND LEA SANGALANG)

Invoice No	Description	Invoice Date	Actual Period	G/L Account #	Discount	Gross Amount	Discount Amount	Net Amount
		Due Date	Fiscal Tm					
000C21001-	MQ CUSTOMER REFUND FOR SAN0159	11/01/22	11-22	Z	59450	58.19	.00	58.19
		11/01/22	05-23					
** Vendor's Subtotal ----->						58.19	.00	58.19

VENDOR I.D.: \T018 (ROBERT TAI)

000C21001-	MQ CUSTOMER REFUND FOR TAI0006	11/01/22	11-22	Z	59450	34.75	.00	34.75
		11/01/22	05-23					
** Vendor's Subtotal ----->						34.75	.00	34.75

VENDOR I.D.: \T041 (JENNIFER TIAN)

000C21001-	MQ CUSTOMER REFUND FOR TIA0003	11/01/22	11-22	Z	59450	150.00	.00	150.00
		11/01/22	05-23					
** Vendor's Subtotal ----->						150.00	.00	150.00

VENDOR I.D.: \T042 (ROSS HUTTER & MICHAEL TOMURA)

000C21001-	MQ CUSTOMER REFUND FOR TOM0039	11/01/22	11-22	Z	59450	79.48	.00	79.48
		11/01/22	05-23					
** Vendor's Subtotal ----->						79.48	.00	79.48

VENDOR I.D.: \T043 (KEYNES TONG)

000C21001-	MQ CUSTOMER REFUND FOR TON0033	11/01/22	11-22	Z	59450	150.00	.00	150.00
		11/01/22	05-23					
** Vendor's Subtotal ----->						150.00	.00	150.00

VENDOR I.D.: \W090 (EVA WANG)

000C21001-	MQ CUSTOMER REFUND FOR WAN0061	11/01/22	11-22	Z	59450	150.00	.00	150.00
		11/01/22	05-23					
** Vendor's Subtotal ----->						150.00	.00	150.00

VENDOR I.D.: \Z001 (KEVIN ZHU)

000C21001-	MQ CUSTOMER REFUND FOR ZHU0010	11/01/22	11-22	Z	59450	99.56	.00	99.56
		11/01/22	05-23					
** Vendor's Subtotal ----->						99.56	.00	99.56

** Report's Total -----> 65045.03 .00 65045.03
 =====

** Total Vendors On This Report -----> 34
 =====

** Total Vendors Needing Checks -----> 34
 =====

A IMMEDIATE

LAFCo Public Hearing on WWD MSR

I, Tom Chambers attended the LAFCo (Local Agency Formation Commission) public hearing on the Westborough (WWD) Municipal Services Review (MSR) which was held at 6:30 PM on 10/17 via Zoom. It opened with a review of the South San Francisco (SSF) MSR which did include a piece about how WWD provided water and sanitary sewer service to about 20% of the SSF population. Although no Sphere of Influence (SOI) changes were made, LAFCo did encourage SSF to annex individual parcels of Country Club Estates (a county neighborhood completely surrounded by SSF) where practical and did suggest WWD and SSF explore a merger of governance in both the SSF MSR and the WWD MSR. There were no public comments in the SSF MSR hearing and Don Amuzie provided the only public comment in the WWD MSR hearing. He asked LAFCo's Rob Bartoli who would initiate any governance change. Rob said there was no recommended SOI change at this time, but one could be initiated by SSF, WWD, our residents by petition, or LAFCo. Ultimately LAFCo would have to make the change.

In the WWD hearing Rob did go over many of the recommendations in their draft (post board packets, produce and post staff reports, develop a Capital Improvement Plan, etc.), he did acknowledge some infrastructure changes may be required for governance changes. While he suggested a new sewer line could be constructed down Westborough Blvd (that intersection and WWD Office are lower than our Rowntree pump station) he did not address how the effluent currently being passed by gravity through a 15" sewer main which crosses King at the Stein (SSF)/Verducci (DC) intersection would be transferred to the SSF system. Perhaps there would be the need for another main down King which could go under Interstate 280 and into the Serra Highlands neighborhood.

There is another issue with the effluent currently being passed through this 15" pipeline. It also contains the effluent from San Francisco's jail in San Bruno. San Francisco has a pipeline which runs down Westborough, crosses over to Meath, and enters the WWD system at about Callan. Would SF have to build another pipeline to connect to North San Mateo Sanitation District or would the SSF plant treat the jail's sewage as well?

Another thing that Rob did not address was the fact the SSF (shared) sewage treatment plant discharges to the Bay, which has recently seen fish killed due to algae blooms, in large part caused by nutrients coming from sewage treatment plants. A recent SF Chronicle article (<https://www.sfchronicle.com/bayarea/article/Removing-nutrients-from-wastewater-that-goes-into-17515860.php>) indicates "Removing nutrients from the wastewater that flows from San Francisco sewage plants into the bay — which likely encouraged the growth of a massive algae bloom this summer — could cost up to \$1.5 billion, according to the San Francisco Public Utilities Commission." It also says new nutrient standards are expected when SF's discharge permit comes up for renewal in 2024. I do not know what upgrades (both capacity (we would be increasing SSF population served by that plant by 25%) and nutrient discharge) would be required but the cost would likely be significant. This would be in addition to the cost of the new pipeline. Since NSMCS D has the capacity and is Ocean Discharge (so nutrients would not accumulate in the Bay) and pipelines are in place, significant costs could be avoided.

If SSF assumed responsibility from WWD and simply maintained the contract with NSMCS D I would expect two different rate structures would have to be maintained. According to the LAFCo report, SSF allocates sewer costs evenly by housing units while NSMCS D allocates costs based upon January/February water usage.

There was no discussion on the water side of the business except that CalWater would have to provide service. According to the 2021 BAWSCA Annual Survey the average residential bill for WWD is slightly lower, they are close. There may be an issue with purchases from the San Francisco Regional Water System (SFRWS) and the Raker Act, however. The Raker Act says Hetch Hetchy water is for Public Agency, not private company (like CalWater and Stanford University), use. San Francisco gets around this rule by saying the water sold to CalWater and Stanford comes from the 15% of their supply which comes from elsewhere (like Calaveras and San Mateo County watersheds). By the BAWSCA report, CalWater procured 30.87 mgd (million gallons per day) and Stanford 1.35 mgd while all BAWSCA agencies procured 140.4 mgd. If BAWSCA is about 2/3 of SFRWS deliveries (and SF is the remaining third) private companies are buying 15.3% of SF's total deliveries. Moving WWD's public agency purchases to the private company side would only make matters worse. Also, currently BAWSCA has some bonds outstanding to pay for some of SFRWS improvements made prior to our 2009 Water Supply Agreement. BAWSCA issued tax exempt bonds for debt being paid by public agencies and taxable bonds for debt incurred by CalWater/Stanford. There could be a problem there.

Basically, I think we should approach SSF and make sure they agree that it is not economically feasible to consolidate sewage operations. If there is a desire to merge sewer operations I would suggest we research a potential water merger a little more.

November 10, 2022

Mr. Rob Bartoli
Executive Officer
San Mateo LAFCo
455 County Center, 2nd Floor
Redwood City, CA 4063

Re: Response to Draft Municipal Service Review and Sphere of Influence Review for Westborough Water District

Dear Mr. Bartoli,

I am writing on behalf of the Board of Directors (Board) of the Westborough Water District (WWD). This letter serves as WWD's response to the draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Review for WWD.

Findings

WWD agrees with the MSR and SOI determinations.

Recommendations

LAFCo made the following recommendations:

1. Develop A Multi-Year Capital Improvement Plan (CIP)

Update District Capital Improvement Plan – WWD's CIP was last updated in 2020-2021 and is adopted on a one-year cycle. The plan should be updated on an annual basis and consideration of a multi-year CIP. A multi-year plan could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

LAFCo supports the District's efforts to explore funding strategies for CIP projects. CIP projects could be funded through pursuing grants and low-interest loans, as well as through the use of "Pay-as-you-go." As

limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

Funding for these CIP projects should be clearly allocated in both the CIP documents and in annual budgets.

WWD Response:

WWD is considering developing a multi-year CIP. The General Manager plans to meet with the Capital Committee to review and prioritize the list of potential projects. WWD is also in the process of finalizing a Request for Proposals for a rate study to be conducted as early as possible so WWD can determine funding for these projects.

2. Prepare Staff Reports and Post Full Agenda Packets to Website

The District should consider posting the staff report or other budget narrative on the District's website along with the annual budget. This would allow for a greater understanding of the District's finances and would improve transparency for the public. Budget documents should also show the District's reserve amount and funds allocated to the District's Capital Improvement Plan projects.

LAFCo recommends the creation of staff reports for Board of Director agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.

WWD will consider posting full the board meeting agenda packet to the District's website, in addition to the meeting agenda and minutes.

WWD Response:

WWD's minutes and agenda packets include a great level of detail. WWD does not think it is necessary to create staff reports in addition to the detailed minutes and agenda packets. The General Manager has contacted WWD's website designing team to arrange for board packets to be uploaded to WWD's website, making them available to the public ahead of the board meetings.

3. Expanding Financial Policies

The District should consider expanding its financial polices to cover additional topics, such as budget preparation process and audit requirements. The District should also review the existing Operating Reserve Policy for potential amendments regarding the annual allocation of funds to the District's reserve.

WWD Response:

The WWD plans on reviewing its financial policies including the budget preparation process and the existing Operating Reserve Policy, among others. The WWD will discuss any policies relating to audits with the District's auditors.

4. Create a Budget Narrative

The District should consider posting the staff report or other budget narrative on the District's website along with the annual budget. This would allow for a greater understanding of the District's finances and would improve transparency for the public. Budget documents should also show the District's reserve amount and funds allocated to the District's Capital Improvement Plan projects.

WWD Response:

WWD plans to add a narrative explanation to the beginning of its budgets. The Budget Committee could provide a summary of any budget change proposals.

5. Archive Video Meetings on WWD's Website

As the District Board is currently meeting remotely over Zoom, it is recommended that the videos of these meetings be posted on the District's website.

WWD Response:

WWD did not post recordings of its board meetings before the pandemic, and does not plan to do so after it goes back to in-person meetings. WWD is concerned that posting videos of meetings from the last two years may create a public expectation for WWD to continue recording the meetings. However, WWD staff will explore alternatives to the current Zoom meeting recordings that do not involve a substantial monetary investment by WWD.

Thank you for the opportunity to respond to your report. Please let me know if you have any questions. I will be more than happy to review them with you.

Sincerely,

Patricia Mairena
General Manager

PM/pm



LOCAL AGENCY FORMATION COMMISSION

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November 9, 2022

To: LAFCo Commissioners
From: Rob Bartoli, Executive Officer
 Sofia Recalde, Management Analyst
Subject: Adoption of a Municipal Service Review for the Westborough Water District

Summary and Background

LAFCo prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated SOIs on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing MSRs and SOI updates in late 2003. This Final Municipal Service Review (MSR) is the first MSR for the Westborough Water District.

The Westborough Water District (WWD or the District) was created in 1961 to provide domestic water and sewer service to an undeveloped area of unincorporated San Mateo County located west of South San Francisco, north of San Bruno, and south of Daly City. In 1964, this area was annexed to the City of South San Francisco and is now known as the Westborough neighborhood.

WWD serves approximately 12,000 customers, about 20% of the population of the City of South San Francisco, in the Westborough area of the City. The District purchases water from the San Francisco Public Utilities Commission (SFPUC) and has an agreement with the North San Mateo County Sanitation District for wastewater treatment. WWD Service fees are adequate to cover water and wastewater costs.

The boundaries of the WWD overlap with the City of South San Francisco (City). The City provides sewer service to residents in the City, with the exception of WWD. WWD has a Sphere of Influence designation of "status quo", which has been maintained since 1987. This SOI designation anticipates no change in the district's boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

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 ANGELA MONTES, CLERK

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD, including the formation or a subsidiary district, merger with South San Francisco, or dissolution.

The boundaries of the District WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of WWD. WWD has a SOI designation of “status quo”, which has been maintained since 1987. This SOI designation anticipates no change in the district’s boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR does explore potential governance/service options that could be considered for WWD, including the formation of a subsidiary district, merger with South San Francisco, or dissolution.

Updates to the Final Circulation MSR

Between the Draft Circulation MSR and the Final MSR, LAFCo staff received an update from Westborough Water District that the District received a Transparency Certificate of Excellence from the Special Districts Leadership Foundation (SDLF). The Transparency Certificate is presented to the special district recognition of an agency’s outstanding efforts to promote transparency and good governance. This has been incorporated into the Final MSR (page 22).

In addition, LAFCo staff held a virtual public workshop for the Draft Circulation MSR on October 17th, 2022. Staff did not receive any comments during the workshop that impact the content of the Final MSR.

All changes are shown in red.

Current Key Issues

Key issues identified in compiling information on Westborough Water District include the following:

- WWD has adequate capacity to serve the existing and future needs of customers within the District’s boundaries. The District prepared an Urban Water Management Plan in 2021 that identifies the potential growth and impacts of this growth on the District’s water service. The District encompasses 1 square mile and the service area is highly developed, with only a small portion of new additional customers anticipated to be added to the District over the next 25 years.

The District reviews Capital Improvement Projects (CIP) annually. Per WWD staff, the District currently uses the “Pay-As-You-Go” budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

A multi-year CIP could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The

CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

As limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

- The boundaries of the WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of WWD. WWD has a Sphere of Influence designation of “status quo”, which has been maintained since 1987. This SOI designation anticipates no change in the district’s boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.
- While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD, including the formation of a subsidiary district, merger with South San Francisco, or dissolution. Current water and sewer rates support year-to-year operations and over the last five budget years, the District has had net income gains. The District has annual independent audits, which have not found any deficiencies.
- WWD complies with all Brown Act requirements in publicly noticing its meetings. Audio recordings of the meetings are created but are currently not on the District’s website. The District maintains a website with water rate and other information about water service.
- Currently, staff reports for Board of Director agenda items are not produced. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.

Proposed MSR Recommendations

As required by State law, there are seven areas of determination, including local policies as set forth in Section 56430.

1. Growth and population projections for the affected area.

2. The location and characteristics of any disadvantaged unincorporated communities¹ within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

For the final circulation, LAFCo has the following determinations and recommendations:

Growth and Population Determination

At this time the WWD’s territory, is not projected to experience any significant development or population growth that might impact the District’s ability to deliver water or wastewater services, as there is a low projected growth rate for the area.

Disadvantaged Unincorporated Communities Determination

While WWD does provide water and sewer services, the service area only includes incorporated areas, therefore the provisions of SB 244 do not apply, and Disadvantaged Unincorporated Communities are not an issue.

Recommendation -

1. LAFCo recommends that the District continue to support its customers throughout the COVID-19 pandemic and continue its policies regarding affordable housing.

Capacity and Adequacy of Public Facilities and Services Determination and Recommendations

WWD has adequate capacity to serve the existing and future needs of customers within the District’s boundaries. The District prepared an Urban Water Management Plan in 2021 that identifies the potential growth and impacts of this growth on the District’s water service. The District encompasses 1 square mile and the service area is highly developed, with only a small portion of new additional customers anticipated to be added to the District over the next 25 years.

There are no known issues regarding sewer treatment or capacity issues with District lines or with North San Mateo County Sanitary District(NSMCSD).

¹ “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

The Urban Water Management Plan also identifies actions related to droughts that the District can undertake as well as possible reductions in water that SFPUC will impose on member agencies. The District offers rebate programs for customers to replace their existing washing machine or toilet with low flow models. WWD also provides information about water-efficient landscaping, water leak repair, and water conservation. LAFCo encourages WWD to continue to make efforts to encourage customers to conserve water when possible. The District has identified \$38 million worth of potential capital projects and is in the process of assessing the need to accelerate the District's CIP implementation and is actively looking at alternate ways to finance these projects. Recommendations regarding the District's infrastructure finances is discussed in the Financial Ability Section of this MSR.

Financial Ability Determination and Recommendations

Current water and sewer rates support year-to-year operations. Over the last five budget years, the District has had net income gains. As of 2020, WWD had a net position of \$9.7 million. The District has an adopted reserve policy and reserve fund of \$4.3 million. WWD has no debt, as reserve funds and capital facility revenue pay for capital improvements. As of 2019, 81% of District's pension liability was funded. The Other Post-Employment Benefits (OPEB) was 55% funded as of 2019.

The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

Recommendations –

1. Update District Capital Improvement Plan – WWD's CIP was last updated in 2020-2021 and is adopted on a one-year cycle. The plan should be updated on an annual basis and consideration of a multi-year capital improvement plan. A multi-year plan could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

LAFCo supports the District's efforts to explore funding strategies for CIP projects. CIP projects could be funding through pursuing grants and low-interest loans, as well as through the use of "Pay-as-you-go." As limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

Funding for these CIP projects should be clearly allocated in both the CIP documents and in annual budgets.

2. The District should consider posting the staff report or other budget narrative on the District's website along with the annual budget. This would allow for a greater understanding

of the District's finances and would improve transparency for the public. Budget documents should also show the District's reserve amount and funds allocated to the District's Capital Improvement Plan projects.

3. The District should consider expanding its financial polices to cover additional topics, such as budget preparation process and audit requirements. The District should also review the existing Operating Reserve Policy for potential amendments regarding the annual allocation of funds to the District's reserve.

Shared Service and Facilities Determination and Recommendations

WWD currently has an agreement with NSMCSD for sewer treatment and sewer system maintenance. The District has explored connections to the City of South San Francisco's sanitary system, but is currently not considered a feasible option by the District due to lack of existing infrastructure and financial impact to rate payers.

Recommendation -

1. LAFCo supports any new exploration of shared services for WWD.

Accountability, Structure, and Efficiencies Determination

There are no recommended changes to the organization's governmental structure or operations that will increase accountability and efficiency. In 2020, the City Council representation established districts instead of being elected at large. The City has ample staff with subject matter capacity. The City has comprehensive policies regarding investment, debt management, credit card usage, purchasing, project accounting, and budget transfer requests. The City also has personnel, general and administrative policies, City Council member and meetings policies. The City performs annual independent audits and audits are reviewed at a City Council meeting.

However, the City of South San Francisco boundaries do overlap with the Westborough Water District (WWD), which provides water and sewer services to residents within Westborough neighborhood. While there is no proposal for reorganization of either agency at this time, the MSR should evaluate potential reorganization options.

Recommendation -

1. LAFCo recommends the creation of staff reports for Board of Director agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.
2. WWD has a Sphere of Influence designation of "status quo", which has been maintained since 1987. This SOI designation anticipates no change in the district's boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD. The evaluation of these alternatives is not a result of service problems within WWD or other presumed

deficiencies. Any change to the District's SOI or any future reorganization would be to preserve the current level of local services while simplifying the government structure that provides them. Three potential organizational changes include:

- a. The District could be created as a subsidiary district under the City of South San Francisco. Under a subsidiary reorganization, the District is not dissolved and becomes a subsidiary district of the City with the South San Francisco City Council serving as the governing board of the subsidiary district and the sewer water service becoming a public works function. The reorganization of a subsidiary district would allow the City to provide water and sewer services to the Westborough neighborhood, while also allowing for the costs and rates for those services to be contained within this service area and not impacting other South San Francisco rate payers. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects. The City would be the successor to the agreement with NSMCSD transmission and treatment and may evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service.
- b. The City and District could merge, with the City taking on the service responsibilities of the District. In this scenario, a rate zone may need to be established for the former WWD customers until rates equaled City sewer rates. The City would be the successor to the agreement with NSMCSD transmission and treatment and could evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service.
- c. The District could be dissolved, and water and wastewater services are transferred to Cal Water and the City of South San Francisco, respectively. The City of South San Francisco could either connect the wastewater system to the existing City's system or the City could become the successor to the existing service agreement for transmission and treatment with NSMCSD. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects.

Any potential reorganization would need to evaluate the fiscal impact to rate payers and to the agency that will be acquiring the new service responsibility.

3. WWD should consider posting full the board meeting agenda packet to the District's website, in addition to the meeting agenda and minutes.
4. As the District Board is currently meeting remotely over Zoom, it is recommended that the videos of these meetings be posted on the District's website.

Other Issues Determinations and Recommendations

WWD is engaged in activities to address water resiliency and natural hazard migration for the District's infrastructure.

Recommendation -

1. LAFCo encourages the District to continue its work in the areas of water resilience and natural hazards mitigation and to continue to coordinate with partner agencies.

Sphere of Influence Determination

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(e)):

1. The present and planned land uses in the area, including agricultural and open-space lands.

The WWD territory is located in the western portion of the City of South San Francisco and is highly developed with residential and commercial uses. The predominate type of residential developments in the service area are single-family homes.

2. The present and probable need for public facilities and services in the area.

Only six acres of vacant land is located within the WWD boundaries, limiting additional development. The number of commercial customers within the District's service boundaries has been consistent and is projected to remain as such. The City of South San Francisco is currently in the process of updating the City's General Plan, but there are no indications that the existing land use patterns will be greatly altered. In addition, the areas surrounding the district are within the boundaries of cities, other special districts, or private companies which provide utility services.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

WWD has adequate capacity to serve the existing and future needs of customers within the District's boundaries. The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The WWD SOI is coterminous and does not include any territory outside of the District's existing boundaries. The City of South San Francisco and the WWD areas share common land use patterns, access, shopping and school district boundaries and inherently share social and economic communities of interest.

5. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the Westborough Water District is proposed at this time.

Public/Agency Involvement

The primary source of information used in this MSR has been information collected from agency staff and adopted plans, budget, reports, policies, etc. On August 31, 2022 a Notice of Public Hearing for the Draft MSR was released by LAFCo and published in the San Mateo County Times. On September 14, 2022, a Notice of Availability was released by LAFCo that requested written comments from the public and stakeholders by October 17, 2022. No written comments were received from the public or stakeholders. In addition, notices were sent to every “affected agency”, meaning all other agencies and school districts with overlapping service areas. Finally, LAFCo staff held a virtual workshop for the public during the comment period for both City of South San Francisco and Westborough Water District MSRs on October 17, 2022.

California Environmental Quality Act

The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The MSR collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The MSR is also exempt from CEQA under the section 15061(b)(3), the commonsense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

Recommendation

1. Open the public hearing and accept public comment; and
2. Accept the Final Municipal Service Review for the Westborough Water District; and
3. Adopt the Municipal Service Review Determinations and Recommendations contained in this report.

Attachment

- A. Final Circulation of the Municipal Service Review for Westborough Water District
- B. Resolution No. 1299



**Municipal Service Review and Sphere of Influence
Review for the Westborough Water District**

Final Draft

Released November 9, 2022

Municipal Service Review and Sphere of Influence Review for the Westborough Water District

SUBJECT AGENCY:

Westborough Water District

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**Final
LAFCo Municipal Service Review
and Sphere of Influence Update
Westborough Water District
November 16, 2022**

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EXECUTIVE SUMMARY

The following Municipal Service Review (MSR) focuses on the Westborough Water District (WWD or the District). The District was created in 1961 to provide domestic water and sewer service to an undeveloped area of unincorporated San Mateo County located west of South San Francisco, north of San Bruno, and south of Daly City. In 1964, this area was annexed to the City of South San Francisco and is now known as the Westborough neighborhood.

WWD serves approximately 13,486 customers, about 20% of the population of the City of South San Francisco, in the Westborough area of the City. The District purchases water from the San Francisco Public Utilities Commission (SFPUC) and has an agreement with the North San Mateo County Sanitation District (NSMCS D) for wastewater treatment. WWD service fees are adequate to cover water and wastewater costs.

The boundaries of the WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of Westborough neighborhood. WWD has a Sphere of Influence(SOI) designation of “status quo”, which has been maintained since 1987. This SOI designation anticipates no change in the district’s boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD, including the formation of a subsidiary district, merger with South San Francisco, or dissolution.

Section 1: Overview

This report is a MSR and SOI update for the WWD. California Government Code Section 56430 requires that the Local Agency Formation Commissions (LAFCo) complete MSRs and SOI reviews on all cities and special districts. LAFCo is an independent entity with jurisdiction over the boundaries of cities and special districts. An SOI is a plan for the boundaries of a city or special district. The MSR and SOI update do not represent a proposal¹ for reorganization of agencies, but rather a State-mandated study of service provisions of an agency.

Once adopted, the service review determinations are considered in reviewing and updating the SOI pursuant to Section 56425. The SOI, which serves as the plan for boundaries of a special district, is discussed in the second part of this report. This State-mandated study is intended to identify municipal service delivery challenges and opportunities and provides an opportunity for the public and affected agencies to comment on city, county, or special district services and finance; and opportunities to share resources prior to LAFCo adoption of required determinations.

¹ An application for annexation may be submitted by 5 percent of the voters or landowners of territory proposed for annexation or by resolution of the District.

San Mateo Local Agency Formation Commission

San Mateo Local Agency Formation Commission (LAFCo or “the Commission”) is a State-mandated, independent commission with county-wide jurisdiction over the boundaries and organization of cities and special districts including annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extension of service outside city or district boundaries and activation or divestiture of special district powers. Among the purposes of the Commission are discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances. LAFCo operates pursuant The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in Government Code Sections 56000 and 57000. The Commission includes two members of the County Board of Supervisors, two members of city councils from the 20 cities, two board members from 21 of the 22 independent special districts, a public member, and four alternate members (county, city, special district, and public).

LAFCo prepared comprehensive SOI studies and adopted SOIs for cities and special districts in 1985 and has subsequently reviewed and updated spheres on a three-year cycle. Updates focused on changes in service demand within the boundaries of cities and special districts. After enactment of the CKH Act and the new requirement to prepare MSRs in conjunction with or prior to SOI updates, LAFCo began the process of preparing MSR and SOI updates in late 2003. Studies were first prepared on sub-regional and County-wide independent special districts, followed by South County cities and special districts. This is the first MSR for Westborough Water District.

Local Government in San Mateo County

Municipal service providers in San Mateo County include the County, 20 cities, 22 independent special districts, five subsidiary districts governed by city councils, and 33 County-governed special districts. It merits emphasis that the County plays a dual role that differs from cities or districts. Districts provide a limited set of services based on enabling legislation, while cities generally provide basic services such as police and fire protection, sanitation, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. Along with independent water, sewer, and fire districts, the County also provides basic municipal services for residents who live in unincorporated areas. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

This MSR/SOI Update examines the Westborough Water District.

LAFCo prepares MSRs and SOI updates based on source documents that include Adopted Budgets, Basic Financial Reports and Audits, Capital Plans, Urban Water Management Plans, and Planning Documents, including the General Plan. Draft MSRs and SOI updates are then circulated to the agencies under study and interested individuals and groups. The Final MSR and SOI update will include comments on the circulation draft and recommended

determinations for Commission consideration. MSR determinations must be adopted before the Commission updates or amends an SOI.

Per Section 56430, the areas of MSR determination include:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities² within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.
 - a. Water Resiliency and Climate Change
 - b. Impact of Natural Hazards and Mitigation Planning

Sphere of Influence Determinations:

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(e)):

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
5. For an update of a SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing SOI.

² “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the statewide annual median household income. This area of determination does not apply to the study area.

This SOI update incorporates information and determinations in the MSR as well as changes that have taken place since the SOI was originally adopted and provides for public input on the five areas of determination listed above. Comments to LAFCo by affected agencies, organizations, or individuals are requested in order to be included in the Executive Officer’s report to the Commission.

The territory of WWD includes the Westborough neighborhood located within the city limits of South San Francisco. It does not include any unincorporated areas. The SOI for the District is coterminous with the District’s boundaries. As established by LAFCo in 1976 and reaffirmed in 1987 and 1992, the adopted SOI is coterminous with existing boundaries and status quo.

Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #3 and SOI determination #5 listed above. Disadvantaged unincorporated communities(DUCs) are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

WWD service area is wholly located with the City of South San Francisco, so this provision does not apply to this MSR.

Organization of MSR/SOI Study

This report has been organized in a checklist format to focus the information and discussion on key issues that may be particularly relevant to the subject agency while providing required LAFCo’s MSR and SOI determinations. The checklist questions are based on the CKH Act, the LAFCo MSR Guidelines prepared by the Governor’s Office of Planning and Research and adopted San Mateo LAFCo local policies and procedures. This report provides the following:

1. A description of the subject agency;
2. Any new information since the last MSR and a determination regarding the need to update the SOI;
3. MSR and SOI determinations for public and Commission review; and
4. Identifies any other issues that the Commission should consider in the MSR/SOI.

Section 2. Summary of Key Issues

Key issues identified in compiling information on WWD include the following:

WWD has adequate capacity to serve the existing and future needs of customers within the District’s boundaries. The District prepared an Urban Water Management Plan in 2015 that identifies the potential growth and impacts of this growth on the District’s water service. The District encompasses 1 square mile and the service area is highly developed, with only a small portion of new additional customers anticipated to be added to the District over the next 25 years.

The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the “Pay-As-You-Go” budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

A multi-year Capital Improvement Plan could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

As limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

The boundaries of the WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of Westborough neighborhood. WWD has a Sphere of Influence designation of “status quo”, which has been maintained since 1987. This SOI designation anticipates no change in the district’s boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD, including the formation of a subsidiary district, merger with South San Francisco, or dissolution. Current water and sewer rates support year-to-year operations and over the last five budget years, the District has had net income gains. The District has annual independent audits, which have not found any deficiencies.

WWD complies with all Brown Act requirements in publicly noticing its meetings. Audio recordings of the meetings are created but are currently not on the District’s website. The District maintains a website with water rate and other information about water service.

Currently, staff reports Board of Director agenda items are not produced. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.

Section 3: Westborough Water District

Background

The Callan Park County Water District, renamed a short time after to the Westborough Water District, was created prior to the establishment of LAFCOs in 1961 to provide domestic water

and sewer service to an undeveloped area of unincorporated San Mateo County located west of South San Francisco, north of San Bruno, and south of Daly City. Also, in 1961, the District entered into an agreement with the North San Mateo County Sanitation District (at the time an independent special district, before becoming a subsidiary district of the City of Daly City in 1985) for sewage disposal and treatment. In 1964, this area was annexed to the City of South San Francisco and is now known as the Westborough neighborhood.

Boundaries

The original WWD boundaries have had only minor changes since its creation in 1961. The District encompasses the Westborough neighborhood in South San Francisco. These changes included minor adjustment and detachments in 1970 and 1971 to areas at the boundaries of the cities of San Bruno and Daly City. In 1972, LAFCo approved annexation of a parcel near Skyline Boulevard and Sharp Park Road in the City of Pacifica that contains a District water tank. The area of the District is approximately 1 square mile. The LAFCo adopted SOI for the District is conterminous with District boundaries (Attachment A).

Enabling Legislation

WWD operates according to California Water Code Section 3000 et seq. and is authorized to provide water and wastewater services within its boundaries. Districts formed under this section are authorized to sell, distribute and use of water in district boundaries. A district may also store and conserve water for present or future beneficial use, and may operate recreational facilities ancillary to water facilities, sanitation facilities, and fire protection if these powers are activated by LAFCo.

Mission Statement

The adopted mission statement of WWD 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.

Structure and Governance

WWD is governed by a five-member Board of Directors elected by registered voters that reside within the District boundaries. The members of the Board must reside within the District and be registered voters. On July 9, 2020, the WWD Board of Directors approved a transition from a District-wide election to zone-based elections for Board of Directors. Starting November 2022, two of the District's Board members will be elected from zones and the remaining three Board members will be elected by zones in 2024.

The Board of Directors meets regularly on the second Thursday of every month at 7:30 pm at the District Office at 2263 Westborough Boulevard, South San Francisco, California 94080.

Agendas, budget and finance information, and meeting action minutes are available on the District's website. Per District staff, WWD does not prepare staff reports due to the District's small staff size.

Services

Water

WWD serves approximately 13,486 customers, about 20% of the population of the City of South San Francisco, in the Westborough area of the City. The District was formed in 1961 to provide water to an unincorporated area that was later incorporated into the City of South San Francisco over a series of annexations starting in 1963.

As of 2020, the District provides water service through 3,970 connections. WWD is a member of the Bay Area Water Supply & Conservation Agency (BAWSCA) and purchases all of its portable water from the San Francisco Public Utilities Commission (SFPUC). As part of the allocation agreement between SFPUC and BAWSCA, WWD has an individual supply guarantee of 1.32 million gallons per day (MGD). Of this 1.32 MGD, the District utilizes 0.78 MGD as of 2019. The District does not provide treatment, as all water is pre-treated by SFPUC and delivered through SFPUC's Hetch Hetchy Water System. The District relies solely on SFPUC's surface water and does not have access to groundwater resources.

The District maintains a connection to a SFPUC transmission pipeline which deliver water to the District's storage tanks. The District maintains and operates a distribution system that includes three water pressure zones, five pumps, three water tanks, four pressure regulating valves and 25 miles of water pipe. The District also utilizes a portion of a fourth water tank that is owned by the North Coast County Water District (NCCWD). WWD has interconnections with NCCWD and the City of Daly City to allow for SFPUC to transfer water and to allow for potential emergency connections. The District does not provide recycled water.

Wastewater

WWD operates and maintains the sewage collection system within its boundaries. The sewage is transferred to the North San Mateo County Sanitation District (NSMCSD), a dependent district of the City of Daly City, which treats the sewage and discharges the treated effluent into the Pacific Ocean. In fiscal year 2019-2020, WWD transferred 244 million gallons per year of wastewater to the NSMCSD Wastewater Treatment Plant. The District has 20 miles of gravity sanitary sewer mains and a three-quarter mile of sewer force main. Both treatment of the sewage and the maintenance of the sewer system is contracted to NSMCSD.

Inventory of Active Services

Provisions of the CKH Act require that LAFCo identify which of the services of a multi-purpose district are actively provided and which are inactive. Pursuant to Government Code Section 56425(i), in preparing a MSR and SOI, LAFCo is required to prepare a statement of the nature and location of functions and services provided by the districts. If a district proposes to add a new service permitted under district enabling legislation, the District must apply to LAFCo for approval.

WWD provides the following services in the areas as specified and any other services authorized by County Service Area enabling legislation are inactive:

- District-wide Water Service

- District-wide Wastewater Service

If in the future it is determined that other services permitted in California Water Code Section 3000 et seq. enabling legislation should be provided and funded by WWD, the District could apply to LAFCo. The application would include a plan for providing services and a proposed budget including revenues to fund service and any associated revenue sources such as an assessment, fee, or tax.

Section 4: Affected Agencies

Per Government Code Section 56427, a public hearing is required to adopt, amend, or revise a SOI. Notice shall be provided at least 21 days in advance and mailed notice shall be provided to each affected local agency or affected County, and to any interested party who has filed a written request for notice with the LAFCo Executive Officer. Per Government Code Section 56014, an affected local agency means any local agency that overlaps with any portion of the subject agency boundary or SOI (included proposed changes to the SOI).

The affected local agencies for this MSR/SOI are:

County

County of San Mateo

Cities

City of South San Francisco

City and County of San Francisco (WWD processes sewer for San Bruno Jail)

School Districts

South San Francisco Unified School District

Dependent Special Districts

North San Mateo County Sanitation District (City of Daly City)

Independent Special Districts

North Coast County Water District

Westborough Water District

Section 5: Potentially Significant MSR Determinations

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages. If most or all of the determinations are not significant, as indicated by “no” answers, the Commission may find that a SOI update/amendment is not warranted.

	Growth and Population		Disadvantaged Unincorporated Communities
X	Capacity, Adequacy & Infrastructure to Provide Services	X	Financial Ability
X	Shared Services	X	Accountability
X	Other		

1) Growth and Population

Growth and population projections for the affected area.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
b) Will population changes have an impact on the subject agency’s service needs and demands?			X
c) Will projected growth require a change in the agency’s service boundary?			X

Discussion:

a-c) Anticipated growth: The WWD territory is located in the western portion of the City of South San Francisco and is highly developed with residential and commercial uses. The predominate type of residential developments in the service area are single-family homes. The Department of Water Resources estimates that the population of the area will grow from 12,452 residents to 14,388 residents by 2045, a 12% total increase. Currently WWD is only utilizing 59% of its potential water allocation from SFPUC.

WWD transferred approximately 244 million gallons of wastewater to NSMCSD in 2019-2020. Per correspondence with the District, there are no sewer moratoriums in place.

Only six acres of vacant land is located within the WWD boundaries, limiting additional development. The number of commercial customers within the District’s service boundaries has been consistent and is projected to remain as such. The City of South San Francisco is currently in the process of updating the City’s General Plan, but there are no indications that the existing land use patterns will be greatly altered. In addition, the areas surrounding the district are within the boundaries of cities, other special districts, or private companies which provide utility services.

Growth and Population MSR Determination

At this time the WWD’s territory, is not projected to experience any significant development or population growth that might impact the District’s ability to deliver water or wastewater services, as there is a low projected growth rate for the area.

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	Yes	Maybe	No
a) Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?	X		
b) Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the statewide median household income)?			X
c) If “yes” to both a) and b), it is feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community (if “no” to either a) or b), this question may be skipped)?			X

Discussion:

a) Services provided: WWD provides water and sewer services to a portion of the City of South San Francisco known as Westborough.

b-c) Disadvantaged unincorporated communities: While WWD does provide water and sewer services, the service area only includes incorporated areas of the City of South San Francisco, therefore the provisions of SB 244 do not apply, and Disadvantaged Unincorporated Communities are not an issue.

The District does have adopted policies and procedures for providing priority service to affordable housing projects. While there are legal limits on the District’s ability to provide lifeline benefits, during the COVID-19 pandemic, WWD has assisted customers by waiving all late charges, eliminating shutoff for non-payment, and creating payment arrangements.

Disadvantaged Unincorporated Communities MSR Determination

While WWD does provide water and sewer services, the service area only includes incorporated areas, therefore the provisions of SB 244 do not apply, and Disadvantaged Unincorporated Communities are not an issue.

Recommendations:

LAFCo recommends that the District continue to support its customers throughout the COVID-19 pandemic and continue its policies regarding affordable housing.

3) Capacity and Adequacy of Public Facilities and Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	Yes	Maybe	No
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
b) Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
c) Are there any concerns regarding public services provided by the agency being considered adequate?			X

d) Are there any significant infrastructure needs or deficiencies to be addressed?		X	
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X
f) Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

Discussion:

a-b) Capacity to serve existing customers:

Water

As previously mentioned, WWD is currently utilizing 59% of the water allocation from SFPUC. The population of the District is projected to grow 12% over the next 20 years. All developed parcels in the boundaries of the District currently receive water and sewer services from WWD. The District’s 2021 Urban Water Management Plan stated that the District will be able to maintain capacity to serve any near-term growth.

Sewer

The District has 20 miles of gravity sanitary sewer mains and a three-quarter mile of sewer force main. Both treatment of the sewage and the maintenance of the sewer system is contracted to NSMCSD. The last update to the contract with NSMCSD was in 1981. WWD transferred approximately 244 million gallons of wastewater to NSMCSD in 2019-2020. Per correspondence with the District, there are no known issues regarding treatment capacity with NSMCSD.

c) Adequacy of public services: LAFCo has not identified any adequacy issues with the services provided by WWD. WWD does not have any violations or compliance issues with regulatory agencies for water or sewer service. Per the District, 21 complaints received over the last five years have been in regards to water rate increases. The District reports sewer system overflows on its website. The last report is from 2018 and identifies one overflow that occurred in 2017.

d) Infrastructure needs or deficiencies: As of 2015, the District provides water service through 3,882 residential and commercial connections. The District receives wholesale water via a connection to a SFPUC transmission pipeline and water is delivered to the District’s storage

tanks. The District maintains and operates a distribution system that includes 25 miles of pipe, three water pressure zones, five pumps, three water tanks, and four pressure regulating valves. The District also utilizes a portion of a fourth water tank that is owned by the NCCWD.

As part of the allocation agreement between SFPUC and BAWSCA, WWD has an individual supply guarantee of 1.32 million gallons per day (MGD). Of this 1.32 MGD, the District utilized 0.78 MGD as of 2019. The District does not provide treatment, as all water is pre-treated by SFPUC and delivered through SFPUC's Hetch Hetchy Water System. The Department of Water Resources estimates that the population of the area will grow from 12,481 residents to 14,388 residents by 2045, a 12% total increase. Currently WWD is only utilizing 59% of its potential water allocation from SFPUC.

The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects. The District is assessing the need to accelerate the District's CIP implementation and is actively looking at alternate ways to finance these projects. Recommendations regarding the CIP are in Section 4 of this MSR.

e) Changes in state regulations impacting the District: District staff is not aware of any state legislation on the horizon that will impact the District's ability to provide services.

f) Deficiencies for disadvantaged unincorporated communities: As discussed in the Disadvantaged Unincorporated Communities section (Determination #2), while WWD does provide water and sewer services, the service area only includes the incorporated areas of the City of South San Francisco, therefore the provisions of SB 244 do not apply, and Disadvantaged Unincorporated Communities are not an issue.

Capacity and Adequacy of Public Facilities and Services MSR Determination

WWD has adequate capacity to serve the existing and future needs of customers within the District's boundaries. The District prepared an Urban Water Management Plan in 2015 and in 2021 that identifies the potential growth and impacts of this growth on the District's water service. The District encompasses 1 square mile and the service area is highly developed, with only a small portion of new additional customers anticipated to be added to the District over the next 25 years.

There are no known issues regarding sewer treatment or capacity issues with District lines or with NSMCSD.

The Urban Water Management Plan also identifies actions related to droughts that the District can undertake as well as possible reductions in water that SFPUC will impose on member agencies. The District offers rebate programs for customers to replace their existing washing machine or toilet with low flow models. WWD also provides information about water-efficient landscaping, water leak repair, and water conservation. LAFCo encourages WWD to continue to made efforts to encourage customers to conserve water when possible. The District has identified \$38 million worth of potential capital projects and is in the process of assessing the need to accelerate the District's CIP implementation and is actively looking at alternate ways to

finance these projects. Recommendations regarding the District’s infrastructure finances is discussed in Section 4 of this MSR.

4) Financial Ability

Financial ability of agencies to provide service	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?		X	
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?		X	
f) Is the organization’s debt at an unmanageable level?			X

a) Budget: WWD routinely adopts and operates an annual budget with a budget cycle of July 1 through June 30. The annual budget is prepared by the General Manager, and then presented to the Board of Directors for adoption.

The District receives annual independent audits, with the most recent audit being completed on January 13, 2022 for the governmental activities and the major funds of the District for fiscal years ended of June 20, 2021. The audit revealed no instances of non-compliance or material weakness in internal controls. Also, an outside firm, Chavan and Associates, provides accounting services to the District.

Expenses are mainly composed of the purchasing of water, the sewer service contract with NSMCSD, and salary and benefits of staff. In FY 19-20, these three areas equaled 81% of the total budget and in FY 20-21 83%. In FY 20-21, the sewer contract with NSMCSD equaled 37% of the budget, the purchase of water was 28%, and salaries and benefits represented 18%.

WWD Budget Summary 2018-2023					
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Operating Revenue					
Water Sales	\$3,001,095	\$2,992,477	\$2,987,477	\$3,965,217	\$4,058,845
Sewer Service	\$2,894,259	\$2,967,633	\$3,009,027	\$2,838,845	\$3,200,831
Total Operational Income	\$5,895,354	\$5,960,110	\$5,996,671	\$6,804,062	\$7,259,676
Operating Expenditures					
Water	\$2,397,789	\$2,449,673	\$2,540,511	\$2,614,210	\$2,702,930
Sewer Service	\$2,377,986	\$2,448,268	\$2,474,274	\$2,379,874	\$2,771,431
Administrative and General	\$984,146	\$1,018,326	\$1,045,798	\$1,101,460	\$1,213,815
Other	\$250,117	\$314,450	\$330,135	\$363,005	\$365,000
Total Operation Expenditures	\$2,377,986	\$6,230,717	\$6,390,718	\$6,458,549	\$7,053,177
Gain/Loss from Operations	\$114,684	\$270,607	\$394,047	\$345,513	\$206,500
Non-Operating Revenue					
Property Taxes	\$420,000	\$455,000	\$475,000	\$530,000	\$613,231
Other	\$66,489	\$92,323	\$96,157	\$50,956	\$48,052
Total Nonoperation Income		\$547,323	\$571,175	\$580,956	\$661,283
Total Net Income	\$371,805	\$276,716	\$177,128	\$926,469	\$867,783

The District's revenues and expenditures, in total, have been fairly stable during the past five years. As noted, the District primarily receives revenue through the sales of water and sewer service charges. In FY 18-19, FY 19-20, and FY 20-21, the District did have an overall loss from operations, which was covered by non-operating revenue (taxes, rental revenue, etc.). In the last two years, operations have posted a surplus due in large part to an increase in service charges that went into effect in September 2021.

The District's revenue comes primarily from water and sewer service charges to customers. In the FY 22-23 budget, these charges made up 92% of the total revenue of \$7.3 million for WWD. Property tax revenue makes up 7% of the revenue. With the recent increase to service charges for both water and sewer, the District is no longer subsidizing operational costs with non-operational revenue.

WWD is a participant in the California Public Employees' Retirement System (CalPERS.) Currently, the District pays 11.484% of payroll to CalPERS for classic members and 7.732% of payroll for PEPRA members³. Employee contributions for their pension is 6% of payroll for classic members and 6.75% for PEPRA members.

WWD prepays the total annual unfunded pension liability. As of 2019, 81% of District's pension liability was funded. The Other Post-Employment Benefits (OPEB) was 55% funded as of 2019.

b) Reserves: In the approved FY 19-20 budget, and previous budgets, there are no specific allocations to a reserve fund. However, the District has an adopted policy that established a reserve fund in 1979. As part of this policy funds were transferred to a water facilities reserve, sewer reserve, and contingency operations reserve. The reserve policy only specified that transfer of these funds in the 1979 budget year and not for on-going transfers. The amount of these reserve funds are not shown in the District's adopted budget nor are funds shown to be allocated to reserve. Per the District's financial documents, WWD has \$4.3 million in reserves. Capital improvement costs are paid for through reserve funds and capital facility revenue as a component of sewer rates.

c) Rates and Charges: The District's rates were last updated in 2022. Per staff, the rates for the District are reviewed annually and only increased when required to meet budget needs. The water rate is currently \$8.58 per unit, with one unit equaling 748 gallons of water or 100 cubic feet. There is no minimum charge. Per review of the Bay Area Water Supply & Conservation Agency 2019-20 annual survey, the average monthly rate for water service for a single-family house was approximately \$45 or \$540 annually. Per the same service, the average monthly cost for California Water Service – South San Francisco was \$60 or \$720 annually.

The sewer service rate for the District is currently \$11.05 per unit of sewer. There is a minimum charge of 12 units annually or \$132.60. On average, the sewer service charge per property is \$775 per year in 2020-21 (calculated by dividing the sewer system revenue by the number of

³ The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. The changes included setting a new maximum benefit, a lower-cost pension formula for safety and non-safety employees with requirements to work longer in order to reach full retirement age and a cap on the amount used to calculate a pension

active connections). The sewer charges are uniform for all users based on the average January and February water consumption.

WWD also has adopted fees for new development as well. These fees include a water storage and supply fee and sanitary sewer connection fee. Per WWD staff, there are typically no specific development infrastructure needs due to the built-out nature of the District. Connections fees are allocated to capital projects needed to upgrade the District's system.

In comparison, the City of South San Francisco has a different basis of calculation for the City's sewer rates. For FY 21-22, the City's rate for a single-family home is \$775 and \$695 for a multi-unit residence such as an apartment complex. Per the City's adopted sewer rate plan, sewer rates are calculated by the number of dwelling units on a property. The rate assumes an average annual effluent flow of 8,400 cubic feet for a single-family home and a flow of 7,500 cubic feet for multi-family units.

d) Infrastructure Funding: As noted previously in the MSR, the District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects. The District is assessing the need to accelerate the District's CIP implementation and is actively looking at alternate ways to finance these projects.

These capital projects including repairs and upgrades to an existing water tank, removing an asbestos cement pipe, and replacing a service of gate and check valves at two sanitary sewer lift stations. The website states that these costs were approved in the 2018-2019 budget, however, the District budget documents do not show the allocation of these funds. It is unclear if there is a separate CIP and budget that allocates these funds. These funds are shown in the independent audit documents for the District.

Per WWD staff, for FY 2022-2023, the District approved sewer pump station improvement, lift station improvements, and is exploring fixes for an existing water tank. For the FY, \$200,000 has been allocated for these CIP projects.

e) Financial policies: The District has adopted two financial policies:

- Reimbursement and Compensation Policy (2008)
- Operating Reserve Policy (1979)
- Investment Policy (2022)

f) District Debt: According to District staff, WWD does not have debt. The District uses reserve funds and capital facility revenue to pay for capital improvements. A portion of the sewer and water rates go towards capital projects that address deficiencies with the existing utility system.

Financial Ability MSR Determination

Current water and sewer rates support year-to-year operations. Over the last five budget years, the District has had net income gains. As of 2020, WWD had a net position of \$9.7 million. The District has an adopted reserve policy and reserve fund of \$4.3 million. WWD has no debt, as

reserve funds and capital facility revenue pay for capital improvements. As of 2019, 81% of District’s pension liability was funded. The Other Post-Employment Benefits (OPEB) was 55% funded as of 2019.

The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the “Pay-As-You-Go” budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

Recommendations:

1) Update District Capital Improvement Plan – WWD’s CIP was last updated in 2020-2021 and is adopted on a one-year cycle. The plan should be updated on an annual basis and consideration of a multi-year capital improvement plan. A multi-year plan could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

LAFCo supports the District’s efforts to explore funding strategies for CIP projects. CIP projects could be funding through pursuing grants and low-interest loans, as well as through the use of “Pay-as-you-go.” As limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

Funding for these CIP projects should be clearly allocated in both the CIP documents and in annual budgets.

2) The District should consider posting the staff reports or other budget narratives on the District’s website along with the annual budget. This would allow for a greater understanding of the District’s finances and would improve transparency for the public. Budget documents should also show the District’s reserve amount and funds allocated to the CIP projects.

3) The District should consider expanding its financial polices to cover additional topics, such as budget preparation process and audit requirements. The District should also review the existing Operating Reserve Policy for potential amendments regarding the annual allocation of funds to the District’s reserve.

5) Shared Service and Facilities

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?		X	

a) Existing shared services: Per District staff, WWD coordinates with the City of South San Francisco and the City’s Fire Department regarding future development with the District boundaries.

The District has had a long-standing working relationship with NSMCSD for sewer treatment and sewer system maintenance.

WWD also shares a water tank with the North Coast County Water District (NCCWD). WWD shares water capacity for a WWD water tank with the NCCWD, and the NCCWD shares capacity from their water tank with WDD to ensure proper pressure for both districts’ water service zones.

b) Potential shared services: WWD boundaries overlap with the City of South San Francisco, which provides sewer services to residents and businesses elsewhere in the City. Cal Water provides water service to South San Francisco, with the exclusion of WWD territory. Per WWD staff responses to LAFCo, WWD has considered options for providing sewer service, including connecting to the City of South San Francisco’s sanitary system. In the District’s opinion this service option is not feasible due to the lack of an existing connection into the City’s sewer system, the costs for construction and operation of a sewer force main that would connect WWD sewer lines to the City’s system, and the potential regulatory issues with increasing sewer discharge to the San Francisco Bay, where the current City treatment plant discharges. The District notes that any potential construction or regulatory costs for a connection to the City of South San Francisco’s sewer system would be borne by the rate payers of the District. In the opinion of WWD staff, the current system, which is largely gravity flow to the NSMCSD facility and the disposal of the treated effluent into the Pacific Ocean is operationally, fiscally, and environmentally superior.

Shared Services MSR Determination

WWD currently has an agreement with NSMCSD for sewer treatment and sewer system maintenance. The District has explored connections to the City of South San Francisco’s sanitary system, but is currently not considered a feasible option by the District due to lack of existing infrastructure and financial impact to rate payers.

Recommendations:

LAFCo supports any new exploration of shared services for WWD.

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	Yes	Maybe	No
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with filling board vacancies and maintaining board members?			X
c) Are there any issues with staff turnover or operational efficiencies?			X
d) Is there a lack of regular audits, adopted budgets and public access to these documents?			X
e) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase		X	

the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			
--	--	--	--

a) Public meetings: WWD is governed by an elected five-member Board of Directors who must be registered voters within District boundaries. Public meetings of the Board are the second Thursday of each month at 7:30 p.m. at District Office Board Room located at 2263 Westborough Boulevard, South San Francisco, CA 94080. The District complies with all Brown Act requirements in publicly noticing its meetings. The District posts copies of meeting agendas to their website, however, the full meeting packet is not available. Audio recordings of the meetings are created but are currently not on the District’s website. Per District staff, written staff reports are not created for Board meeting agenda items.

b) Board composition and governance: The District reports that there are no difficulties with filling positions for the Board of Directors. The District is a member of the Association of California Water Agencies and the California Special Districts Association. The Board members receive \$100 per meeting, up to \$65 for internet services and access to a \$10,000 life insurance policy which costs the District \$42 per month for all five members.

c) Staffing: Staffing is currently at six full-time employees, with a General Manager, ~~Office Supervisor Assistant General Manager~~, Field Supervisors, Senior Field Maintenance position, Field Maintenance position, and Office Assistant. Per the District, there has not been high levels of turnover among these positions with the average tenure of employees at 18.5 years. The District has stated that it does not anticipate the need to hire additional staff or transfer positions to consultants or contractors to complete the work of the District.

d) Audits and transparency: The District works to maintain transparency by receiving annual independent audits and producing annual adopted budgets. The audits have not found any deficiencies for 2018 or 2019. The District also produces newsletters for interested parties, which provides additional information on District activities. The last newsletter published was December 2020.

On October 20, 2022, WWD received a District Transparency Certificate of Excellence from the Special District Leadership Foundation (SDLF), a non-profit organization that recognizes special district officials and employees for their dedication to being transparent as well as open and accessible to the public and other stakeholders.

e) Change in governance: LAFCo staff is not aware of any possible changes to the WWD’s governance structure that will increase accountability.

f-g) WWD boundaries overlap with the City of South San Francisco, which provides sewer services to residents within the City limits, excluding WWD territory.

Accountability, Structure, and Efficiencies MSR Determination

WWD recently received recognition from the Special Districts Leadership Foundation for being transparent as well as open and accessible to the public and other stakeholders. WWD complies with all Brown Act requirements in publicly noticing its meetings. Audio recordings of the

meetings are created but are currently not on the District’s website. Staff reports for agenda items are not currently produced. The District maintains a website with water rates and other information about water service. Water and sewer rates are adopted at public meetings in accordance with State law. The District has annual independent audits, which have not found any deficiencies.

The boundaries of the WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of Westborough neighborhood.

Recommendations:

- 1) LAFCo recommends the creation of staff reports for Board of Director agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.
- 2) WWD has a Sphere of Influence designation of “status quo”, which has been maintained since 1987. This SOI designation anticipates no change in the district’s boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD. The evaluation of these alternatives is not a result of service problems within WWD or other presumed deficiencies. Any change to the District’s SOI or any future reorganization would be to preserve the current level of local services while simplifying the government structure that provides them. Three potential organizational changes include

- a. The District could be created as a subsidiary district under the City of South San Francisco. Under a subsidiary reorganization, the District is not dissolved and becomes a subsidiary district of the City with the South San Francisco City Council serving as the governing board of the subsidiary district and the sewer water service becoming a public works function. The reorganization of a subsidiary district would allow the City to provide water and sewer services to the Westborough neighborhood, while also allowing for the costs and rates for those services to be contained within this service area and not impacting other South San Francisco rate payers. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects. The City would be the successor to the agreement with NSMCS D transmission and treatment and may evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service.

- b. The City and District could merge, with the City taking on the service responsibilities of the District. In this scenario, a rate zone may need to be established for the former WWD customers until rates equaled City sewer rates. The City would be the successor to the agreement with NSMCSD transmission and treatment and could evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service
- c. The District could be dissolved, and water and wastewater services are transferred to Cal Water and the City of South San Francisco, respectively. The City of South San Francisco could either connect the wastewater system to the existing City’s system or the City could become the successor to the existing service agreement for transmission and treatment with NSMCSD. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects.

Any potential reorganization would need to evaluate the fiscal impact to rate payers and to the agency that will be acquiring the new service responsibility.

3) WWD should consider posting the full board meeting agenda packet to the District’s website, in addition to the meeting agenda and minutes.

4) As the District Board is currently meeting remotely over Zoom, it is recommended that the videos of these meetings be posted on the District’s website.

7) Other

Any other matter related to effective or efficient service delivery, as required by commission policy.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?			X
b) Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhance and provide a more robust water supply capacity?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea	X		

level rise and other measures to adapt to climate change?			
c) Natural Hazards and Mitigation Planning			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

a) Other topics to be addressed: None.

b.i-c.ii) Water resiliency and natural hazard planning: WWD has been engaged in coordinating efforts for water resiliency and natural hazard planning. The District is a member of BAWSCA which, among other activities, assists in the coordination of water reliance for its member agencies. BAWSCA and SFPUC, the District’s wholesale supplier, have adopted plans and procedures regarding water supply. This includes a BAWSCA report for long-term water reliability, which evaluated the water supply through the year 2040. SFPUC is currently undertaking a Hetch Hetchy Capital Improvement Project that is focused on resiliency of its transmission system.

WWD has also participated in the San Mateo County Multi-Jurisdictional Local Hazard Mitigation Plan (LHMP) in both 2016 and 2021. The LHMP assesses hazard vulnerabilities and identifies mitigation actions that jurisdictions will pursue in order to reduce the level of injury, property damage, and community disruption that might otherwise result from such events. The LHMP addresses natural and human-caused hazards, including flooding, drought, wildfire, landslides, severe weather, terrorism, cyber threats, pandemic, and the impact of climate change on hazards, as well as other hazards. The 2016 Plan identified several jurisdiction specific vulnerabilities such as the need for backup power at pump sites and improving the resiliency of the water system. Several of these projects have been completed as part of the District Capital Improvement Program.

Other Issues MSR Determination

WWD is engaged in activities to address water resiliency and natural hazard migration for the District’s infrastructure.

Recommendations:

LAFCo encourages the District to continue its work in the areas of water resilience and natural hazards mitigation and to continue to coordinate with partner agencies.

Section 6. Sphere of Influence Review and Update

Determinations

Section 56425 requires the Commission to make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. The present and planned land uses in the area, including agricultural and open space lands.

The WWD territory is located in the western portion of the City of South San Francisco and is highly developed with residential and commercial uses. The predominate type of residential developments in the service area are single-family homes.

2. The present and probable need for public facilities and services in the area.
Only six acres of vacant land is located within the WWD boundaries, limiting additional development. The number of commercial customers within the District’s service boundaries has been consistent and is projected to remain as such. The City of South San Francisco is currently in the process of updating the City’s General Plan, but there are no indications that the existing land use patterns will be greatly altered. In addition, the areas surrounding the district are within the boundaries of cities, other special districts, or private companies which provide utility services.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

WWD has adequate capacity to serve the existing and future needs of customers within the District’s boundaries. The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the “Pay-As-You-Go” budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The WWD SOI is coterminous and does not include any territory outside of the District’s existing boundaries. The City of South San Francisco and the WWD areas share common land use patterns, access, shopping and school district boundaries and inherently share social and economic communities of interest.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of the Westborough Water District is proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency's SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency's Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency's SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

Appendix A. Westborough Water District Fact Sheet

2263 Westborough Blvd.
South San Francisco, CA 94080

Patricia Mairena
General Manager
650-589-1435
650-589-5167/fax

wwd@westboroughwater.org
<https://www.westboroughwater.org/>

Date of Incorporation: March 7, 1961 as Callan Park County Water District, later reformed as the Westborough Water District.

Board of Directors: Five-member board of directors elected to four-year terms. Members will be elected by zones starting in 2022.

Membership and Term Expiration Date: Perry Bautista, President (November 2022), Tom Chambers, Board Member (November 2022), Janet Medina , Vice President (November 2024), Don Amuzie, Board Member (November 2022), and Julie Richards, Board Member (November 2022)

Compensation: The Board members receive \$100 per meeting, up to \$65 for internet services and access to a \$10,000 life insurance policy which costs the District \$42 per month for all five members.

Public Meetings: Second Thursday of each month at 7:30 p.m. at District Office Board Room located at 2263 Westborough Boulevard, South San Francisco, CA 94080

Services Provided: Domestic water service and sanitary sewer service

Area Served: 1 square miles

Population: 13,486 (estimate)

Number of Personnel: 6 Full-time Equivalent Employees (FTEs)

Staffing is currently at six full-time employees, with a General Manager, Office Supervisor, ~~Assistant General Manager~~, Field Supervisors, Senior Field Maintenance position, Field Maintenance position, and Office Assistant

Sphere of Influence: Status quo (Coterminous with boundaries of 1987)

Budget: See the WWD Accountability page (<https://www.westboroughwater.org/finances>)

Appendix B. References

Barrow, Darryl, (2020) General Manager, Westborough Water District. *Personal Communication and MSR response letter*

Mairena, Patricia (2022) General Manager, Westborough Water District. *Personal Communication and Administrative Draft MSR response letter*

Westborough Water District 2015 Urban Water Management Plan
<https://www.westboroughwater.org/water-quality-report.php>

Westborough Water District Draft 2020 Urban Water Management Plan
<https://www.westboroughwater.org/water-quality-report.php>



DALY CITY

SOUTH SAN FRANCISCO

CALIFORNIA GOLF CLUB

PACIFICA

SAN BRUNO

UNBUNDLED AREA



Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, and the GIS user community

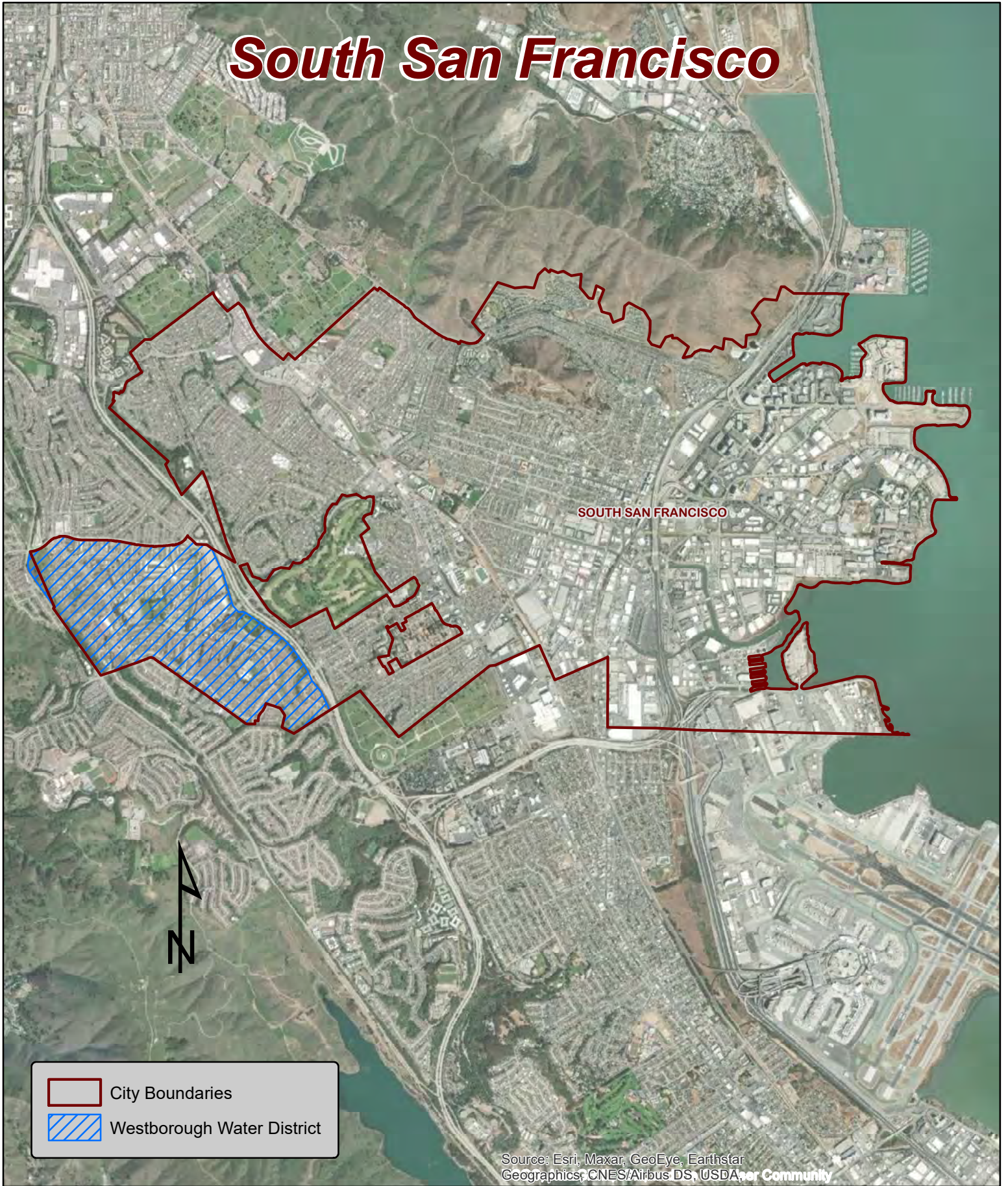
Legend

- Westborough Water District
- Community Boundaries

Source: Esri, DigitalGlobe, GeoEye, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Westborough Water District

South San Francisco



City Boundaries
Westborough Water District

Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, [Aer Community](#)

Westborough County Water District

RESOLUTION NO. 1299

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SAN MATEO
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE
SECTION 56430 FOR THE WESTBOROUGH WATER DISTRICT (WWD)**

RESOLVED, by the Local Agency Formation Commission of the County of San Mateo, State of California, that

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, set forth in Government Code Section 56000 et seq., governs the organization and reorganization of cities and special districts by local agency formation commissions established in each county, as defined and specified in Government Code Section 56000 et seq.,

WHEREAS, Government Code Section 56425 et seq. requires the Local Agency Formation Commission (LAFCo or Commission) to develop and determine the sphere of influence of each local governmental agency within the County; and

WHEREAS, the Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the Westborough Water District (WWD);

WHEREAS, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

WHEREAS, the Executive Officer set a public hearing date for November 16, 2022, for the consideration of the final Municipal Service Review and caused notice thereof to be posted, published and mailed at the times and in the manner required by law at least twenty-one (21) days in advance of the date; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on November 16, 2022; and

WHEREAS, a public hearing by this Commission was held on the report and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to the proposal and the Executive Officer's report; and

WHEREAS, the Commission is required pursuant to Government Code Section 56430 to make statement of written determinations with regards to certain factors; and

WHEREAS, the Commission is required pursuant to Government Code Section 56425 and local Commission policy to make statement of written determinations with regards to the following factors:

1. The present and planned land uses in the area, including agricultural and open-space lands.

Westborough Water District is located in the western portion of the City of South San Francisco, and the District's land designations include primarily residential and commercial uses. The predominate type of residential development in the service area are single family homes.

2. The present and probable need for public facilities and services in the area.

Only six acres of vacant land exist within WWD boundaries, limiting additional development. The number of commercial customers within the District's service boundaries has been consistent and is projected to remain as such. The City of South San Francisco is currently in the process of updating the City's General Plan, but there are no indications that the existing land use patterns will be greatly altered. Additionally, the areas surrounding the district are within the boundaries of cities, other special districts, or private companies that provide utility services to those areas.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

WWD has adequate capacity to serve the existing and future needs of customers within the District's boundaries. WWD reviews Capital Improvement Projects annually. WWD staff report that the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. WWD is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

The WWD SOI is coterminous and does not include any territory outside of the District's existing boundaries. The City of South San Francisco and the WWD areas share common land use patterns, access, shopping and school district boundaries and inherently share social and economic communities of interest.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to Section 56425(g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

No change to the Sphere of Influence of Westborough Water District is proposed at this time.

WHEREAS, based on the results of the MSR, staff has determined that the SOI for Westborough Water District is coterminous and does not need to be updated at this time; and

WHEREAS, the Municipal Service Review is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which

allows for basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. The Municipal Service Review collects data for the purpose of evaluating municipal services provided by an agency. There are no land use changes or environmental impacts created by this study.

The Municipal Service Review also is exempt from CEQA under the section 15061(b)(3), the common-sense provision, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment and where it is certain that the activity will have no possible significant effect on the environment, the activity is exempt from CEQA; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of San Mateo DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. By Resolution, the Commission accepts the Executive Officer's Report dated November 16, 2022, Final Municipal Service for Westborough Water District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Section 2. By Motion, the Commission adopts the Municipal Service Review determinations set forth in "Exhibit B" which is attached and hereby incorporated by reference.

Regularly passed and adopted this ____ day of _____.

Ayes and in favor of said resolution:

Commissioners: _____

Noes and against said resolution:

Commissioners Absent and/or Abstentions:

Commissioners: _____

Chair
Local Agency Formation Commission
County of San Mateo
State of California

ATTEST:

Date: _____

Executive Officer
Executive Officer
Local Agency Formation Commission

I certify that this is a true and correct copy of the resolution above set forth.

Date: _____

Clerk to the Commission
Local Agency Formation Commission

Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for Westborough Water District (WWD)

Areas of Determinations and Recommendations

Growth and population projections for the affected area.

Determination

At this time the WWD's territory, is not projected to experience any significant development or population growth that might impact the District's ability to deliver water or wastewater services, as there is a low projected growth rate for the area.

Recommendation

- None

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.

Determination

While WWD does provide water and sewer services, the service area only includes incorporated areas, therefore the provisions of SB 244 do not apply, and Disadvantaged Unincorporated Communities are not an issue.

Recommendation

- LAFCo recommends that the District continue to support its customers throughout the COVID-19 pandemic and continue its policies regarding affordable housing.

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.

Determination

WWD has adequate capacity to serve the existing and future needs of customers within the District's boundaries. The District prepared an Urban Water Management Plan in 2021 that identifies the potential growth and impacts of this growth on the District's water service. The District encompasses 1 square mile and the service area is highly developed, with only a small portion of new additional customers anticipated to be added to the District over the next 25 years.

There are no known issues regarding sewer treatment or capacity issues with District lines or with North San Mateo County Sanitary District.

The Urban Water Management Plan also identifies actions related to droughts that the District can undertake as well as possible reductions in water that SFPUC will impose on member agencies. The District offers rebate programs for customers to replace their existing washing machine or toilet with

low flow models. WWD also provides information about water-efficient landscaping, water leak repair, and water conservation. LAFCo encourages WWD to continue to make efforts to encourage customers to conserve water when possible. The District has identified \$38 million worth of potential capital projects and is in the process of assessing the need to accelerate the District's CIP implementation and is actively looking at alternate ways to finance these projects.

Recommendations

- Recommendations regarding the District's infrastructure finances is discussed in Financial Ability section.

Financial ability of agencies to provide services.

Determination

Current water and sewer rates support year-to-year operations. Over the last five budget years, the District has had net income gains. As of 2020, WWD had a net position of \$9.7 million. The District has an adopted reserve policy and reserve fund of \$4.3 million. WWD has no debt, as reserve funds and capital facility revenue pay for capital improvements. As of 2019, 81% of District's pension liability was funded. The Other Post-Employment Benefits (OPEB) was 55% funded as of 2019.

The District reviews Capital Improvement Projects annually. Per WWD staff, the District currently uses the "Pay-As-You-Go" budget rule to pay for capital projects. The District is in the process of conducting a rate and fee study to address \$38 million worth of potential capital projects.

Recommendations

- Update District Capital Improvement Plan – WWD's CIP was last updated in 2020-2021 and is adopted on a one-year cycle. The plan should be updated on an annual basis and consideration of a multi-year CIP. A multi-year plan could help identify critical projects over a longer planning period, prioritize the projects, and identify funding in subsequent budgets. Consistent with best practices WWD should prioritize improvements and identify financing mechanisms to fund CIP projects over time. WWD is a small district with limited potential for new customers. The CIP should take into consideration this constraint and seek economies of scale where appropriate.

It is recommended that the District document the age of its system and conduct comparative analysis to determine what percentage of the effective life of the segment has been used as input to develop long-term CIP priorities and schedule.

LAFCo supports the District's efforts to explore funding strategies for CIP projects. CIP projects could be funded through pursuing grants and low-interest loans, as well as through the use of "Pay-As-You-Go." As limited development is expected within the WWD service area, the District should analyze the impact of the different types funding for these needed infrastructure projects on rate payers.

Funding for these CIP projects should be clearly allocated in both the CIP documents and in annual budgets.

- The District should consider posting the staff reports or other budget narratives on the District's website along with the annual budget. This would allow for a greater understanding of the

District's finances and would improve transparency for the public. Budget documents should also show the District's reserve amount and funds allocated to the District's Capital Improvement Plan projects.

- The District should consider expanding its financial polices to cover additional topics, such as budget preparation process and audit requirements. The District should also review the existing Operating Reserve Policy for potential amendments regarding the annual allocation of funds to the District's reserve.

Status of, and opportunities for, shared facilities.

Determination

WWD currently has an agreement with NSMCSD for sewer treatment and sewer system maintenance. The District has explored connections to the City of South San Francisco's sanitary system, but is currently not considered a feasible option by the District due to lack of existing infrastructure and financial impact to rate payers.

Recommendation

- LAFCo supports any new exploration of shared services for WWD.

Accountability for community service needs, including governmental structure and operational efficiencies.

Determination

WWD recently received recognition from the Special Districts Leadership Foundation for being transparent as well as open and accessible to the public and other stakeholders. WWD complies with all Brown Act requirements in publicly noticing its meetings. Audio recordings of the meetings are created but are currently not on the District's website. Staff reports for agenda items are not currently produced. The District maintains a website with water rates and other information about water service. Water and sewer rates are adopted at public meetings in accordance with State law. The District has annual independent audits, which have not found any deficiencies.

The boundaries of the WWD overlap with the City of South San Francisco. The City provides sewer service to residents in the City, with the exception of WWD.

Recommendations

- LAFCo recommends the creation of staff reports for Board of Director agenda items. The creation of staff reports for Board items can increase transparency and raise public awareness of the issues that are being reviewed and acted on by the Board of Directors. The District could explore sharing services with cities or other special districts to assist in creating the staff reports and compiling an agenda packet.
- WWD has a Sphere of Influence designation of "status quo", which has been maintained since 1987. This SOI designation anticipates no change in the district's boundaries or organization. No proposal for reorganization has been submitted by the District, the City of South San Francisco, or other affected party in the 35 years since that SOI designation was reaffirmed.

While there is no proposed change to the designation, the MSR should explore potential governance/service options that could be considered for WWD. The evaluation of these alternatives is not a result of service problems within WWD or other presumed deficiencies. Any change to the District's SOI or any future reorganization would be to preserve the current level of local services while simplifying the government structure that provides them. Three potential organizational changes include:

1. The District could be created as a subsidiary district under the City of South San Francisco. Under a subsidiary reorganization, the District is not dissolved and becomes a subsidiary district of the City with the South San Francisco City Council serving as the governing board of the subsidiary district and the sewer water service becoming a public works function. The reorganization of a subsidiary district would allow the City to provide water and sewer services to the Westborough neighborhood, while also allowing for the costs and rates for those services to be contained within this service area and not impacting other South San Francisco rate payers. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects. The City would be the successor to the agreement with NSMCSD transmission and treatment and may evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service.
2. The City and District could merge, with the City taking on the service responsibilities of the District. In this scenario, a rate zone may need to be established for the former WWD customers until rates equaled City sewer rates. The City would be the successor to the agreement with NSMCSD transmission and treatment and could evaluate the cost of establishing a sewer connection from the Westborough service area to the South San Francisco San Bruno Water Quality Control Plant. The City could provide maintenance of the water system by utilizing existing Public Works staff or contracting the service out, as the City does not currently provide water service.
3. The District could be dissolved, and water and wastewater services are transferred to Cal Water and the City of South San Francisco, respectively. The City of South San Francisco could either connect the wastewater system to the existing City's system or the City could become the successor to the existing service agreement for transmission and treatment with NSMCSD. The City could provide greater efficiency and potentially reduce costs to customers regarding sewer maintenance and capital improvement projects.

Any potential reorganization would need to evaluate the fiscal impact to rate payers and to the agency that will be acquiring the new service responsibility.

- WWD should consider posting the full board meeting agenda packets to the District's website, in addition to the meeting agenda and minutes.
- As the District Board is currently meeting remotely over Zoom, it is recommended that the videos of these meetings be posted on the District's website.

Other Issues

Determination

WWD is engaged in activities to address water resiliency and natural hazard migration for the District's infrastructure.

Recommendation

- LAFCo encourages the District to continue its work in the areas of water resilience and natural hazards mitigation and to continue to coordinate with partner agencies.

GENERAL MANAGER REPORT

TO: Board of Directors

FROM: Patricia Mairena, General Manager

DATE: November 7, 2022

RE: Review and Acceptance of Claims Reimbursement from ACWA JPIA for Pipe Repair – Loss of September 9, 2021, Claim #22-289 in the Amount of \$51,285.88.

BACKGROUND

- On September 9, 2021, while Elite Underground was boring to install a fiber optics pipe, they hit and damaged the District's 14" main transmission line.
- Due to delays in obtaining an encroachment permit from Caltrans to do the repairs, a sinkhole started forming in the area where the pipe was damaged.
- MK Pipelines did the repairs at a cost of \$74,135.37.
- September 15, 2021, General Manager Mairena contacted JPIA to inquire about opening a claim and was told the water lines were NOT covered under the MOPC and if there was roadway damage caused by the break, then a liability claim could be opened for the owner of the roadway.
- General Manager Mairena filed a claim for the street restoration due to the sinkhole. JPIA confirmed opening a claim #E22-289 on October 18, 2021.

UPDATES

- MK Pipelines was unable to split the cost between the repairs to the main and the restoration of the street, and after months of communications, JPIA emailed General Manager Mairena that they will reimburse \$51,285.88 out of the original \$74,135.37.

Patricia Mairena

From: Cece Wuchter <cwuchter@acwajpia.com>
Sent: Wednesday, October 26, 2022 11:18 AM
To: Patricia Mairena
Subject: Loss of 9/9/21 Claim #22-0289

Patricia,

I reviewed the invoice and back-up and found the following for work performed on 9/18/21 which you stated would have to do with the pipe repair:

22-0289			
9/18/2021	Foreman OT		\$ 289.08
	Operator OT		\$ 1,413.09
	Laborer OT		\$ 4,300.92
Sub-total	Laborer OT		\$ 6,003.09
	JD 135	9 x \$25	\$ 225.00
	JD-50D	9 x \$30	\$ 270.00
	Track loader	9 x \$47	\$ 423.00
	Dumper - Terex	9 x \$47	\$ 423.00
	Work truck & tools	9 x \$45	\$ 405.00
	Dump Truck	9 x \$100	\$ 900.00
	Shoring		\$ 3,906.78
	Souza Trucking	7 x \$105	\$ 735.00
	SCQ Trucking	5 x \$150	\$ 750.00
	Traffic Control	50%	\$ 5,828.25
Sub-total			\$ 13,866.03
Total			\$ 19,869.12
Overhead		15%	\$ 2,980.37
			\$ 22,849.49

Therefore I have reduced the total bill of \$74,135.37 by the above amount and would then reimburse the District \$51,285.88. Please review and let me know if you are in agreement.



strength • stability • partnership
celebrating 40 years

Cece Wuchter

ACWA JPIA

Lead Senior Claims Adjuster

P O Box 619082

Roseville, CA 95661-3700

916.786.5742 ext. 3134 (Office)

800.535.7899 ext. 3134 (Direct)

916.786.0209 (fax)

cwuchter@acwajpia.com | acwajpia.com

Fw: Repairs on Westborough Boulevard

Patricia Mairena <pmairena@westboroughwater.org>

Thu 5/5/2022 3:24 PM

To: Cece Wuchter <cwuchter@acwajpia.com>

Cc: Johnny Kennedy <jkennedy@westboroughwater.org>

Hi Cece,

The contractor referred me to his email dated October 1, 2021, in which he told us he was unable to separate the cost of the sinkhole repair and the fixing of the pipe.

In reviewing the attached paperwork, he sent us, most of the filling, patching up, and restoration of the street were done from 09/19/21 to 09/22/21, as the mobilization, excavation to find the pipe, shore the hole, and repair water pipe occurred on 09/18/21.

I'm not sure if you are willing to figure out a split of the equipment and traffic control. The drain rock, base rock, slurry, concrete, and asphalt were all used to fill, patch up, and restore the street.

Please let me know your thoughts.

Thanks,

Patricia Mairena
General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083-2747
650-589-1435
pmairena@westboroughwater.org

From: Kevin Mc Govern <kevinmcgovern@mkpipelines.com>

Sent: Friday, October 1, 2021 10:36 AM

To: Patricia Mairena <pmairena@westboroughwater.org>

Cc: Johnny Kennedy <jkennedy@westboroughwater.org>

Subject: Re: Repairs on Westborough Boulevard

Hi Patricia, it is not possible to split the costs up. To fix the water line we had to excavate down and repair the sink hole. It is all one cost. I have attached the pay app and the breakout of costs below. Please let me know if you need anything else.

Thanks

On Tue, Sep 28, 2021 at 3:29 PM Patricia Mairena <pmairena@westboroughwater.org> wrote:

Good afternoon Kevin,

I spoke with JPIA (our insurance pool). The sinkhole and damage to the roadway caused by the 14" transmission line mishap, is covered under our agreement, but not the repairs to the main or the actual main. When you prepare the bill, could you please separate the repair costs for the sinkhole repairs from the rest of the project?

Also, I think Johnny may have already told you, we also need to separate the cost of the blowoff valve/temporary hydrant from the rest of the project, as it is more an improvement than the cost of repairing the transmission main.

Thanks again for all your help in getting these repairs done!

Sincerely,

Patricia Mairena
General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083-2747
650-589-1435
pmairena@westboroughwater.org

--

Kevin Mc Govern
MK Pipelines Inc.
3708 Bayshore Blvd,
Brisbane, CA, 94005

Office 415 825 5000
Fax 415 825 5001
Direct 415 825 5003
Cell 415 200 8114

Patricia Mairena

From: Cece Wuchter <cwuchter@acwajpia.com>
Sent: Monday, October 18, 2021 8:32 AM
To: Patricia Mairena
Subject: RE: Assistance May be Needed with Filing a Claim

Patricia,

Thank you for the information. I have set this up under #22-0289.

Do you know who Elite Underground was working for or any information on Elite Underground? Also, did they call for a dig alert? If so, did the District respond and mark the line?

Cece Wuchter
Lead Sr. Claims Adjuster
ACWA JPIA
800.535.7899 ext. 3134

From: Patricia Mairena <pmairena@westboroughwater.org>
Sent: Wednesday, October 13, 2021 3:40 PM
To: Cece Wuchter <cwuchter@acwajpia.com>
Subject: Re: Assistance May be Needed with Filing a Claim

Good afternoon Cece,

I am so sorry this has taken so long. I was hoping our contractor would be able to provide us a separate invoice for the sinkhole repairs, but he was unable to do so.

Attached is the completed incident form, along with pictures, and the invoice billed for the entire job. Please let me know if there is anything else I need to take care of. Thank you for your assistance.

Sincerely,

Patricia Mairena
General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083-2747
650-589-1435
pmairena@westboroughwater.org

From: Cece Wuchter <cwuchter@acwajpia.com>
Sent: Tuesday, September 28, 2021 1:34 PM
To: Patricia Mairena <pmairena@westboroughwater.org>
Subject: RE: Assistance May be Needed with Filing a Claim

Patricia,

As we discussed, please fill out the attached incident report, attach any invoices and return to me.

If you have any questions, please let me know.

Cece Wuchter
Lead Sr. Claims Adjuster
ACWA JPIA
800.535.7899 ext. 3134

From: Patricia Mairena <pmairena@westboroughwater.org>
Sent: Tuesday, September 28, 2021 12:54 PM
To: Cece Wuchter <cwuchter@acwajpia.com>
Subject: Re: Assistance May be Needed with Filing a Claim

Hello Cece,

I do have one question for you regarding our damaged 14" transmission line. You mentioned that **If there is roadway damage caused by the break, then a liability claim can be opened for the owner of the roadway.** To do the repairs to our transmission line, the District had to obtain a permit from Caltrans to close the on-ramp to the freeway and one of the off-ramp lanes. The entire process of getting a permit was long and exhausting! In the meantime, the City of South San Francisco notified us that a sinkhole started forming which could have potentially jeopardize the freeway (280) overpass and asking us when the repairs were being done; this expedited our emergency repair permit by Caltrans. The District began repairs on 09/18/21 and completed them on 09/22/21. Please advise if we can open a claim for any of this work.

Thank you,

Patricia Mairena
General Manager
Westborough Water District
P.O. Box 2747
South San Francisco, CA 94083-2747
650-589-1435
pmairena@westboroughwater.org

From: Cece Wuchter <cwuchter@acwajpia.com>
Sent: Wednesday, September 15, 2021 4:27 PM
To: Patricia Mairena <pmairena@westboroughwater.org>
Subject: FW: Assistance May be Needed with Filing a Claim

Patricia,

It was a pleasure speaking with you earlier today. To recap our conversation, the District's water lines are NOT covered under the MOPC. If there is roadway damage caused by the break, then a liability claim can be opened for the owner of the roadway.

If you have any questions, please let me know.

Cece Wuchter
Lead Sr. Claims Adjuster
ACWA JPIA
800.535.7899 ext. 3134

Non-Auto Only Incident Report Form

Send To JPIA

For Member Agency Use Only

Member Agency: (name and address) Westborough Water District 2263 Westborough Blvd. South San Francisco, CA 94080		Mail To: ACWA JPIA P. O. Box 619082 Roseville, CA 95661-9082	
Phone No: (650) 589-1435		Previously Reported: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Date of Accident: MM/DD/YYYY: 09/09/2021	Time of Accident 3:00 pm	Reported by: Patricia Mairena	Phone Number: (650) 589-1435
Location of Loss (including city, state & zip): Eastbound Westborough Blvd.at 280 overpass, SSF,CA		Authority Contacted & Report No: City of South San Francisco - None	
Description of loss: On September 9, 2021, while Elite Underground was doing boring for a fiber optics pipe, our 14" transmission main was hit, causing major water loss. The District had lined up a contractor to do repairs, but it was delayed due to Caltrans holding off on issuing an encroachment permit. On September 17, 2021, a sinkhole started forming on top of the area where the main was hit; thus undermining the street.			
Property Owner's Name: City of South San Francisco		Primary Phone No: (650) 877-8500	Secondary Phone No: (650) 829-6656
Address (including city, state & zip): 400 Grand Ave., South San Francisco, CA 94080		Estimate of Damages: Unknown	
Describe Damaged Property: A sinkhole started forming on the street right above where our 14" transmission main was hit. The sinkhole continued to expand during the day. It was beginning to undermine just below the gutter and getting closer to the street. The worry was that a car or heavy truck passing over that edge would make it collapse. The City of South San Francisco pushed to get repairs done; thus, the District was able to secure the encroachment permit and start the repairs the next day.			
Property Owner's Name: N/A		Primary Phone No:	Secondary Phone No:
Address (including city, state & zip): N/A		Estimate of Damages:	
Describe Damaged Property: N/A			
INJURED			
Name & Address (including city, state & zip): None		Phone No:	Age:
Extent of Injury: N/A			
WITNESSES			
Name & Address (including city, state & zip): Panfilo Jesus Armas, Public Works Lead Inspector - 550 N. Canal, SSF, 94080		Phone No: (650) 829-6656	
Name & Address (including city, state & zip): Johnny Kennedy, Field Supervisor - 2263 Westborough Blvd., SSF, CA 94080		Phone No: (650) 589-1435	
This report prepared by: Patricia Mairena		Date: 10/13/2021	Time: 3:23 pm

Please keep a copy of this form for your files.

Revised - August 2019

MK PIPELINES, INC. - PAYMENT APPLICATION

TO: Westborough Water District

SUBCONTRACTOR:
ADDRESS:

MK PIPELINES, INC.
3708 Bayshore Blvd.
Brisbane, CA 94005

PROJECT:

Westborough Blvd. water break

DATE:

09/30/21

INVOICE NO.:

21-38-01

JOB NO:

21-38

WORK PERFORMED:

Underground Utilities

We hereby apply for progress payment for Contract work performed on the above project through the period ending:

Initial Contract Price:	\$74,135.37
Change Orders to Date:	\$0.00
Adjusted Contract Price:	\$74,135.37
*Work Completed to Date:	\$74,135.37
(*per attached breakdown)	
Less Retention:	\$0.00
Gross Payable:	\$74,135.37
Less Previous Payments:	\$0.00
**Net Amount Due:	\$74,135.37
(*Lien released required for this amount.)	
Gross Amount <u>This</u> Request:	\$74,135.37
Retention <u>This</u> Request:	\$0.00
Net Due <u>This</u> Request:	\$74,135.37

The undersigned Subcontractor/Supplier certifies that to the best of its knowledge, information and belief, the Work/Materials covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Sub/Supplier for labor, materials and permits for which previous Certificates for Payment were issued and payment received from the Contractor, and that current payment shown herein is now due.

By (Print Name):

Sean Brennan

Signed By: (Signature):

Sean Brennan

Dated:

9/30/21



Change Order Request

21-38 — Westborough Blvd water break

Subject: Leak

<p>To</p> <p>Patricia Mairena Westborough Water District P.O Box 2747 South San Francisco , CA 94083 650-589-1435</p>	<p>Number: COR 01 Revision Number: 0 Date: 9/29/2021 Work Type: Price / Proceed Days Valid: 5</p>
--	---

Return To Kevin McGovern
 MK Pipelines
 3708 Bayshore Blvd
 Brisbane, CA 94005
 415-825-5000
 415-825-5001 (FAX)
 415-200-8114
 kevinmccgovern@mkpipelines.com

Scope Of Work

Please see attached tags for a daily breakout of activities, labor, equipment and material.

Details

Line No	Code	Description	Cost / Rate	Qty / Hrs	Workers	Ext
001		Foreman OT	\$161.06	9.00 <i>Hrs</i>	2.00	\$2899.08
	9/18/21					
002		Operator OT	\$157.01	9.00 <i>Hrs</i>	1.00	\$1413.09
	9/18/21					
003		Laborer OT	\$119.47	9.00 <i>Hrs</i>	4.00	\$4300.92
	9/18/21					
004		Foreman DT	\$201.77	6.00 <i>Hrs</i>	2.00	\$2421.24
	9/19/21					

Line No	Code	Description	Cost / Rate	Qty / Hrs	Workers	Ext
005		Operator DT	\$197.20	6.00 <i>Hrs</i>	1.00	\$1183.20
	9/19/21					
006		Laborer DT	\$149.24	6.00 <i>Hrs</i>	3.00	\$2686.32
	9/19/21					
007		Foreman	\$120.35	8.00 <i>Hrs</i>	1.00	\$962.80
	9/20/21					
008		Operator	\$116.82	8.00 <i>Hrs</i>	1.00	\$934.56
	9/20/21					
009		Laborer	\$89.70	8.00 <i>Hrs</i>	3.00	\$2152.80
	9/20/21					
010		Foreman	\$120.35	2.00 <i>Hrs</i>	1.00	\$240.70
	9/21/21					
011		Operator	\$116.82	2.00 <i>Hrs</i>	1.00	\$233.64
	9/21/21					
012		Laborer	\$89.70	2.00 <i>Hrs</i>	1.00	\$179.40
	9/21/21					
013		Laborer	\$89.70	4.00 <i>Hrs</i>	2.00	\$717.60
	9/21/21					
014		Laborer OT	\$119.47	5.00 <i>Hrs</i>	2.00	\$1194.70
	9/21/21					
015		Foreman	\$120.35	5.00 <i>Hrs</i>	1.00	\$601.75
	9/22/21					
016		Laborer	\$89.70	5.00 <i>Hrs</i>	3.00	\$1345.50
	9/22/21					
017		Move on equipment	\$550.00	5.00	-	\$2750.00

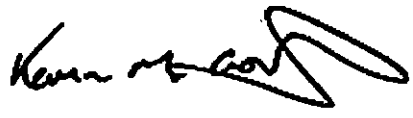
Line No	Code	Description	Cost / Rate	Qty / Hrs	Workers	Ext
018		JD 135	\$85.00	25.00	-	\$2125.00
019		Excavator - JD-50D	\$63.00	30.00	-	\$1890.00
020		Track loader	\$47.00	25.00	-	\$1175.00
021		Dumper - Terex	\$47.00	25.00	-	\$1175.00
022		Work truck and tools	\$45.00	47.00	-	\$2115.00
023		Dump truck - Ford F650	\$100.00	25.00	-	\$2500.00
024		Shoring	\$3,906.78	1.00	-	\$3906.78
025		Souza Trucking	\$105.00	13.00	-	\$1365.00
026		SCQ Trucking	\$150.00	10.50	-	\$1575.00
027		MK 10 Wheeler	\$115.00	5.00	-	\$575.00
028		Drain rock	\$650.00	1.00	-	\$650.00
029		Base rock	\$740.14	1.00	-	\$740.14
030		Slurry	\$3,603.18	1.00	-	\$3603.18
031		Concrete forms	\$300.00	1.00	-	\$300.00
032		Asphalt	\$896.63	1.00	-	\$896.63
033		CMC Traffic control	\$11,656.50	1.00	-	\$11656.50
034		Concrete finisher	\$2,000.00	1.00	-	\$2000.00

Breakout

Labor : \$23,467.30
 Overhead Percent @ 15%: \$3,520.10
 Equipment : \$21,151.78
 Overhead Percent @ 15%: \$3,172.77
 Material : \$6,189.95
 Overhead Percent @ 15%: \$928.49
 Subcontractor : \$13,656.50
 Overhead Percent @ 15%: \$2,048.48
Total: \$74,135.37

Reservation of Rights

Yes

Signed By: 

Dated: 9/29/2021

Kevin McGovern
Project Manager

RESOLUTION NO. 666

**ADOPTING POLICIES AND PROCEDURES FOR
AWARD OF CONTRACTS AND FOR BIDDING REQUIREMENTS**

WESTBOROUGH WATER DISTRICT

WHEREAS, Section 54202 of the California Government Code requires all local agencies to adopt written policies and procedures, including bidding requirements, for the purchase of supplies, equipment, and services; and

WHEREAS, Section 30579.5 of the California Water Code authorizes the Board of Directors of a County Water District to delegate to its General Manager authority to enter into contracts on behalf of the District; and

WHEREAS, the Board of Directors and staff have reviewed the District's contract policies and procedures currently in place, as embodied in Resolution No. 429 enacted on April 13, 1989, and have determined that it is necessary to update these policies and procedures.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Westborough Water District hereby updates, restates and adopts the policies and procedures set forth below for award of contracts and bidding requirements applicable to the types of contracts in which the District engages.

I. Budget Appropriations

A. Budgeted Items in the Operation and Maintenance Budget. The "operation and maintenance budget" contains a schedule of anticipated revenues and expenses that are needed for daily operations of the District and are identified by account. Unless otherwise instructed by the Board of Directors, the General Manager has the authority to expend funds necessary for the ordinary, daily operation of the District as specified in the operation and maintenance budget subject to the procedures set forth below.

B. Budget Items in the Capital Expenditure Budget. The "capital expenditure budget" identifies expenditures for certain specified projects and equipment. Unless otherwise instructed by the Board of Directors, the General Manager has the authority to expend funds for projects specifically designated on the approved capital expenditure budget at any time during the fiscal year up to the amounts specified and subject to the procedures set forth below.

C. Non-Budget Items. Authority from the Board of Directors shall be obtained by the General Manager prior to the expenditure of more than \$10,000 for non-budgeted equipment or project, except in an emergency. Any non-budgeted expenditures shall be reported at the next meeting of the Board of Directors.

II. Construction Contracts and Materials

A. \$25,000 or less. When the estimated cost of the construction work or materials is equal to or less than Twenty-Five Thousand Dollars (\$25,000.00), the General Manager is authorized to award the contract, but shall report on the award of any such contract at the next meeting of the Board of Directors. Each contract in this category over the amount of \$1,000 must be evidenced by a written purchase order or contract. To the extent possible, the General Manager shall obtain at least three competitive quotations before entering a contract.

B. Exceeding \$25,000. Construction contracts involving an estimated cost of work in excess of Twenty-Five Thousand Dollars (\$25,000.00) must be submitted to and approved by the Board of Directors prior to award.

1. \$25,001 - \$50,000. In cases when the estimated cost of the construction work or materials is greater than Twenty-Five Thousand Dollars (\$25,000.00) but equal to or less than Fifty Thousand Dollars (\$50,000.00), the award of contract may be based on informal bids obtained by the General Manager. The General Manager shall not be required to advertise formally for the solicitation of bids for such contracts. To the extent possible, the General Manager shall obtain at least three informal, written bids before entering a contract.

2. Exceeding \$50,000. In cases when the estimated cost of the construction work or materials is greater than Fifty Thousand Dollars (\$50,000.00), the award of contract shall be based on a competitive bid process in which sealed bids are submitted in response to an advertisement in a newspaper of general circulation in San Mateo County, or comparable electronic media such as local plan houses and on the District's website, and are publicly opened at the specified time. The award of contract shall then be made to the lowest responsive and responsible bidder. A "responsive bidder" has made an unequivocal offer to provide exactly the products or services sought by the District and has substantially complied with all bidding procedures. A "responsible bidder" has the ability, experience and resources to perform the

contract, as well as the will and integrity to perform. The District may reject any or all bids if it is in its best interest.

3. Informal and Formal Bids. For construction contracts that exceed Twenty-Five Thousand Dollars (\$25,000.00), which require obtaining informal bids or advertising in a newspaper of general circulation, the General Manager will provide the prospective bidders with bid specifications that include the scope of work, the schedule for completing the work, and the quality level for the work, as well as other requirements for the project.

4. Emergency. In cases of emergency, the General Manager is authorized to arrange for construction work or the purchase of materials to be undertaken without competitive bidding or prior Board approval, but shall report on the award of any such contract for emergency work at the next meeting of the Board of Directors. If possible, the General Manager shall attempt to seek the concurrence of the Board President prior to awarding any contract. For purposes of this paragraph, "emergency" is defined as those circumstances requiring essential work or construction to prevent the interruption, cessation or significant reduction of necessary District services or to safeguard life, property or the public health and welfare.

C. Force Account Work. The foregoing policies are not intended to preclude the General Manager from utilizing District employees to carry out construction work on a force account basis.

III. Procurements of Equipment or Supplies

A. \$25,000 or less. When the estimated cost of equipment or supplies is equal to or less than Twenty-Five Thousand Dollars (\$25,000.00), the General Manager is authorized to award the contract, but shall report on the award of any such contract at the next meeting of the Board of Directors. Each contract in this category over the amount of \$1,000 must be evidenced by a written purchase order or contract. To the extent possible, the General Manager shall obtain at least three competitive quotations before entering a contract.

B. Exceeding \$25,000. Contracts for equipment or supplies covering an estimated cost in excess of Twenty-Five Thousand Dollars (\$25,000.00) must be submitted to and approved by the Board of Directors prior to award.

1. \$25,001 - \$50,000. When the estimated cost of equipment or supplies is greater than Twenty-Five Thousand Dollars (\$25,000.00) but equal to or less than Fifty Thousand Dollars (\$50,000.00), the award of contract may be based on informal bids obtained by the General Manager. The General Manager shall not be required to advertise formally for the solicitation of bids for such contracts. To the extent possible, the General Manager shall obtain at least three informal, written bids before entering a contract.

2. Exceeding \$50,000. When the estimated cost of equipment or supplies is greater than Fifty Thousand Dollars (\$50,000.00), the award of contract shall be based on a competitive bid process in which sealed bids are solicited through an advertisement in a newspaper of general circulation in San Mateo County or comparable electronic media such as on the District's website, and are publicly opened at the specified time. The award of contract shall be made to the lowest responsive and responsible bidder, as these terms are defined in Section II.B.2 above. The District may reject any or all bids if it is in its best interest.

3. Informal and Formal Bids. For contracts for the procurement of equipment or supplies that exceed Fifteen Thousand Dollars (\$15,000.00), which require obtaining informal bids or advertising in a newspaper of general circulation, the General Manager will provide the prospective bidders with bid specifications that include a description of the equipment or supplies to be purchased, a schedule for when the equipment or supplies must be delivered or available, and a description of the quality assurance, such as warranty for the equipment or supplies, as well as other requirements for the procurement.

C. Emergency. In the case of emergency purchases, the General Manager is authorized to purchase supplies and equipment without formal bidding or prior Board approval, but shall report on the award of any such contract for emergency supplies or equipment at the next meeting of the Board of Directors. If possible, the General Manager shall attempt to seek the concurrence of the Board President prior to awarding any contract for an emergency purchase. For purposes of this paragraph, "emergency purchases" are those procurements required to prevent the interruption, cessation or significant reduction of necessary District services or to safeguard life, property or the public health and welfare.

IV. Professional Services Contracts

A. General Procedures. Advertisement and competitive bidding is not required for professional services contracts. However, whenever possible, the General Manager shall obtain at least three competitive quotations before entering into such a contract.

B. \$25,000 or less. The General Manager is authorized to retain professional consultants where the cost of work is equal to or less than Twenty-Five Thousand Dollars (\$25,000.00), but shall report on the award of any such contract at the next meeting of the Board of Directors.

C. Exceeding \$25,000. Professional service contracts covering work the cost of which is in excess of Twenty-Five Thousand Dollars (\$25,000.00) must be submitted to and approved by the Board of Directors prior to award. A written professional services contract shall be executed by the parties.

V. Standards of Conduct in Procurements

A. Gratuities. District officials and employees shall not solicit or accept or agree to accept any gratuity or gift or any other thing of more than a nominal value in connection with actual or potential procurement and contracting activities. The term "nominal monetary value" is defined as a value of Fifty Dollars (\$50.00) or less for any one gift or less than Five Hundred Ninety Dollars (\$590.00), as may be adjusted from time to time by the Fair Political Practices Commission, for multiple gifts from a single source during a calendar year. Failure to follow this standard is cause for disciplinary action.

B. Conflicts of Interests. District staff shall not be involved in any purchasing procedures or decisions (including participation in initiation, award or administration of a contract) in which they have a real or apparent conflict of interest. Such a conflict of interest arises when a staff member is financially interested, directly or indirectly, in a person or firm that participates in the District's procurement process or is awarded a contract. The standards for governing the determination as to whether such a financial interest exists are set forth in California Government Code Sections 1090 et seq. and Sections 87100 et seq. (the Political Reform Act). If there is a conflict of interest, the staff member shall disclose such interest in writing to the General Manager as soon as possible so that the appropriate precautions may be taken.

C. Segmenting. In determining the procedures that must be followed for obtaining competitive bids, the scope of the contract shall be considered in its entirety. A contract shall not be divided into smaller segments or procured in phases over time with the intent to eliminate the competitive bidding requirements set forth in this resolution. Nothing in this provision precludes the District from defining a project or phasing a project based on the need for a project, the priority for the project, or the funding available for a project.

VI. Leases, Licenses; Concessions

Other than equipment operating leases that are included in the operation budget, the General Manager shall not enter into any lease, license, concession contract, lease-purchase contract, or installment contract without prior authorization from the Board of Directors.

VII. Disposal of Surplus Equipment and Scrap Items

A. Methods of Disposition. The method of disposing of any surplus or scrap items shall depend on the nature of the item and the possibility of the most favorable return to the District. Allowable methods include:

1. Transfer or sale to another public agency,
2. Trade-in as part of a new procurement,
3. Sale by auction held by the District or other public entity or at any other public auction,
4. Sale by negotiation,
5. Sale by public advertisement,
6. Donate to a non-profit organization with tax exempt status pursuant to United States Internal Revenue Code Title 26, Section 501(c)(3), or
7. Dispose of as scrap. Scrap, for purposes of this policy, means when the cost to the District in time, resources, and expenses to sell the surplus item exceeds the estimated value of the surplus item.
8. For an item with an original acquisition cost of \$25,000 or less, the General Manager shall determine the appropriate method of disposition and shall report the matter to the Board of Directors. For an item with an original acquisition cost exceeding

\$25,000, the Board of Directors shall determine the appropriate method of disposition considering any staff recommendation.

VIII. Waiver

The policies and procedures specified above shall not apply in cases where the Board of Directors, in its discretion, determines that it is in the best interests of the District to proceed with an alternative method of procurement and the Board waives certain requirements specified in this resolution for a particular contract, unique construction project, or purchase of equipment, and which finding shall be made on the record at a Board meeting.

BE IT FURTHER RESOLVED that Resolution No. 429 adopted on April 13, 1989, hereby is rescinded.

PASSED AND ADOPTED this 10th day of November, 2022, by the following vote:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

Board Secretary

RESOLUTION NO. 429

ADOPTING POLICIES AND PROCEDURES FOR
AWARD OF CONTRACTS AND FOR BIDDING REQUIREMENTS

WESTBOROUGH WATER DISTRICT

WHEREAS, Section 54202 of the California Government Code requires all local agencies to adopt written policies and procedures, including bidding requirements, for the purchase of equipment and supplies; and

WHEREAS, Section 30579.5 of the California Water Code authorizes the Board of Directors of a County Water District to delegate to its General Manager authority to enter into contracts on behalf of the District; and

WHEREAS, the Board of Directors and staff have reviewed the District's contract policies and procedures currently in place, as embodied in Resolution No. 393 enacted on January 17, 1983, and have determined that it is necessary to update these policies and procedures to establish a minimum limit for the use of purchase orders, as recommended by the District's external Auditor.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Westborough Water District hereby updates, restates and adopts the policies and procedures set forth below for award of contracts and bidding requirements applicable to the types of contracts in which the District engages.

I. Professional Services Contracts

A. Advertisement and competitive bidding is not required for professional services contracts.

B. The General Manager is authorized to retain professional consultants where the cost of work is equal to or less than Five Thousand Dollars (\$5,000.00), but the General Manager shall report on the award of any such contract at the next meeting of the Board of Directors. Each contract in this category over the amount of Two Hundred Dollars (\$200.00) must be reflected in a written document.

C. Professional service contracts covering work the cost of which is in excess of Five Thousand Dollars (\$5,000.00) must be submitted to and approved by the Board of Directors prior to award.

II. Construction Contracts

A. Where the estimated cost of the construction work is equal to or less than Ten Thousand Dollars (\$10,000.00), the General Manager is authorized to award the contract, but the General Manager shall report on the award of any such contract at the next meeting of the Board of Directors. Each contract in this category over the amount of Two Hundred Dollars (\$200.00) must be issued by Purchase Order or evidenced by some other written document.

B. Construction contracts involving an estimated cost of work in excess of Ten Thousand Dollars (\$10,000.00)

must be submitted to and approved by the Board of Directors prior to award.

1. In cases where the estimated cost of the construction work is greater than Ten Thousand Dollars (\$10,000.00) but less than Twenty-Five Thousand Dollars (\$25,000.00), the award of contract may be based on informal bids obtained by the General Manager; the General Manager shall not be required to formally advertise for the solicitation of bids for such contracts.

2. In cases where the estimated cost of the construction work is equal to or greater than Twenty-Five Thousand Dollars (\$25,000.00), the award of contract shall be based on a competitive bid process wherein sealed bids are submitted in response to an advertisement in a newspaper of general circulation in San Mateo County.

C. In cases of emergency, the General Manager is authorized to arrange for construction work to be undertaken without competitive bidding or prior Board approval, but shall report on the award of any such contract for emergency work at the next meeting of the Board of Directors.

D. The foregoing policies are not intended to preclude the General Manager from utilizing District employees to carry out construction work on a force account basis.

III. Procurements of Equipment, Materials and Supplies

A. Where the estimated cost of equipment, materials or supplies is equal to or less than Five Thousand Dollars (\$5,000.00), the General Manager is authorized to award the contract, but the General Manager shall report on the award of any such contract at the next meeting of the Board of Directors. A contract in this category over the amount of Two Hundred Dollars (\$200.00) must be issued by Purchase Order or evidenced by some other written document.

B. Contracts for equipment, materials or supplies, covering an estimated cost in excess of Five Thousand Dollars (\$5,000.00) must be submitted to and approved by the Board of Directors prior to award.

1. Where the estimated cost of equipment, materials or supplies is greater than Five Thousand Dollars (\$5,000.00) but less than Twenty Thousand Dollars (\$20,000.00), the award of contract may be based on informal bids obtained by the General Manager; the General Manager shall not be required to formally advertise for the solicitation of bids for such contracts.

2. Where the estimated cost of equipment, materials or supplies is equal to or greater than Twenty Thousand Dollars (\$20,000.00), the award of contract shall be based on a competitive bid process wherein sealed bids are solicited through an advertisement in a newspaper of general circulation in San Mateo County.

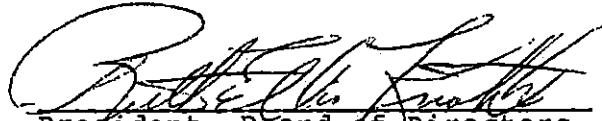
C. In cases of emergency, the General Manager is authorized to purchase equipment, materials or supplies without formal bidding or prior Board approval, but shall report on the award of any such contract for emergency equipment, materials or supplies at the next meeting of the Board of Directors.

AND BE IT FURTHER RESOLVED that the policies and procedures specified above shall not apply in cases where the Board of Directors, in its discretion, determines that it is in the best interests of the District to waive certain requirements specified herein for a particular contract; and

BE IT FURTHER RESOLVED that Resolution No. 393 of the Westborough Water District hereby is rescinded.

Regularly passed and adopted this 13th day of April, 1989, by the following vote:

AYES: Knotek, Mahar, Sack, Waters and Yee.
NOES: None
ABSENT: None


President, Board of Directors
Westborough Water District

ATTEST:


Secretary of District

GENERAL MANAGER REPORT

TO: Board of Directors

FROM: Patricia Mairena, General Manager

DATE: November 7, 2022

RE: Volvo Portable Generator Problems due to Possible Bad Fuel and Quote for Repairs

BACKGROUND

- On October 8, 2022, California Generator Service was called in by District staff to look at the Volvo generator which kept displaying a low-fuel alarm.
- After inspecting the generator fuel dipstick, the California Generator Service tech determined that there was too much corrosion which could only have been caused by bad fuel.
- The California Generator Service tech took a sample of the fuel and sent it to a lab to be tested.
- The results of the lab test came back on 11/01/22, stating the fuel was acceptable for use; however, California Generator Service techs could smell lacquer in the original fuel sample and would not recommend using it.

UPDATES

- California Generator Service recommends having the fuel removed from the generator. The quote for the cost of the removal will be sent to the District soon.

Patricia Mairena

From: Tyrone Brown <tbrown@telstarinc.com>
Sent: Friday, November 4, 2022 1:42 PM
To: Patricia Mairena
Subject: Fwd: Fuel sample:

Hi Patricia,

The fuel sample came back acceptable, but see Tom's E-Mail concerning the sample.

Best Regards,

Tyrone Brown
Project Manager
Telstar Instruments
Cell: [\(510\) 693-8043](tel:5106938043)
tbrown@telstarinc.com

Begin forwarded message:

From: Tom Auer <tauer@cageneratorservice.com>
Date: November 2, 2022 at 7:44:35 AM PDT
To: Tyrone Brown <tbrown@telstarinc.com>
Subject: Re: Fuel sample:

CAUTION: This email originated from outside your organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. Please forward suspicious emails to itadmin@telstarinc.com for review.

Fuel sample came back acceptable for use. Both David and myself could smell lacquer in the sample and do not recommend using it.

On Tue, Nov 1, 2022 at 2:16 PM Tyrone Brown <tbrown@telstarinc.com> wrote:

Hi Tom,

Any update on the fuel sample. They are planning to have the fuel removed no matter what. Patricia needs the results for the Upcoming Board meeting. Let me know please.

Best Regards,

Tyrone Brown
Project Manager
Telstar Instruments
Cell: [\(510\) 693-8043](tel:5106938043)
tbrown@telstarinc.com

--
Regards,

Tom Auer
California Generator Service
510-760-2928

This email has been scanned for spam and viruses by Proofpoint Essentials. Click [here](#) to report this email as spam.

2263 west borough Portable generator

David Ainsworth <dainsworth@cageneratorservice.com>

Tue 10/18/2022 11:18 AM

To: Patricia Mairena <pmairena@westboroughwater.org>

Cc: Tom Auer <tauer@cageneratorservice.com>; Tyrone Brown <tbrown@telstarinc.com>

Hello

Here are the pictures of the fuel level sending unit.

Thanks

David Ainsworth

925-518-5455





7-C-6



Sent from my iPhone

Via U.S. Mail and Electronic Mail

TO: ACWA Member Agency Board Presidents and General Managers
CC: ACWA Board of Director
FROM: Dave Eggerton, ACWA Executive Director
DATE: October 5, 2022
SUBJECT: Notice of General Session Membership Meeting — November 30, 2022

There will be a General Session Membership Meeting at the ACWA 2022 Fall Conference on **Wednesday, November 30, 2022, at 12:30 p.m.** The meeting will be held in the Crystal Ballroom, Renaissance Esmeralda Resort Hotel, Indian Wells. The purpose of the meeting is to conduct a vote by the membership on proposed Amended and Restated Bylaws of the Association of California Water Agencies as recommended by the Board of Directors at its meeting on September 23, 2022.

Proposed Amended and Restated Bylaws

As part of ongoing efforts to ensure ACWA's Bylaws are current and reflect consistency with other governance documents and daily operations and to implement changes related to the election of ACWA's Board Officers, the Board of Directors is recommending proposed Amended and Restated Bylaws for consideration by the membership.

Staff worked with Dale Stern, Downey Brand LLP, to prepare the proposed Amended and Restated Bylaws, which include the following changes:

- Amendments to clarify language and to reflect consistency with other governance documents and daily operations
- Amendments to implement changes to the Board Officers' election process as recommended by the Election Task Force
- Amendments to incorporate California Corporations Code provisions allowing meetings to be held by electronic communication
- Restructuring and reformatting to incorporate a new numbering system

Legal Affairs Committee (LAC) Chair, Jennifer Buckman, appointed LAC member, Doug Coty, to serve as the committee's representative to review the proposed Amended and Restated Bylaws and provide an analysis pursuant to ACWA Bylaws (Article 9, Section 8). The proposed Amended and Restated Bylaws reflect the LAC's recommended edits as adopted by the ACWA Board on September 23.

Redline and clean versions of the proposed Amended and Restated Bylaws are available on ACWA's website at the link listed below. The materials have also been emailed to member agency general managers and board presidents.

<https://www.acwa.com/2022-membership-meeting/>

Voting Process

Consistent with ACWA's Bylaws, Article 9, Section 5:

- Each member of the Association shall be entitled to one vote that shall be cast by its authorized representative.
- Voters must be present at the membership meeting to vote.

ACWA will be using a voting system called Live-Tally, which will allow voters to vote using a handheld keypad.

- Member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Deadline & Changes

The deadline for submitting the Voter Designation & Information Form is **Wednesday, November 23, 2022**. While this form identifies both a voting delegate and an alternate voting delegate for the ACWA member agency, if for any reason the member agency desires for the alternate voting delegate to vote at the membership meeting in place of its designated voting delegate, the member agency must notify ACWA in advance of its exchange of voting delegates by contacting the Senior Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-669-2425 **no later than 5:00 p.m. on Tuesday, November 29, 2022**.

ACWA General Session Desk

ACWA staff will be available at the **ACWA General Session Desk**, located in the Crystal Ballroom Foyer, Renaissance Esmeralda Resort Hotel, on **Wednesday, November 30**, between **9:00 a.m. and 11:45 a.m.** to answer questions about the membership meeting and voting process.

Voters need to check in at the ACWA General Session Desk on Wednesday, November 30, between 10:00 and 11:45 a.m. to pick up handheld keypads.

If you have any questions regarding the proposed Amended Bylaws and Restated or voting process, please contact Senior Clerk of the Board Donna Pangborn at 916-669-2425 or donnap@acwa.com.

dgp

Attachments:

1. Voter Designation & Information Form
2. Proposed Amended and Restated Bylaws (redline version) – see website link above
3. Proposed Amended and Restated Bylaws (clean version) – see website link above



As recommended by the Board of Directors at its meeting on 9/23/2022.

AMENDED AND RESTATED
BYLAWS of the Association of
California Water Agencies

PROPOSED

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PROPOSED

(As amended and restated by the Members on November 29, 2017, _____, 2022)

ARTICLE 1 ~~Article 1~~ - General

Section 1.01. ¹**Name.** The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 1.02. Principal Office. The principal office for the transaction of business of the Association ~~is shall be located at 910 K Street, Suite 100, in Sacramento, California; provided, however, that the Board of Directors may change the location of the principal office by resolution and without amendment of these bylaws.~~

Section 1.03. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

¹ Section numbers have been reformatted to incorporate a new numbering system throughout this document.

ARTICLE 2 ~~Article 2~~ – Membership and Dues

Section 2.01. Membership.

- (a) **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in ~~subsection Section 2.01~~(b) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association. A member of the Association shall be in good standing if in compliance with all bylaws and requirements of membership, including timely payment of annual dues and emergency assessments.
- (b) **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- (c) **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2.02 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2.02. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 2.03. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member;

and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 ~~Article 3~~ - Officers

Section 3.01. President and Vice President.

- (a) **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association ~~at its fall conference~~ by written ballot in each odd-numbered year before the Association's annual meeting, shall be announced at the Association's annual meeting, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- (b) **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting *ex officio* member of each committee, but shall not be an *ex officio* member of the Nominating Election Committee or the region boards.
- The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.
- (c) **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president.

Section 3.02. Executive Director/Secretary and Controller/Treasurer.

- (a) **General.** The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.
- (b) **Executive Director/Secretary.** The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.
- (c) **Controller/Treasurer.** The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4 ~~Article 4~~ – Board of Directors

Section 4.01. Membership. The Board of Directors shall consist of:

- (a) The Association president and vice president.
- (b) The chair and vice chair of each region.
- (c) The chair of each standing committee.
- (d) The most immediate active past president.
- (e) The vice president of the ACWA/Joint Powers Insurance Authority.

Section 4.02. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors.

Except as provided in Article 4, Section 11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 4.03. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4.04. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 4.06. ~~Meeting Requirements and Quorums~~—Meetings by Electronic Communication. Any meeting, ~~regular~~ of the Board of Directors, region boards, or ~~special~~, any committee may be ~~held~~ conducted, in ~~person~~ whole or in part, by telephone ~~conference, web video conference, or other~~, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or ~~electronic transmission~~ any committee shall be deemed present in person at the meeting if the following apply:

- (a) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members.
- (b) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

Section 4.07. Quorum. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters or enforcement of violations of the code of conduct.

Section 4.08. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the [standing committee](#) chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 4.09. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 4.10. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 4.11. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 4.12. Code of Conduct of Board Members.

- (a) **Code of Conduct: Purpose and Adoption.** The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the

Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. The code shall be consistent with the procedural processes contained in this section. The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

- (b) **Violations and Enforcement Process.** A violation of the code of conduct may result in removal, public censure, or private reprimand of a Director, or such other action as contained in the code of conduct. However, removal and public censure shall be reserved only for serious violations. A Director may not be removed or publically censured absent an affirmative vote of two-thirds of the voting members of the Board of Directors. A Director may be privately reprimanded for a violation of the code of conduct upon the majority vote of the quorum. Complaints of violation of the code of conduct may be filed with the president, or the vice-president if the allegations are made against the president. The president may refer a complaint of violation to the executive director/secretary for investigation. The executive director/secretary may retain a special investigator or special counsel to conduct or assist the investigation. A Director accused of a violation shall be provided a copy of the complaint. A Director that takes any hostile or retaliatory action, directly or indirectly, against a complainant is subject to removal from the Board in conformance with the process identified above. Prior to scheduling a Board action on a complaint, the president shall consult with the Executive Committee and the chair of the Legal Affairs Committee. A Director accused of a violation of the code of conduct shall be provided at least 15 days' written notice of any meeting of the Board at which a determination of enforcement will be considered. A determination of enforcement may be made only at a regular meeting of the Board and shall be made in closed session. The determinations of the Board under this section shall not be admissible in any criminal or civil proceeding brought against the Director for conduct that violates any other law.

ARTICLE 5 ~~Article 5~~ – Regions

Section 5.01. Boundaries of Each Region.

- (a) There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- (b) A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in

[Section 5.01](#)(a) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 5.02. Officers.

- (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region ~~by September 30, or the preceding Friday if September 30 falls on a weekend, of~~ in each odd-numbered ~~years~~year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. ACWA staff shall verify the legitimacy of the ballots.
- (b) The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the ACWA Board of Directors.
- (c) Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- (d) Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 5.03. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year. ~~The nominating committee shall announce its nominations for chair, vice chair, and region board members by August 1 of an election year. All regions must complete the election process by September 30 of the election year, or the preceding Friday if the September 30 falls on a weekend.~~

Section 5.04. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06.

Section 5.05. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 5.06. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE ~~6~~ **Article 6** – Executive Committee

Section 6.01. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 6.02. Powers. The Executive Committee shall have the following authority:

- (a) **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review and approve the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.

- (b) **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- (c) **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 6.03. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at the discretion of the president or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.

Section 6.05. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE ~~7~~Article 7 – Standing Committees

Section 7.01. Qualification. In order to serve on any ACWA standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other

representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 7.02. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 7.03. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. [Any meetings of standing committees may be conducted, in whole or in part, by electronic transmission or by electronic video screen communication, as set forth in Section 4.06.](#) Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 7.04. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee. [If the chair is absent, the vice chair shall fill the role of the chair during such absence.](#)

Section 7.05. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Section 7.06. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to member agencies. The committee shall consist of at least one member from each region and may include members from any of the other standing committees.

Section 7.07. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound

public information and education programs and practices among member agencies. The committee shall consist of no more than 40 members. The committee shall consist of at least one member from each region.

Section 7.08. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.09. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one, but no more than five members from each region.

Section 7.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, either the chair or vice chair from each of the Association's 10 region boards, and one additional member from each region with experience in financial matters.

Section 7.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to member agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the member agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 34 and 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. The committee shall consist of at least one member from each region.

Section 7.13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, but no more than three members from each region.

Section 7.14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

Section 7.15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting member agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of members representing a variety of types of member agencies and at least one, but no more than four members from each region.

Section 7.16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, but no more than four members from each region.

Section 7.17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested member agencies to join together to develop and coordinate with other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one member from each region.

ARTICLE 8 ~~Article 8~~ – Special Councils, Committees, and Task Forces

Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board meetings.

Section 8.02. ~~Nominating-Election~~ Committee. There shall be ~~a Nominating-an Election~~ Committee consisting of ~~five or more persons appointed by the president prior to the Association's fall conference~~ eleven representatives established by February 28 of ~~in~~ each odd-numbered year, whose

purpose shall be to ~~nominate~~present qualified individuals for the offices of president and vice president of the Association. The ~~Nominating~~Election Committee shall ~~publish its nominations for the offices of~~vet all candidates to determine if the eligibility criteria have been met. The Election Committee will endorse a preferred candidate for president and vice president ~~of the Association not less than 10 or more than 90 days before the membership meeting is held at fall conference. Additional nominations may be made by any member of the Association presenting an open ballot with all qualifying candidates to the members for candidates for the office of president a vote in the manner set forth in Section 9.10 and vice president. Additional nominations~~Section 9.11.

(a) Selection. The Election Committee shall be ~~made~~ selected in the following manner:

(1) Each of the 10 currently seated Region Boards in the odd-numbered year shall appoint a representative from the floor their respective regions to serve on the Election Committee.

(2) One representative appointed by the president in the odd-numbered year shall also serve on the Election Committee. Neither the president nor the vice president qualifies to be appointed to this position.

(b) Qualification. In order to serve on the Election Committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the election of president and vice president at the membership meeting scheduled for said purposes cycle, the individual may not continue to serve. When the disqualified member represented a Region Board, the affected Region Board shall select a replacement representative. When the disqualified member represented the President, the President shall select an alternate representative.

Section 8.03. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9~~Article 9~~ – Meetings of Members

Section 9.01. Meetings. Meetings of the members of the Association shall be held at the Association's conferences ~~at such times as may be determined by to provide a report to the Board of Directors to~~

~~conduct necessary business and to elect members on the Association's activities during the past year, provide an overview of the Association's finances, announce the newly elected president and vice president, which occurs at of the fall conference Association in each odd-numbered year, and to transact such other proper business as may come before the meeting.~~

Section 9.02. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 9.03. Meetings by Remote Communication. Any meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Association or by electronic video screen communication. The member shall be deemed present in person at the meeting if the following apply:

- (a) The Association implements reasonable measures to provide the member a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings.
- (b) If any member votes or takes other action at the meeting by means of electronic transmission to the Association or electronic video screen communication, a record of that vote or action is maintained by the Association.
- (c) The Association verifies that each person participating remotely is an authorized representative of a voting member.

~~Section 9.03-Section 9.04.~~ **Section 9.04. Notice Requirements for Membership Meetings.** Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. ~~The notice of any meeting at which Board officers are to be formally nominated and elected shall include the names of the recommended slate of candidates for the offices of president and vice president in addition to the election procedures.~~ The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if

notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

~~Section 9.04.~~**Section 9.05.** **Notice Requirements for Special Meetings.** The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

~~Section 9.05.~~**Section 9.06.** **Voting.** Each member of the Association in good standing at the time of the annual or special meeting shall be entitled to one vote that shall be cast by its authorized representative. Each member must designate its authorized representative prior to the annual or special meeting. It is the member's responsibility to designate or update its authorized representative as needed. The Association may confirm with any member the identify of that member's authorized representative for the purpose of casting ballots in any election of president and vice president. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any authorized representative.

~~Section 9.06.~~**Section 9.07.** **Amendment of Bylaws.** These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

~~Section 9.07.~~**Section 9.08.** **Quorums.** The presence of the authorized representative of 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Written ballots timely received from the authorized representative of 50 members shall constitute a quorum for elections of president and vice president.

~~Section 9.08.~~**Section 9.09.** **Amendments, Revisions, and Resolutions.** Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section ~~39.04~~. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections ~~59.06~~ and ~~6 of this Article~~9.07.

~~Section 9.09.~~**Section 9.10.** **Nomination of President and Vice President.**

- (a) **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.
- (b) **Nominating ~~Committee~~ Process Resolutions.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.

~~Section 9.09 (a) **Nominations from the Floor.** Additional nominations may be made by any member of the Association for the office of president and vice president. Said nominations and seconds shall be made from the floor during the election of the offices of president and vice president at the membership meeting scheduled for said purposes (as provided for in the penultimate sentence of Article 8, Section 2). Such nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.~~

Section 9.11. Election of President and Vice President. Each member of the Association in good standing at the time a vote is cast is entitled to one vote for election of the president and vice president that shall be cast by its authorized representative by written ballot. The ballot and any related material may be sent by first class, registered, or certified mail or electronic transmission by the Corporation that meets the requirements of Corporations Code section 20, and responses may be returned to the Corporation by mail or electronic transmission. On any written ballot for the election of president or vice president, an authorized representative acting on behalf of the member may write in a qualified candidate for election.

Section 9.12. Write-In Candidates. If a write-in candidate prevails in any election for president or vice president, such individual shall not be officially elected into such position until the Election Committee confirms that the individual meets the eligibility criteria and qualifications requirements.

Section 9.13. Run-off Election for President and Vice President. In the event a nominee does not receive a majority of the votes for president or vice president, a run-off election shall be held for the office or offices for which a majority of the votes have not been received. The run-off election shall only involve the nominees who received the two highest amounts of votes. The run-off election shall be conducted in the same manner as the initial election.

~~Section 9.10.~~**Section 9.14.** **Additional Procedures for Election of ~~Officers~~ President and Vice President.** The Board shall have the authority to develop additional procedures adopt policies for elections

(“Election Policy”) of president and vice president setting forth the details for the election of such positions when not otherwise contrary to or covered by these bylaws.

ARTICLE 10~~Article 10~~ –Indemnification of Directors, Officers, and Other Agents

Section 10.01. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.02. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.04. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such.

ARTICLE 11~~Article 11~~ – Miscellaneous

Section 11.01. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert’s Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 11.02. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate

by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 11.03. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to public-mutual benefit corporations then in effect and with the Articles of Incorporation.

Section 11.04. Definitions. As used in these bylaws, the term "notice provided by electronic means" shall refer to notice given by fax or e-mail.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015

Amended November 29, 2017

Amended & Restated , 2022

To: Donna Pangborn, Senior Clerk of the Board

Email: donnap@acwa.com

Fax: 916-669-2425

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, November 30, 2022 (and December 1, 2022 if necessary) as our voting delegate. Please designate an alternate voting delegate to facilitate any change to your voting representation at the meeting. To change your alternate, however, you must notify Donna Pangborn of the change no later than 5:00 p.m. on Tuesday, November 29, 2022.

Member Agency's Name

Agency's Phone No.

Print Member Agency's Authorized Signatory Name

Authorized Signatory Signature

Voting delegate must be present at the membership meeting to vote.

Voting Delegate's Name	Voting Delegate's Email	Voting Delegate's Phone No.
Alternate Voting Delegate's Name	Alternate Voting Delegate's Email	Alternate Voting Delegate's Phone No.
Voting Delegate's Affiliation <i>(if different from assigning agency)*</i>		Date

*If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above.



October 20, 2022

Westborough Water District
PO Box 2747
South San Francisco, CA 94083-2747

RE: District Transparency Certificate of Excellence Approval

Congratulations! Westborough Water District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, Westborough Water District has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

Sandy Raffelson
SDLF Board President

Special District Leadership Foundation

The Special District Leadership Foundation (SDLF) was formed to provide certification, accreditation and recognition programs to special district elected officials and staff.



All SDLF programs are dedicated to promoting excellence in special district governance and operations throughout California.

District Transparency Certificate of Excellence

October 2022 – September 2025

The Special District Leadership Foundation is proud to present this
District Transparency Certificate of Excellence to

Westborough Water District

In recognition of the district's completion of all transparency program requirements
designed to promote transparency in their operations and governance
to the public and other stakeholders.



Sandy Seifert Raffelson, SDLF Board President



Neil McCormick, SDLF Chief Executive Officer

Water Purchases Comparison 2021-2022 to 2022-2023

FY 2021-2022				FY 2022-2023				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
06/04/21 to 07/06/21	34561	33	1047.30	06/03/22 to 07/05/22	29495	33	893.79	-153.52
07/07/21 to 08/04/21	27813	29	959.07	07/06/22 to 08/03/22 ⁵	32533	29	1121.81	162.74
08/07/21 to 09/04/21	33492	30	1116.40	08/04/22 to 09/06/22	28439	34	836.46	-279.94
09/05/21 to 10/06/21 ²	29279	32	914.97	09/07/22 to 10/05/22	32245	29	1111.88	196.91
10/05/21 to 11/02/21	29802	29	1027.66	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	73.53
11/04/21 to 12/06/21 ³	27129	33	822.09					
12/07/21 to 01/05/22 ⁴	18297	30	609.90					
01/06/22 to 02/03/22	23881	29	823.48					
02/04/22 to 03/04/22	25242	29	870.41					
03/05/22 to 04/05/22	29452	32	920.38					
04/06/22 to 05/04/22	28053	29	967.34					
05/05/22 to 06/02/22	25196	29	868.83					
Total Purchases	332197	364	912.63	Total Purchases	154645.92	154	1004.19	

² Includes Intertie Deliveries from NCCWD = 12,498 from 09/09/21 - 09/22/21

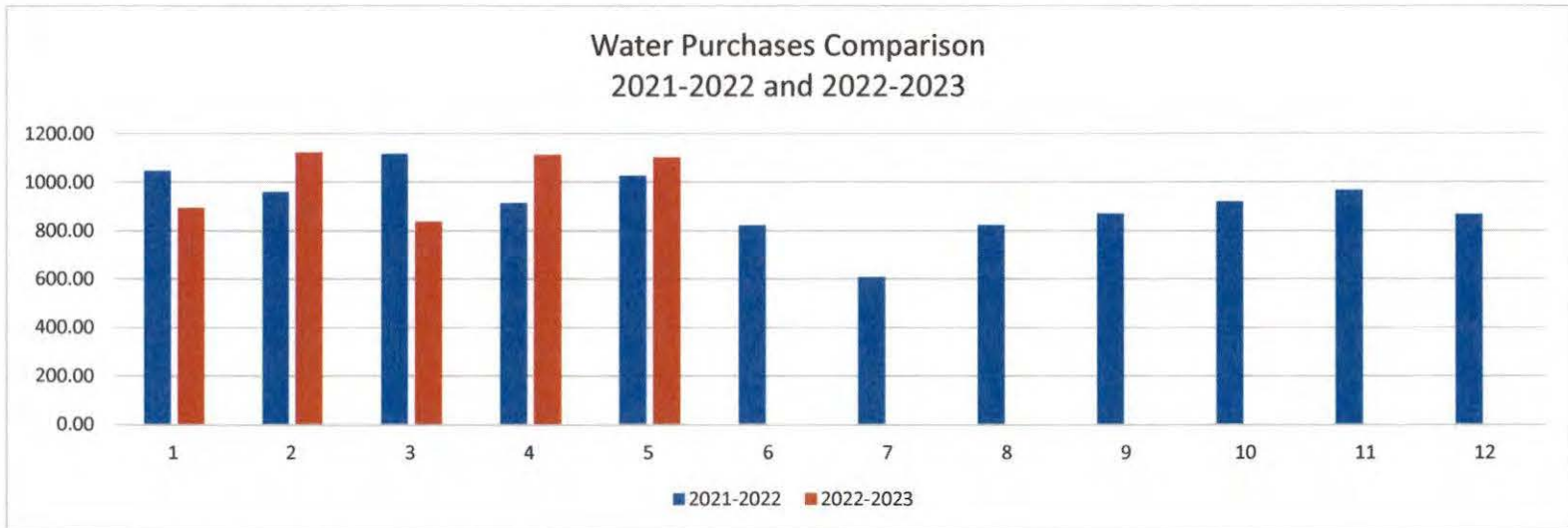
³ Includes Intertie Deliveries from NCCWD = 4,181 from 12/02/21 - 12/06/21

⁴ Includes Intertie Deliveries from NCCWD = 9,362 from 12/07/21 - 12/21/21

⁵ Skyline Tank No. 3 was placed back in service after exterior recoating

⁶ Includes Intertie Deliveries to NCCWD starting 11/01/22

10.A.1

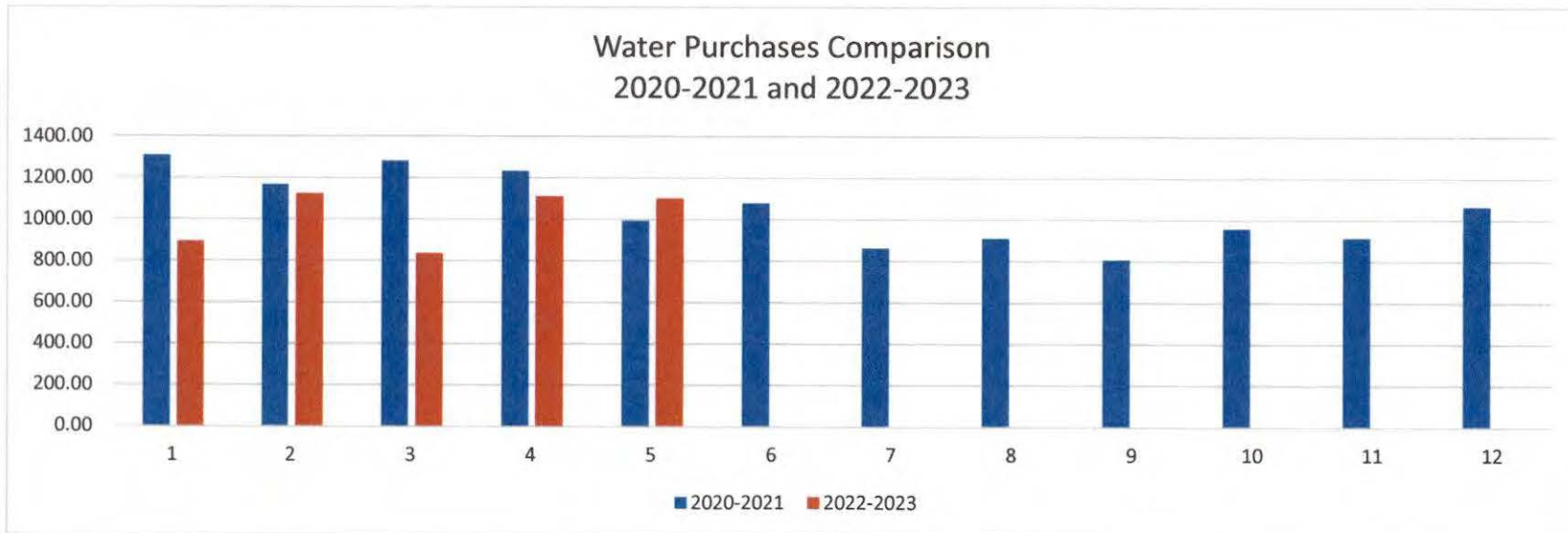


Water Purchases Comparison 2020-2021 to 2022-2023

FY 2020-2021				FY 2021-2022				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	06/03/22 to 07/05/22	29495	33	893.79	-414.00
07/08/20 to 08/06/20	34995	30	1166.50	07/06/22 to 08/03/22	32533	29	1121.81	-44.69
08/07/20 to 09/04/20	37162	29	1281.45	08/04/22 to 09/06/22	28439	34	836.46	-444.99
09/05/20 to 10/06/20	39480	32	1233.75	09/07/22 to 10/05/22	32245	29	1111.88	-121.87
10/05/20 to 11/02/20	26876	27	995.41	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	105.78
11/03/20 to 12/04/20	34525	32	1078.91					
12/05/20 to 01/04/21	26748	31	862.84					
01/05/21 to 02/01/21	25531	28	911.82					
02/02/21 to 03/04/21	25095	31	809.52					
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	154645.92	154	1004.19	

⁶ Includes Intertie Deliveries to NCCWD starting 11/01/22

10.A.2

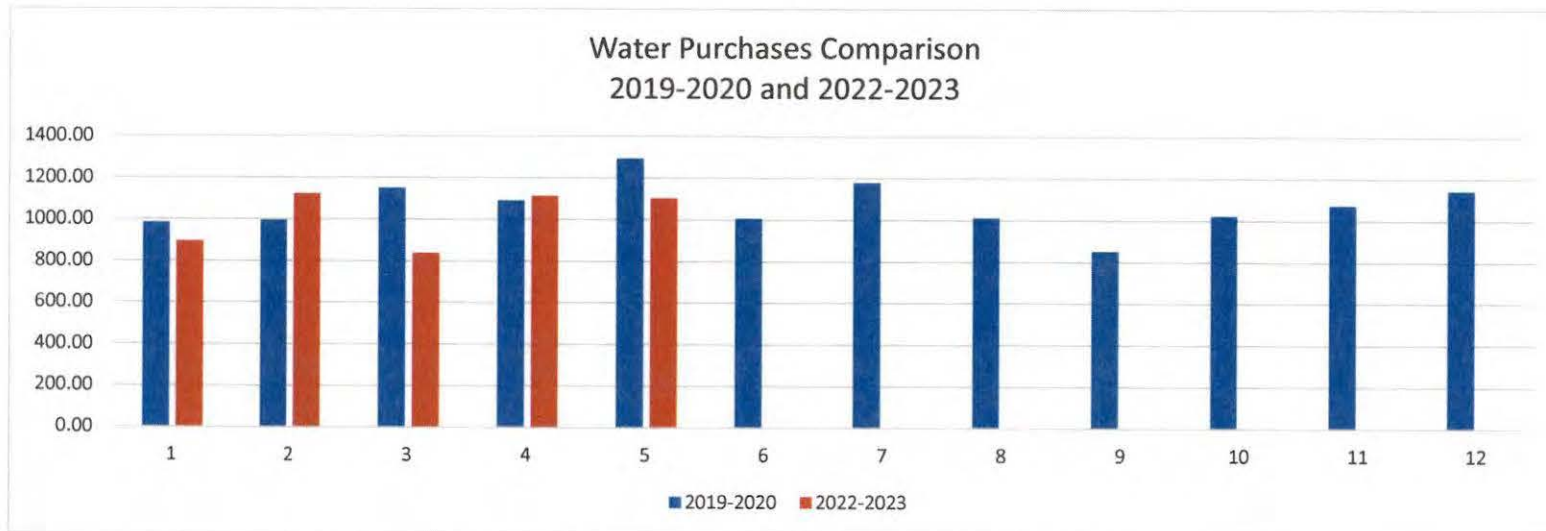


Water Purchases Comparison 2019-2020 to 2022-2023

FY 2019-2020				FY 2022-2023				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
06/06/19 to 07/05/19	29517	30	983.90	06/03/22 to 07/05/22	29495	33	893.79	-90.11
07/06/19 to 08/06/19	31804	32	993.88	07/06/22 to 08/03/22	32533	29	1121.81	127.94
08/07/19 to 09/05/19	34491	30	1149.70	08/04/22 to 09/06/22	28439	34	836.46	-313.24
09/06/19 to 10/04/19	31666	29	1091.93	09/07/22 to 10/05/22	32245	29	1111.88	19.95
10/05/19 to 11/01/19	36225	28	1293.75	10/06/22 to 11/03/22 ⁶	31934	29	1101.18	-192.57
11/02/19 to 12/04/19 ¹	33179	33	1005.42					
12/05/19 to 01/07/20	40049	34	1177.91					
01/08/20 to 02/05/20	29274	29	1009.45					
02/06/20 to 03/05/20	24668	29	850.62					
03/06/20 to 04/06/20	32700	32	1021.88					
04/07/20 to 05/05/20	31088	29	1072.00					
05/06/20 to 06/04/20	34315	30	1143.83					
Total Purchases	388976	365	1065.69	Total Purchases	154645.92	154	1004.19	

¹ Deducted Intertie Deliveries to NCCWD = 37,379 from 11/04/19 - 11/18/19

10.A.3



CSDA San Mateo Chapter Meeting of 26 October 2022

I (and Paty) attended the CSDA San Mateo Chapter meeting on 26 October 2022. The meeting was held from 1 PM to 2 PM on Zoom and was chaired by Kati Martin (of the Mosquito Abatement District but who is also a Special District LAFCo rep). Originally the speaker was to be Scott Hood of SamCERA, a retirement system for San Mateo County employees, although a few days before the meeting that was changed to a presentation by California Special Districts Association (CSDA) (the main Sacramento office). The presentation was given by CEO Neil McCormick and CSDA Finance and Administration Director Rick Wood. Kati apologized for the poor attendance (at the start of the meeting there were only 14 logged in, including 4 from CSDA, 2 from the Mosquito District and 2 from WWD) although Neil said that unfortunately was a problem for many CSDA Chapters. Neil started his presentation, which was really a pitch about the benefits of CSDA, at about 1:10 PM.

He started talking about the recent CSDA strategic plan. Three key goals were Special District advocacy, member benefits through partnerships, and growth of member participation (and increasing the number of members). Really Neil was fairly happy with recent growth and showed a chart about how it had increased from 559 districts in 2000 to about 1,350 today. For advocacy he talked about how they were doing both legislative and legal advocacy. He showed screen shots of their web page (updated in real time) that briefs all relevant bills before the legislature, their status, and the CSDA position on each. They also have a lawyer on staff and, working with others, produced 12 amicus briefs during this past year on cases which could affect special districts. CSDA is also a participant in the National Special Districts Coalition in an effort to get national recognition of special districts (like for when the fed give out grants). As for benefits he stressed the availability of some contract Human Resources service plus banking and financing services. Much of the remainder of the presentation was given by Rick Wood and was a brief on the "California Class" benefit, an investment service jointly sponsored by CSDA and the California League of Cities. They have contracted with financial managers in Colorado to establish a competitor to the California State Local Agency Investment Fund (LAIF) which WWD currently uses. Ultimately they hope to have 2 portfolios, one for short term and another for "longer term" funds (although still fairly short term as to be in compliance with California regulations). This longer term fund has not been started yet as interest rates have been a little too volatile. Rick spoke highly of their money managers and how the California Class fund was paying twice what the State's LAIF was paying. This is in part due to the average portfolio maturity, which is less than 60 days for California Class but about 300 days for the State LAIF. Rick didn't say it, but the recent increase in interest rates (and the inverted yield curve, which doesn't happen often) hurts the value of longer term securities much more than very short term securities. Rick also stressed there was "no principle risk" in California Class funds although he was called to task on this by 2 meeting attendees. Menlo Fire said the LAIF they

use recently had to mark down account values as securities were marked to market and another attendee who worked in the financial industry (I think she was on the board of Menlo Fire) said there is always risk when you are getting a return. Finally CSDA's Rick Wood backed off a little and said "practically no risk".

CSDA's presentation ended at about 1:57, and since Kati advertised the meeting would end at 2 PM, there was little to no time for a Treasurer's report, a LAFCo report, or any Roundtable/General Discussion. Although the presentation was interesting and CSDA does have some valuable services (like their Leadership Foundation and Transparency Certificates), it was a sales pitch. Prior to making any changes, we (WWD) do need to compare to services we already have through organizations such as ACWA.