



**Date:** March 24, 2014  
**To:** President and Members of the EMID Board of Directors  
**Via:** James C. Hardy, District Manager  
**From:** Steve Toler, Assistant City Manager  
**Subject:** Review of Projected Wastewater Rates for FY 2014-2015; Policy Direction for Rate Notification under Proposition 218

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### **RECOMMENDATION**

It is recommended that the EMID Board of Directors hold a study session to review proposed wastewater rates for FY 2014-2015. After considering the staff report, it is further recommended that the District Board provide staff with policy direction establishing the proposed rates for FY 2014-2015 that will be noticed to all rate payers under the requirements of Proposition 218.

### **EXECUTIVE SUMMARY**

Over the last three (3) consecutive years, the District Board maintained wastewater rates at the same levels as the rates that were last changed on July 1, 2010, based on the wastewater rate analysis in those years. In establishing those wastewater rates, the Board maintained its philosophy of setting wastewater rates using a 10-year forecast of expenditures and long-term capital improvement projects.

Staff has prepared a wastewater rate forecast for FY 2014-2015 to FY 2023-2024. Based upon the best known information at the time of this study session, **staff recommends that wastewater rates be increase by approximately 2% for FY 2014-2015** in light of surplus reserves in the Wastewater Operations Fund due to expenditure savings and revenues from commercial customers higher than anticipated in FY 2013-2014.

However, it should be noted that the current rate model does not include any assumptions relative to the proposed Wastewater Treatment Plant (WWTP) Plant Expansion as part of the WWTP Master Plan that is currently being discussed by San Mateo and in which District Staff have participated. As indicated under a separate Staff Report presented at the March 24, 2014 Budget Study Session, the WWTP Master Plan contemplates nearly \$240 million in capital improvements, of which the District's share is currently projected to be \$55-65 million, 90% of which will likely be required by FY 2020-2021. No increases have been identified in the current rate model pending the completion of the WWTP Master Plan and identification of the appropriate funding resources.

Based on the District Board direction, staff will prepare a notice that will be mailed to all ratepayers (and property owners) on or before April 14, 2014 in compliance with the provisions of Proposition 218. A public hearing on and adoption of the proposed rates will occur at the June 2, 2014 Board meeting in conjunction with the FY 2014-2015 annual budget public hearing. The new rates will become effective July 1, 2014.

## **BACKGROUND**

### *Historical Rate Setting Policies*

The District's wastewater operations rely, in part, on costs borne jointly by EMID and the City of San Mateo via the San Mateo Wastewater Treatment Plant Joint Exercise of Powers Agreement executed in June 1974. Those costs include recurring operations and maintenance, as well as capital improvement costs. The rates that wastewater customers pay are based, primarily, on a fixed charge based upon the size of the meter installed at the customer's location (restaurants and certain other businesses pay rates based upon water consumption). Furthermore, the District has historically set rates on a "Pay As You Go" basis, meaning that rates are increased only based upon budgeted current operating expenditures in order to meet minimum reserve requirements equal to 25% of annual operating expenditures and \$2 million for unanticipated capital expenditures, consistent with the Board's existing reserve policy.

In FY 2009-2010, the District Board implemented a 10-year forecast for wastewater rates so as to ensure that the long-term financial needs of the system are met. The Board changed its funding mechanisms for Long-Term Capital Improvement Projects in FY 2010-2011 by incorporating annual CIP funding to provide sufficient funding for CIP projects in the 10-year forecast. The rate model also takes into consideration projected reserve levels above the 25% annual operating expenditure requirement and the \$2 million emergency reserve requirement that may be used to offset rate increases or act to reduce rates where appropriate. This model is used as a basis for establishing the proposed rates for FY 2014-2015.

## **ANALYSIS**

### *Assumptions Used in Wastewater Rate Model*

The following assumptions were used in creating the rate model attached:

#### *Revenues*

- Number of wastewater service accounts is anticipated to remain primarily steady, with slight increases as a result of the development of such sites as Pilgrim-Triton (Triton Pointe and the Waverly), the Foster City Executive Stay Hotel at the former Black Angus site, and the Foster Square Project, anticipated through FY 2017-2018. Any future growth beyond these developments can be taken into consideration in future years as those additional customers come online.

- Interest income is expected to return 1.0% on investment assets over the 10-year forecast (our portfolio's current weighted average yield is 0.85%, but rates are improving). In addition, interest income generated from capital improvement funds is estimated and assumed that it will be transferred to the operating fund to offset annual operating costs, as funding for capital improvement projects are funded through annual transfers from operations (see below).
- Rate changes for FY 2014-2015 would take place effective July 1, 2014.

### Expenditures

- Preliminary budget figures for FY 2014-2015 are used as the basis for expenditures, with no assumption made as to expenditure savings in future years.
- The terms of the current memorandum of understanding with AFSCME, and the compensation and benefits plan for Management Employees, are incorporated into the assumptions for personnel costs. No assumptions have been made relative to the negotiations for successor agreements consistent with the District's budgeting policy, however an ongoing increase of 2% has been assumed for compensation and benefits increases consistent with the City's five-year projections, plus known increases anticipated in CalPERS pension costs.
- Operating and maintenance costs of the WWTP are based upon the latest-known information provided by the City of San Mateo for FY 2014-2015. An increase of nearly \$350,000 for FY 2014-2015 has been assumed relative to the WWTP operations and maintenance (O&M) costs based on the latest projections of O&M costs by San Mateo and the relative proportion of solid waste being treated by the plant from the respective agencies. These costs are expected to grow at 3% per year. All other expenditures are assumed to increase by 2.5% per year, consistent with the expected assumptions for the FY 2013-2014 Annual Budget 5-year Financial Plan.
- A placeholder amount of \$1 million (increased from \$500,000 in FY 2013-2014) has been incorporated into the rate model representing the District's share of the City of San Mateo's WWTP Annual Capital Improvement Project program. As noted in a separate staff report at the District Board's March 24, 2014 Budget Study Session, the WWTP Master Plan currently projects total Plant Expansion capital improvement costs of \$240 million, of which is it anticipated that the District's share would be \$55-65 million. The Master Plan is still several months away from completion. District staff are involved in the discussions with San Mateo in regards to the timing and impacts of the Master Plan. Because the Master Plan is not yet finalized, the District is unable to reasonably determine how it will finance those costs, let alone the impacts to the ratepayers. These costs will be monitored as the Master Plan approaches

completion, and staff will seek policy direction from the District Board in terms of funding strategies for those costs. It should be noted that it is not anticipated that rates would need to be increased during FY 2014-2015 as a result of the completion of the WWTP Master Plan, but rather those impacts will be discussed with the District Board in anticipation of the FY 2015-2016 rates being established.

- An annual placeholder of \$780,000 is included based upon the current Long-Term CIP Funding Program also reviewed at this Budget Study Session.

Reserve Levels

- Minimum reserve requirements for each year are assumed to be not less than 25% of annual operating expenditures and \$2 million for unanticipated capital expenditures, consistent with the Board’s existing reserve policy.

Rate Increases

Using the 10-year rate smoothing model methodology as discussed earlier, **the wastewater rate analysis shows that the Wastewater fund requires a rate increase of 2% in FY 2014-2015.** The increase is due primarily to the increases associated with the WWTP O&M and CIP costs. The projections assume a modest 1% increase through FY 2018-2019.

The following table shows the monthly wastewater rate impacts to all customer classes over the next five years.

	Current 2014	Projected - Fiscal Year Ending June 30				
		2015	2016	2017	2018	2019
<b>Rate Increase</b>		<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Residential (flat monthly rate)</b>						
Single Family	\$46.05	\$47.00	\$47.50	\$48.00	\$48.50	\$49.00
Townhouse/Duplex	38.75	39.55	39.95	40.35	40.80	41.25
Apartment/Condominium (Pools w/ Restrooms)	38.75	39.55	39.95	40.35	40.80	41.25
<b>Commercial (rate per hcf of water use)</b>						
Restaurants	8.37	8.54	8.63	8.72	8.81	8.90
Commercial/Hotels/Offices/Industrial/Laundromats	2.94	3.00	3.03	3.06	3.09	3.12
<b>Institutional (rate per hcf of water use)</b>						
Institutional/Schools	1.66	1.69	1.71	1.73	1.75	1.77

**Rate Survey**

A survey of communities along the San Francisco Peninsula was conducted to compare the District’s typical residential monthly bill with the neighboring communities. The results of the survey are summarized in the attached comparison charts. The survey indicates the District’s wastewater rates remain among the lowest on the Peninsula. The proposed monthly wastewater charge for a single family residential unit would be increased to \$47.00, while the average monthly rate for the

agencies surveyed is \$67.29. Most of the communities surveyed are in the midst of evaluating their wastewater rates and are anticipating increases based on inflationary adjustments.

Exhibit A sets forth the existing charges and proposed charges for FY 2014-2015 effective July 1, 2014.

#### PROPOSITION 218 NOTIFICATION

Proposition 218 requires that all ratepayers receive a notice 45 days prior to a public hearing on property-based rates such as wastewater services. Staff recommends that public hearing notices be mailed to all current ratepayers and to all residential property owners (where they are not current ratepayers) on or before April 14, 2014, based upon the District Board's policy direction at this meeting. A public hearing will be held and the rates adopted on June 2, 2014. Once adopted, the rates would go into effect on July 1, 2014.

It should be noted that between the notification date and the public hearing date, the District Board will receive the FY 2014-2015 Preliminary Annual Budget and 5-Year Financial Plan. Any adjustments that occur based upon District Board direction at the Budget Study Session will be incorporated into an updated rate model at the time of the public hearing. However, it is staff's opinion that conservative assumptions have been employed in the creation of the attached rate model. Accordingly, staff believes that the rates proposed herein are the maximum rates that would be recommended for FY 2014-2015. At the public hearing, the District Board would have the option of reducing rates lower than what was noticed to rate payers under Proposition 218 if budgetary estimates change, but it could not increase the rates above what was noticed.

#### POLICY DIRECTION

Staff seeks Board direction on the following policy question:

1. **What Wastewater rates shall be charged for FY 2014-2015?** Staff recommends wastewater rates be increased by approximately 2% for FY 2014-2015.

#### Attachments:

- Exhibit A – Proposed Wastewater Rates for FY 2014-2015
- Wastewater Rate Model Tables and Charts (including Survey of Wastewater Rates)

**ESTERO MUNICIPAL IMPROVEMENT DISTRICT**

Proposed Wastewater Rates for

FY 2014-2015

To be effective July 1, 2014

<b>Fiscal Year Ending June 30</b>	<b>Current 2014</b>	<b>Proposed 2015</b>	<b>Proposed Increase %</b>
<b>Residential (flat monthly rate)</b>			
Single Family	\$46.05	<b>\$47.00</b>	2.1%
Townhouse/Duplex	38.75	<b>39.55</b>	2.1%
Apartment/Condominium (Pools w/ Restrooms)	38.75	<b>39.55</b>	2.1%
<b>Commercial (rate per hcf of water use)</b>			
Restaurants	8.37	<b>8.54</b>	2.0%
Commercial/Hotels/Offices/Industrial/Laundromats	2.94	<b>3.00</b>	2.0%
<b>Institutional (rate per hcf of water use)</b>			
Institutional/Schools	1.66	<b>1.69</b>	1.8%

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**City of Foster City / Estero Municipal Improvement District  
Sewer Rate Model Tables & Charts**

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**TABLES**

Table 1	Wastewater Service Accounts
Table 2	Wastewater Enterprise Fund Reserves
Table 3	Wastewater Enterprise Cash Flow Projection
Table 4	Long-Term Wastewater Rate Projection
Table 5	Projected Wastewater Rate Impacts
Table 6	Wastewater Enterprise Fixed & Variable Breakdown
Table 7	Proposed Wastewater Rates

**CHARTS**

Chart A	Sewer Enterprise Expense Projections
Chart B	Sewer Revenues & Operating Expenses
Chart C	Regional Sewer Rate Survey

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Table 1  
Foster City / Estero Municipal Improvement District  
Wastewater Service Accounts

Data as of:	02/19/14
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	Accounts
<b>Residential</b>	
Single Family	4,536
Townhouse/Duplex	2,226
Apartment/Condominium (Pools w/ Restrooms)	<u>5,941</u>
Subtotal	12,703
<b>Commercial</b>	
Restaurants	46
Commercial/Hotels/Offices/Industrial/Laundromats	<u>150</u>
Subtotal	196
<b>Institutional</b>	
Institutional/Schools	35
Subtotal	35
Total	12,934

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Table 2  
City of Foster City / Estero Municipal Improvement District  
Wastewater Enterprise Fund Reserves

<u>Fund Reserve Component</u>	<u>07/01/13 Balance</u>
Reserved for Maintenance & Operation	\$1,400,600
Reimbursement for Wastewater General Fund Principal Payment	0
Designated for Contingency Reserve (Removed for 11-12 as Funded by Long-Term CIP)	0
Unappropriated Fund Balance	0
Other	<u>0</u>
Total	\$1,400,600

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Note: Rate model only includes fund reserve components available to fund ongoing operating and capital expenditures.

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Table 3  
City of Foster City / Estero Municipal Improvement District  
Wastewater Enterprise Cash Flow Projection

Fiscal Year Ending June 30	Approved 2014	2015	2016	2017	2018	Projected					
						2019	2020	2021	2022	2023	2024
<b>Beginning Fund Balance</b>	\$1,400,600	\$1,635,800	\$2,084,800	\$2,133,200	\$2,316,600	\$2,425,000	\$2,455,400	\$2,402,800	\$2,339,200	\$2,262,600	\$2,172,000
<b>Rate Increase</b>		2%	1%	1%	1%	1%	1%	2%	2%	2%	1%
<b>Revenue Increase from Growth</b>		2.00%	1.00%	3.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Revenues</b>											
Service Charges	6,558,000	6,820,000	6,956,000	7,234,000	7,306,000	7,379,000	7,453,000	7,602,000	7,754,000	7,909,000	7,988,000
Connection Fees	220,300	495,200	0	0	0	0	0	0	0	0	0
Interest Earnings - Operating Reserves	180,000	180,000	182,000	184,000	186,000	188,000	190,000	192,000	194,000	196,000	198,000
Interest Earnings - Capital Improvement Funds	50,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Other Revenue	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
<b>Total</b>	<b>7,012,700</b>	<b>7,579,600</b>	<b>7,222,400</b>	<b>7,502,400</b>	<b>7,576,400</b>	<b>7,651,400</b>	<b>7,727,400</b>	<b>7,878,400</b>	<b>8,032,400</b>	<b>8,189,400</b>	<b>8,270,400</b>
<b>Expenses</b>											
Employee Services	1,558,500	1,567,000	1,614,000	1,662,000	1,712,000	1,763,000	1,816,000	1,870,000	1,926,000	1,984,000	2,044,000
Internal Services (from City)	527,892	530,618	544,000	558,000	572,000	586,000	601,000	616,000	631,000	647,000	663,000
Equipment Replacement	275,058	276,534	283,000	290,000	297,000	304,000	312,000	320,000	328,000	336,000	344,000
Services & Supplies	605,000	496,350	409,000	419,000	429,000	440,000	451,000	462,000	474,000	486,000	498,000
EMID Share WWTP O&M	1,456,000	1,800,000	1,854,000	1,910,000	1,967,000	2,026,000	2,087,000	2,150,000	2,215,000	2,281,000	2,349,000
EMID Share WWTP Capital Improvements	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reallocation	680,093	680,093	690,000	700,000	711,000	722,000	733,000	744,000	755,000	766,000	777,000
Capital Outlay (excl ERF Replacement)	0	0	0	0	0	0	0	0	0	0	0
Transfers to Internal Service Funds	0	0	0	0	0	0	0	0	0	0	0
<b>Subtotal Operating Expenses</b>	<b>5,602,543</b>	<b>6,350,595</b>	<b>6,394,000</b>	<b>6,539,000</b>	<b>6,688,000</b>	<b>6,841,000</b>	<b>7,000,000</b>	<b>7,162,000</b>	<b>7,329,000</b>	<b>7,500,000</b>	<b>7,675,000</b>
<b>Net revenues after operating exps</b>	<b>1,410,157</b>	<b>1,229,005</b>	<b>828,400</b>	<b>963,400</b>	<b>888,400</b>	<b>810,400</b>	<b>727,400</b>	<b>716,400</b>	<b>703,400</b>	<b>689,400</b>	<b>595,400</b>
Capital Improvements (funded from Long-Term CIP in 2011-2012 and beyond)	0	0	0	0	0	0	0	0	0	0	0
Capital Improvements - future	1,175,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000	780,000
<b>Total Expenses</b>	<b>5,602,543</b>	<b>7,130,595</b>	<b>7,174,000</b>	<b>7,319,000</b>	<b>7,468,000</b>	<b>7,621,000</b>	<b>7,780,000</b>	<b>7,942,000</b>	<b>8,109,000</b>	<b>8,280,000</b>	<b>8,455,000</b>
<b>Revenues Less O&amp;M Expenses</b>	<b>1,410,157</b>	<b>1,229,005</b>	<b>828,400</b>	<b>963,400</b>	<b>888,400</b>	<b>810,400</b>	<b>727,400</b>	<b>716,400</b>	<b>703,400</b>	<b>689,400</b>	<b>595,400</b>
<b>Revenues Less Total Expenses</b>	<b>235,157</b>	<b>449,005</b>	<b>48,400</b>	<b>183,400</b>	<b>108,400</b>	<b>30,400</b>	<b>(52,600)</b>	<b>(63,600)</b>	<b>(76,600)</b>	<b>(90,600)</b>	<b>(184,600)</b>
<b>Ending Fund Balance</b>	<b>1,635,757</b>	<b>2,084,805</b>	<b>2,133,200</b>	<b>2,316,600</b>	<b>2,425,000</b>	<b>2,455,400</b>	<b>2,402,800</b>	<b>2,339,200</b>	<b>2,262,600</b>	<b>2,172,000</b>	<b>1,987,400</b>
<b>Revenue Test: Annual Revenues &gt; O&amp;M Expenses</b>											
Annual revs less O&M expenses	1,410,157	1,229,005	828,400	963,400	888,400	810,400	727,400	716,400	703,400	689,400	595,400
Pass/fail	PASS										
<b>Fund Reserve Test: Minimum Fund Balance &gt; 25% O&amp;M Expenses</b>											
Year-end fund balance	1,635,757	2,084,805	2,133,200	2,316,600	2,425,000	2,455,400	2,402,800	2,339,200	2,262,600	2,172,000	1,987,400
25% operating expenses	1,400,000	1,590,000	1,600,000	1,630,000	1,670,000	1,710,000	1,750,000	1,790,000	1,830,000	1,880,000	1,920,000
Pass/fail	PASS										

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Table 4  
 City of Foster City / Estero Municipal Improvement District  
 Long-Term Wastewater Rate Projection

	Current	Projected - Fiscal Year Ending June 30				
	2014	2015	2016	2017	2018	2019
<b>Rate Increase</b>		<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Residential (flat monthly rate)</b>						
Single Family	\$46.05	\$47.00	\$47.50	\$48.00	\$48.50	\$49.00
Townhouse/Duplex	38.75	39.55	39.95	40.35	40.80	41.25
Apartment/Condominium (Pools w/ Restrooms)	38.75	39.55	39.95	40.35	40.80	41.25
<b>Commercial (rate per hcf of water use)</b>						
Restaurants	8.37	8.54	8.63	8.72	8.81	8.90
Commercial/Hotels/Offices/Industrial/Laundromats	2.94	3.00	3.03	3.06	3.09	3.12
<b>Institutional (rate per hcf of water use)</b>						
Institutional/Schools	1.66	1.69	1.71	1.73	1.75	1.77

Table 5  
City of Foster City / Estero Municipal Improvement District  
Projected Wastewater Rate Impacts

	Current 2014	Projected - Fiscal Year Ending June 30				
		2015	2016	2017	2018	2019
<b>Rate Increase</b>		<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
<b>Residential (flat monthly rate)</b>						
Single Family	\$46.05	\$46.97	\$47.44	\$47.91	\$48.39	\$48.87
<i>Increase (Decrease)</i>		<i>0.92</i>	<i>0.47</i>	<i>0.47</i>	<i>0.48</i>	<i>0.48</i>
Townhouse/Duplex	38.75	39.53	39.93	40.33	40.73	41.14
<i>Increase (Decrease)</i>		<i>0.78</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.41</i>
Apartment/Condominium (Pools w/ Restrooms)	38.75	39.53	39.93	40.33	40.73	41.14
<i>Increase (Decrease)</i>		<i>0.78</i>	<i>0.40</i>	<i>0.40</i>	<i>0.40</i>	<i>0.41</i>
<b>Commercial (rate per hcf of water use)</b>						
Restaurants	8.37	8.54	8.63	8.72	8.81	8.90
<i>Increase (Decrease) per hcf</i>		<i>0.17</i>	<i>0.09</i>	<i>0.09</i>	<i>0.09</i>	<i>0.09</i>
Commercial/Hotels/Offices/Industrial/Laundromats	2.94	3.00	3.03	3.06	3.09	3.12
<i>Increase (Decrease) per hcf</i>		<i>0.06</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>
<b>Institutional (rate per hcf of water use)</b>						
Institutional/Schools	1.66	1.69	1.71	1.73	1.75	1.77
<i>Increase (Decrease) per hcf</i>		<i>0.03</i>	<i>0.02</i>	<i>0.02</i>	<i>0.02</i>	<i>0.02</i>

Table 6  
 Foster City / Estero Municipal Improvement District  
 Wastewater Enterprise Fixed & Variable Breakdown  
 For Informational Purposes

Data for Fiscal Year Ending June 30: 2015

	Total	Allocation %		Allocation \$	
		Fixed	Variable	Fixed	Variable
<b>Revenues</b>					
Service Charges					
Fixed Residential (est.)	\$6,434,000	100%	0%	\$6,434,000	\$0
Variable Comm/Instl (est.)	386,000	0%	100%	0	386,000
Connection Fees	495,200	100%	0%	495,200	0
Interest Earnings - Operating Reserves	180,000	100%	0%	180,000	0
Interest Earnings - Capital Improvement Funds	80,000	100%	0%	80,000	0
Other Revenue	<u>4,400</u>	100%	0%	<u>4,400</u>	<u>0</u>
<b>Total</b>	<b>7,579,600</b>	<b>95%</b>	<b>5%</b>	<b>7,193,600</b>	<b>386,000</b>
<b>O&amp;M Expenses</b>					
Employee Services	1,567,000	100%	0%	1,567,000	0
Internal Services (from City)	530,618	100%	0%	530,618	0
Equipment Replacement	276,534	100%	0%	276,534	0
Services & Supplies	496,350	100%	0%	496,350	0
EMID Share WWTP O&M	1,800,000	0%	100%	0	1,800,000
EMID Share WWTP Capital Improvements	1,000,000	100%	0%	1,000,000	0
Reallocation	680,093	100%	0%	680,093	0
Capital Outlay (excl ERF Replacement)	0	100%	0%	0	0
Transfers to Internal Service Funds	0	100%	0%	0	0
Other Expense B	<u>0</u>	100%	0%	<u>0</u>	<u>0</u>
<b>Subtotal O&amp;M</b>	<b>6,350,595</b>	<b>72%</b>	<b>28%</b>	<b>4,550,595</b>	<b>1,800,000</b>
Capital Improvements - future	780,000	100%	0%	780,000	0
<b>Total</b>	<b>7,130,595</b>	<b>75%</b>	<b>25%</b>	<b>5,330,595</b>	<b>1,800,000</b>
<b>Excess Revenues Over (Under) Expenses</b>	<b><u>449,005</u></b>			<b><u>1,863,005</u></b>	<b><u>(1,414,000)</u></b>

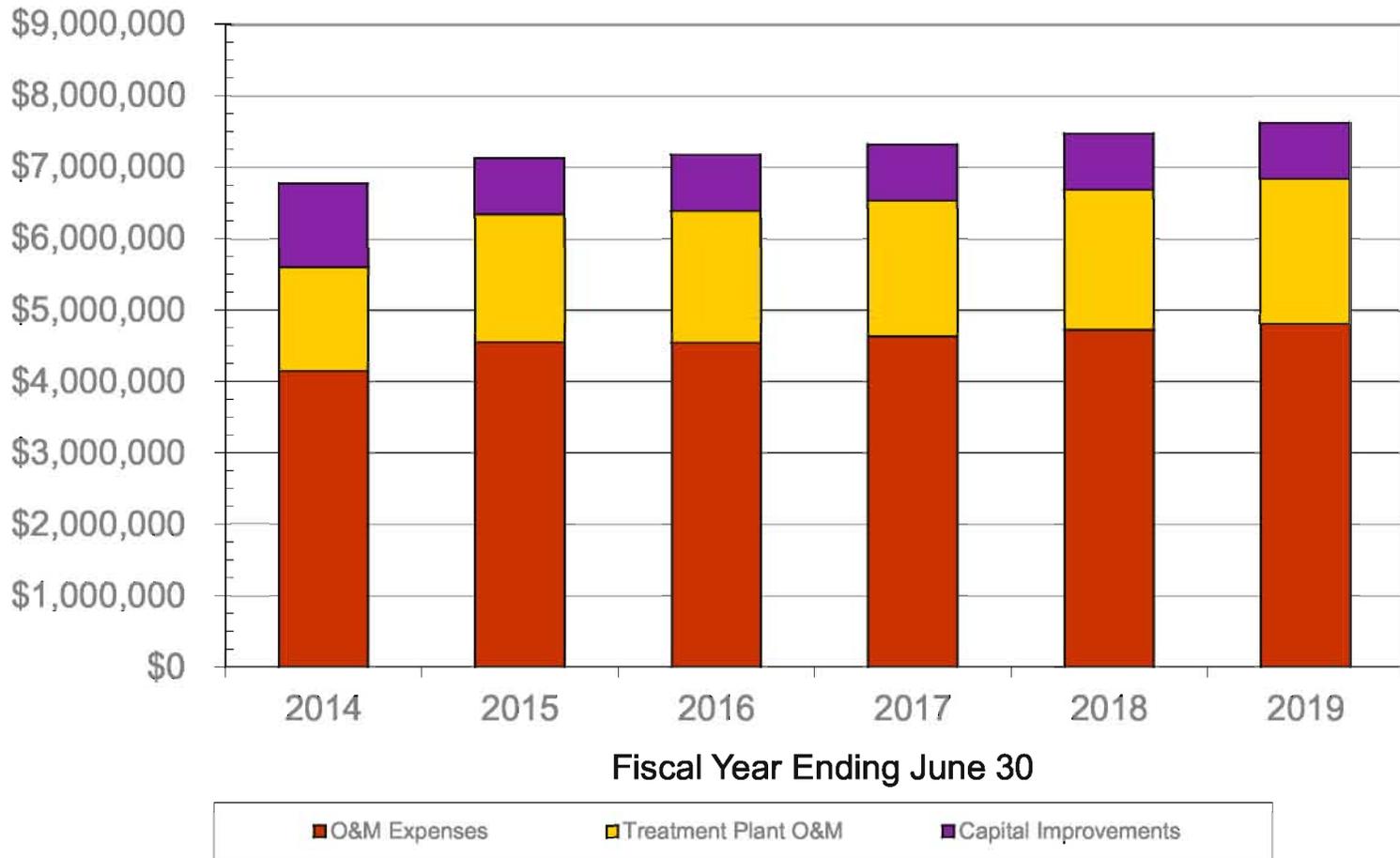
**Fixed** means revenue or expense is not directly affected by variations in wastewater discharge.

**Variable** means revenue or expense is directly affected by variations in wastewater discharge.

Table 7  
 City of Foster City / Estero Municipal Improvement District  
 Proposed Wastewater Rates

Fiscal Year Ending June 30	Current 2014	Projected 2015
<b>Residential (flat monthly rate)</b>		
Single Family	\$46.05	\$47.00
Townhouse/Duplex	38.75	39.55
Apartment/Condominium (Pools w/ Restrooms)	38.75	39.55
<b>Commercial (rate per hcf of water use)</b>		
Restaurants	8.37	8.54
Commercial/Hotels/Offices/Industrial/Laundromats	2.94	3.00
<b>Institutional (rate per hcf of water use)</b>		
Institutional/Schools	1.66	1.69

## City of Foster City / EMID Total Wastewater Expenditures



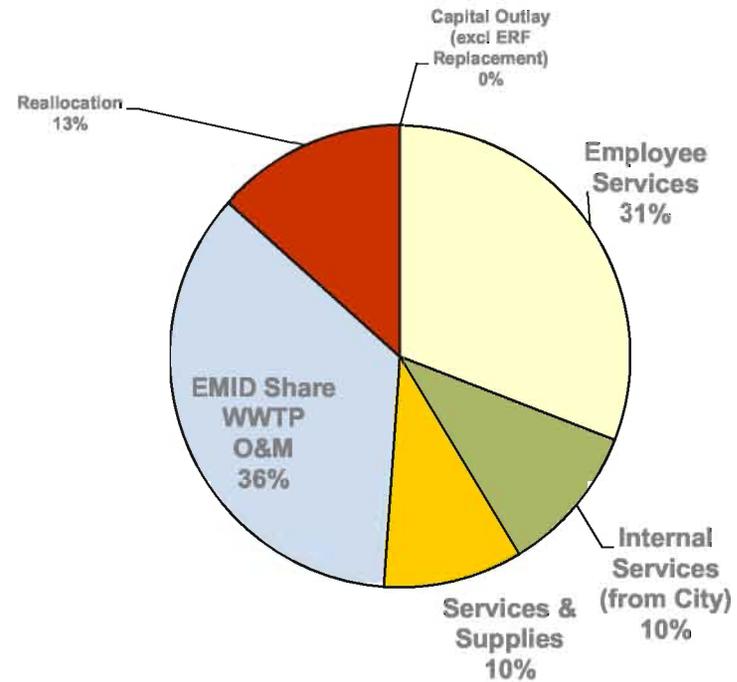
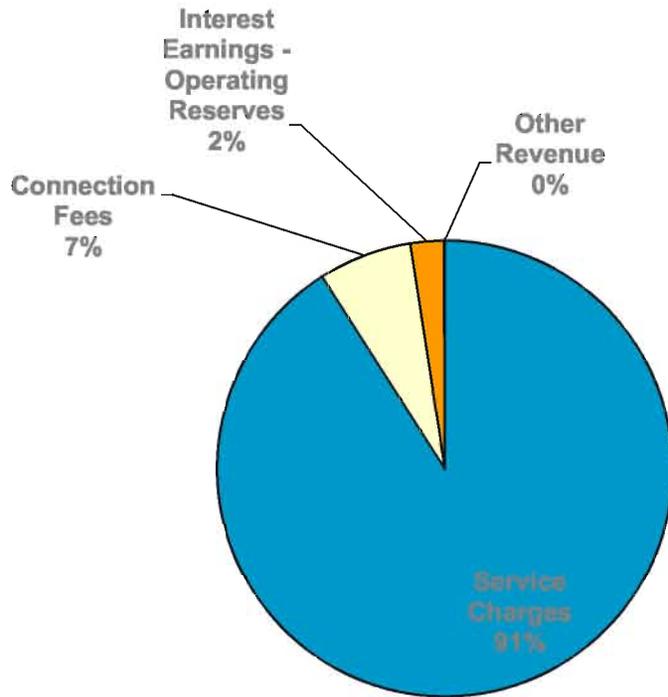
4.3.2 - 15

Chart B

### City of Foster City / EMID Wastewater Revenues & Operating Expenses for FY 2014-2015

Total Annual Revenues = \$7,579,600

Annual Operating Expenses = \$6,350,595

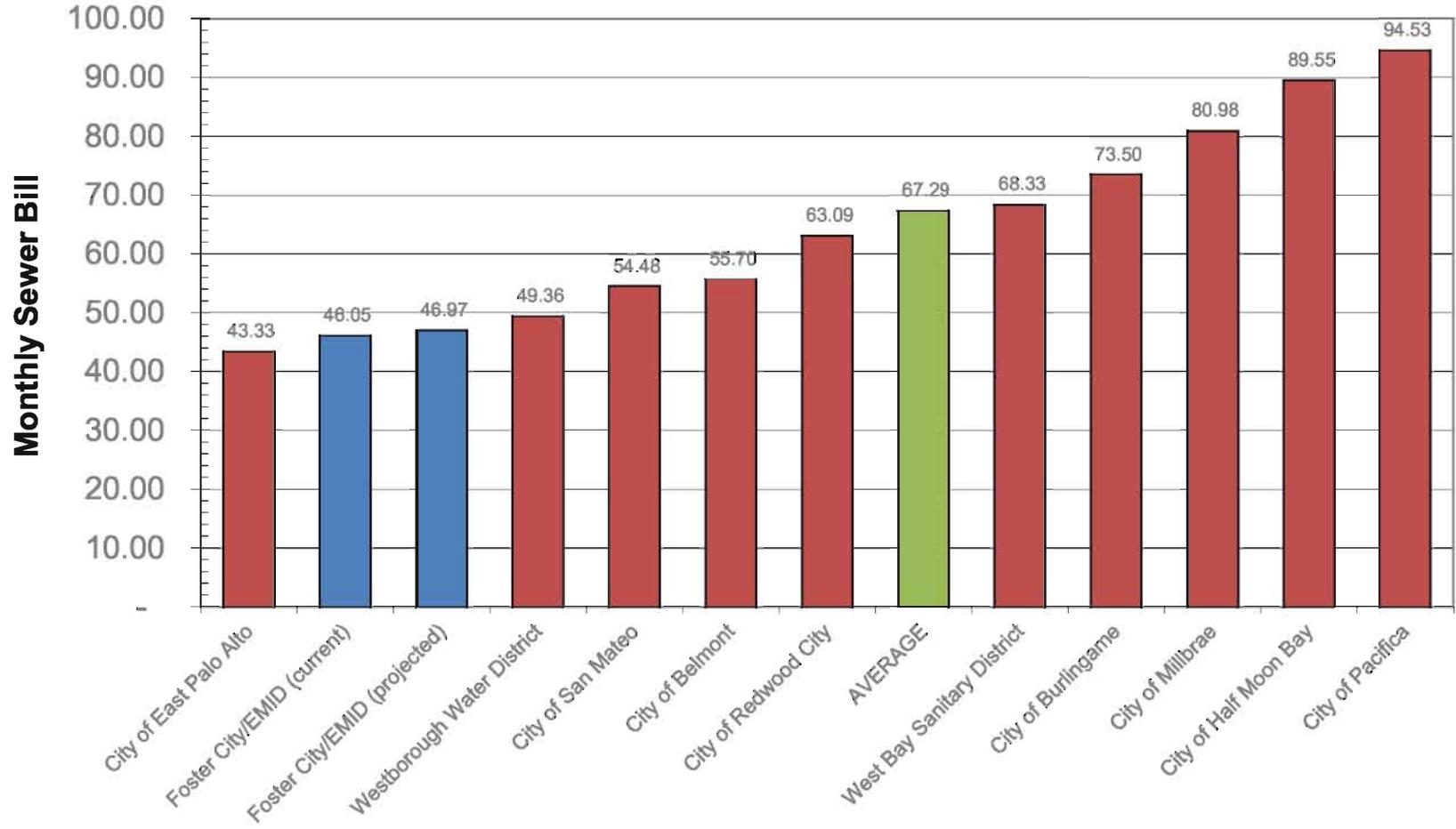


Based on data for fiscal year ending June 30, 2015

Annual operating expenses do not show depreciation or capital expenditures

Chart C

### City of Foster City / EMID Regional Wastewater Rate Survey



**Rates shown are flat monthly rates or based on 8 hcf of sewer discharge @8hcf / mo.**