



DATE: June 2, 2025

TO: President and Members of the Estero Municipal Improvement District (EMID) Board of Directors

VIA: Stefan Chatwin, District Manager
Marlene Subhashini, Assistant District Manager

FROM: Andrew Brozyna, Public Works Director

DEPARTMENT: Public Works

SUBJECT: ONE-YEAR EXTENSION TO THE WATER/WASTEWATER RATE ASSISTANCE PROGRAM (W/WRAP) UNTIL JUNE 30, 2026

RECOMMENDATION

It is recommended that the Board of Directors of the Estero Municipal Improvement District (District Board) adopt a resolution approving a one-year extension to the Water/Wastewater Rate Assistance Program (W/WRAP) through June 30, 2026, and unless further extended by the District Board, will automatically sunset at the conclusion of this period, and finding the approval of the extension is exempt from review under the California Environmental Quality Act (CEQA), Section 15061(b)(3).).

EXECUTIVE SUMMARY

W/WRAP provides financial relief to eligible applicants through a \$15 monthly discount per water and wastewater account. Extending the program for an additional year will continue supporting qualified participants and help ease the financial strain of essential services. This program aligns with EMID's commitment to social equity.

As of May 1, 2025, 38 customers are enrolled in W/WRAP, with an annual fiscal impact of \$13,680. If participation levels remain consistent in FY 2025-2026, available funding will sufficiently cover program costs, as the Preliminary Budget allocates \$9,000 each for water and wastewater rate assistance from non-rate sources. Additionally, as of May 1, 2025, delinquent payment penalties of \$53,000 for water and \$64,000 for wastewater are adequate to sustain the program, even with potential increases in enrollment. Staff

recommends extending W/WRAP from July 1, 2025, to June 30, 2026, ensuring continued support for eligible customers.

Minor adjustments have been made to program guidelines and the application form (Attachments 2 and 3).

BACKGROUND/ANALYSIS

In May 2020, the District Board approved the W/WRAP program to assist customers with financial needs. Since its launch in July 2020 under EMID Resolution No. 3513, W/WRAP has undergone four (4) extensions via EMID Resolution Nos. 3585, 3651, 3727, and 3761, extending the program through June 30, 2025. These extensions ensure ongoing financial assistance for customers in need. Additionally, the resolution granted the District Board the authority to approve further program continuations.

W/WRAP eligibility follows PG&E's California Alternate Rates for Energy (CARE) program. EMID customers must apply and provide proof of enrollment in the PG&E CARE program or other income documentation.

Among the 975 Foster City customers enrolled in PG&E CARE, approximately 325 customers may qualify for W/WRAP. Multi-family units without separate meters or individually paid utility bills are ineligible.

At full participation, the \$15 monthly discount per water and wastewater account could cost up to \$117,000 annually. With 38 current participants, the annual fiscal impact is \$13,680.

Under the proposed FY 2025-2026 rates, residential water meters have a fixed charge of \$31.30, and water usage up to 20 units per billing cycle is billed at \$6.80 per unit. This results in an average monthly residential water bill of \$85.70 (\$31.30 for the meter + \$54.40 for water usage). The wastewater collection rate is \$133.49 per month for single-family homes and \$112.13 for separately metered multi-family units.

A \$30 monthly W/WRAP credit (\$15 for water + \$15 for wastewater) reduces an average bill by 15% for eligible customers. Since the credit is fixed, lower water users benefit more significantly, while higher users receive a lower percentage discount, thus aligning with EMID's water conservation goals.

Note that the program automatically sunsets at the end of each annual extension. However, if funding remains consistent with historical trends and can sustain program costs staff will continue recommending its renewal to City Council to ensure its ongoing benefits to the community

CEQA

The resolution extending W/WRAP qualifies for CEQA's common sense exemption, as CEQA applies only to projects with potential significant environmental impact. Since this activity poses no significant environmental effect, it is not subject to CEQA (CEQA Guideline Section 15061(b)(3)).

FISCAL IMPACT

With the current enrollment, the annual fiscal impact of W/WRAP is \$13,680. If all estimated eligible customers participated, program costs could rise to \$117,000 per year.

Under Proposition 218, W/WRAP must be funded by non-rate revenues; therefore, revenues from delinquent payment penalties will be used to fund this program. In the first ten months of FY 2024-2025, delinquent water penalties generated \$53,000, and delinquent wastewater penalties contributed \$64,000. There are sufficient funds available to fund the program in each enterprise.

Other potential sources include the Community Benefits Fund, Construction and Demolition forfeitures, or General Fund revenue.

CITY COUNCIL VISION, MISSION, AND VALUE/PRIORITY AREA

Public Safety and Social Equity

ATTACHMENTS:

Attachment 1 –Resolution

Attachment 2 – W/WRAP Program Guidelines

Attachment 3 – W/WRAP Application FY 2025-2026