

Public Hearing Notice (mailed by 4/16/2015)

The Board of Directors of the Estero Municipal Improvement District will hold a public hearing on its Master Fees and Service Charges schedule to establish new water and wastewater rates for Fiscal Year 2015-2016. A public hearing will take place on **Monday, June 1, 2015, at 6:30 PM** in the City Council Chambers of the City of Foster City, 620 Foster City Blvd. in Foster City, California to accept public comment and receive written protests on the proposed service charge increase. The resolutions will be entitled "A Resolution of the Board of Directors of the Estero Municipal Improvement District / City Council of the City of Foster City Amending the Master Fees and Service Charges Schedule Establishing New Water Rates (Reference No. S-68) and New Wastewater Rates (Reference No. S-73) for Fiscal Year 2015-2016."

How to Protest the Proposed Rates

Whether or not you are a water and/or wastewater customer of the District, you may appear and be heard on this or any other matter relating to the proposed charges. Written protests may be submitted to the City Clerk / District Secretary at the return address in this notice. Any record owner of a parcel upon which fees are proposed, or any tenant directly responsible for the payment of water service fees (i.e. a customer of record), may submit a written protest. A written protest must include: (1) the address of the impacted property (found on the mailing label of this notice); (2) a statement whether the protest is submitted in opposition to increases to the water or wastewater rate; and (3) the name and signature of the person submitting the protest. If the District does not receive written protests against the proposed service charges by a majority of the affected property owners and customers of record by the end of the public hearing, the District will be authorized to approve the proposed rates. Per Proposition 218, only one protest per property will be counted.

Proposed Water Rate Changes

The District prepares a 10-year projection of water rates, and considers the maintenance, operational and capital costs associated with its operation. The water rates proposed herein are based upon those cost projections, and are provided by way of reference at the following website:

<http://tinyurl.com/FCRates-Water>.

The District has taken steps to mitigate the increases we will experience in the cost of water from the San Francisco Public Utilities Commission. The cost we pay for water will increase from \$2.93/ccf to \$3.83/ccf, a 30.7% increase. In addition, the District's cost for water includes a bond surcharge that is collected through SFPUC at \$.35/ccf.

In response, the District proposes to revise its current rate structure to better align with standardized rate setting methodology to a two-tier cost of service based rate structure and have the base consumption rate of \$3.32/ccf be replaced by a Tier 1 rate of \$4.30/ccf on July 1, 2015.

Conservation-Based Water Consumption Rates

Since 2010, the Estero has implemented Conservation-Based water rates and its water consumers have responded by reducing annual water usage by 20% overall. Conservation-based rates use a three-pronged approach to achieving water conservation goals: 1) education; 2) cost incentives; and, 3) rebate programs.

SFPUC Wholesale Pass-Through Rate Increase for Water Availability

All of the District's water originates from the San Francisco Public Utilities Commission. The District has requested that customers voluntarily reduce their water consumption by 10% for the past two years. In addition, on April 1, 2015, Governor Brown issued a statement requiring that California water agencies reduce consumption by a mandatory 25%. In the event that the SFPUC declares a water emergency or SFPUC or the State otherwise imposes a cost associated with the availability of water for District customers, the District will implement a pass-through adjustment to customers' bills no earlier than thirty (30) days after the adjustment has been enacted by the SFPUC and noticed to all District customers. This action is in accordance with California Government Code Section 53756.

Residential Customers

Under the new rate structure, FY 2014-2015 Tier 1 and 2 would be consolidated into the new Tier 1 and the FY 2014-2015 Tier 3 would become the new Tier 2.

Single-Family Residences

Single-family residence with responsibility for indoor (domestic) and outdoor (irrigation) water uses are placed in a tiered rate structure whereby the cost of water increases based on the amount of water used in a **bi-monthly** billing cycle as follows:

Tier (# ccf)	Proposed Rates as of 7/1/2015
Tier 1: 0-20	\$4.30/ccf
Tier 2: Over 20	\$4.64/ccf
("ccf" = 748 gallons of water)	

For example, a customer using 25 ccf of water, will pay \$4.30 per ccf for the first 20 ccf and \$4.64 per ccf for the next 5 ccf.

Tier (# ccf)	Current Rates as of 7/1/2014
Tier 1: 0-10	\$2.49/ccf
Tier 2: 11-20	\$3.32/ccf
Tier 3: Over 20	\$4.98/ccf

Multi-Family Residences

Multi-family dwelling units with responsibility (individually or collectively through a master meter) for indoor (domestic) use only are placed into a tiered rate structure whereby the cost of water increases based on the amount of water you use in a **bi-monthly** billing cycle as follows:

Tier (# ccf)	Proposed Rates as of 7/1/2015
Tier 1: 0-10	\$4.30/ccf
Tier 2: Over 10	\$4.67/ccf

Tier (# ccf)	Current Rates as of 7/1/2014
Tier 1: 0-5	\$2.49/ccf
Tier 2: 6-10	\$3.32/ccf
Tier 3: Over 10	\$4.98/ccf

The consumption amounts at each tier are based on the total number of living units receiving water on the bill (whether individual customers or a master metered customers).

Irrigation Customers

Irrigation customers with **separate irrigation water meters** are provided individually-prepared water budgets based on the square footage of landscaping being watered. Usage will be charged at \$4.30/ccf. On June 30, 2016, water usage for the year will be compared to the water budget. Usage over the water budget allotment will be charged at \$5.65/ccf for every unit of water over the allotment. Customized reports through the year to let customers know how they are doing in water use.

Consumption	Rates as of 7/1/2014	Proposed Rates as of 7/1/2015
<=100% of annual budget	\$3.32/ccf	\$4.30/ccf
>100% of annual budget	\$4.98/ccf	\$5.65/ccf

Commercial Customers and Fire Line

Commercial customers and Fire Line will be charged for water consumption at a rate of \$4.40/ccf.

Consumption	Rates as of 7/1/2014	Proposed Rates as of 7/1/2015
All Usage	\$3.32/ccf	\$4.40/ccf

Water Rebates

Water customers have taken remarkable steps to reduce water consumption over the past four years and to those that have done so we say Thanks! Have you reduced your water consumption? Expanded water rebate programs are available to assist you. More information can be found at <http://tinyurl.com/FCConservationRebates>

Fixed Meter Charges

Due to increases in the cost of ensuring the safe delivery of water through the system, the fixed meter charge is proposed to be increased by 7.8% for 5/8" and 3/4" meters on July 1, 2015. All other meter size rates shall be set based on meter ratio in compliance with the American Water Works Association and the rates have been adjusted accordingly as follows:

Bi-Monthly Meter Charge	Rates as of 7/1/2014	Proposed Rates as of 7/1/2015
Domestic and/or Irrigation meters		
5/8" and 3/4"	\$32.00	\$34.50
1"	\$56.00	\$57.50
1.5"	\$160.00	\$138.00
2"	\$256.00	\$184.00
3"	\$448.00	\$402.50
4"	\$704.00	\$724.50
6"	\$1344.00	\$1,610.00
8" or greater	\$2112.00	\$2,760.00
Private Fire Service Protection Meter		
5/8" and 3/4"	\$56.00	\$48.30
1"	\$56.00	\$48.30
1.5"	\$56.00	\$48.30
2"	\$89.60	\$64.40
3"	\$156.80	\$140.90
4"	\$246.40	\$253.60
6"	\$470.40	\$563.50
8" or greater	\$739.20	\$966.00

Wastewater Charges

The District prepares a 10-year projection of wastewater rates, and considers the maintenance, operational and capital costs associated with its operation. In addition, the District is responsible for \$116 million of the wastewater plant expansion that the City of San Mateo is undertaking to effectively treat wastewater. The rates proposed herein are based upon those cost projections, and are provided by way of reference at the following website: <http://tinyurl.com/FCRates-Sewer>.

The District proposes to revise the current rate structure for commercial customers to better align with the cost of service to treat the wastewater based on State Water Resource Control Board Guidelines. A table of strength classifications is provided by way of reference at <http://tinyurl.com/CFCWTRSWR>. The District is proposing an increase in wastewater rates for FY 2015-2016 based on the table below.

Wastewater Rate Schedule

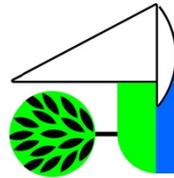
The rate schedule effective July 1, 2015 is:

Rate Category	Current Rate as of 7/1/2014	Proposed Rate as of 7/1/2015
<i>Residential (flat monthly rate) on a bi-monthly basis</i>		
Single Family	\$94.00	\$102.94
Townhouse/Duplex	\$79.10	\$86.46
Apartment/Condominium (including Pools with Restrooms)	\$79.10	\$86.46
<i>Commercial (per ccf of water use)</i>		
High Strength	\$8.54 / ccf	\$9.35 / ccf
Medium Strength	\$3.00 / ccf	\$3.29 / ccf
Low Strength	\$1.69 / ccf	\$2.16 / ccf

More Information

At the time of publication of this notice, it is undetermined if the SFPUC will impose mandatory rationing, however the lack of rainfall this winter requires the entire community's help to conserve water now to avoid significant penalties. More information about our water conservation efforts can be found at the District's website at <http://www.fostercity.org>.

Questions regarding this notice may be directed to Mimi Lam, Accounting Manager, at UtilityRates@fostercity.org or at 650-286-3268.



City of Foster City
ESTERO MUNICIPAL IMPROVEMENT DISTRICT

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Public Hearing Notice

Estero Municipal Improvement District

is considering increases in its water and wastewater rates

A public hearing on

Water and Wastewater Rates

Effective July 1, 2015

will be held at the

City Council Chambers

620 Foster City Blvd

on Monday,

June 1, 2015

6:30 p.m.

