Westborough Water District

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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.

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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.

Update: The WWD already uploaded the November 10, 2022 board meeting packet to its website.

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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.

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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.

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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