

<b>Sewer Fund</b>	<b>2020-21 Actuals</b>	<b>2021-22 Estimated</b>	<b>2022-23 Proposed</b>	<b>2023-24 Projected</b>	<b>2024-25 Forecast</b>	<b>2025-26 Forecast</b>	<b>2026-27 Forecast</b>
<b>Beginning Fund Balance</b>	\$ 224,255	\$ 154,515	\$ 353,862	\$ 193,497	\$ 166,237	\$ 176,261	\$ 215,703
<b>Revenues</b>							
Interest Earnings	\$ 851	\$ 950	\$ 984	\$ 1,012	\$ 1,000	\$ 1,000	\$ 1,000
Operating Revenues	68,147	71,054	79,903	82,237	84,390	86,866	89,417
Bond/Loan Proceeds and Capital Contributions	5,726	391,947	4,574	4,666	4,308	23,914	-
<b>Total Revenues</b>	<b>\$ 74,724</b>	<b>\$ 463,951</b>	<b>\$ 85,461</b>	<b>\$ 87,915</b>	<b>\$ 89,698</b>	<b>\$ 111,781</b>	<b>\$ 90,417</b>
<b>Expenses</b>							
Operating and Maintenance	\$ 24,262	\$ 26,444	\$ 27,010	\$ 27,576	\$ 28,679	\$ 29,826	\$ 31,020
Capital Projects	105,277	224,548	202,637	73,121	28,174	13,043	12,900
Debt Service	14,925	13,612	14,434	14,478	22,820	29,469	27,835
<b>Total Expenses</b>	<b>\$ 144,464</b>	<b>\$ 264,604</b>	<b>\$ 244,081</b>	<b>\$ 115,175</b>	<b>\$ 79,674</b>	<b>\$ 72,339</b>	<b>\$ 71,755</b>
<b>Transfer Out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Fund Balance</b>	<b>\$ 154,515</b>	<b>\$ 353,862</b>	<b>\$ 193,497</b>	<b>\$ 166,237</b>	<b>\$ 176,261</b>	<b>\$ 215,703</b>	<b>\$ 234,365</b>

Values are shown in thousands.

The Sewer Fund consists of the sewer collection systems, the Wastewater Treatment Plant (WWTP), and disposal facilities serving the residents and businesses of San Mateo, Foster City, and portions of the neighboring communities of Hillsborough, Belmont, the Crystal Springs County Sanitation District, and certain unincorporated areas of the County. The sewer enterprise system currently serves approximately 30,000 customer accounts in the City and approximately 11,000 customer accounts in Foster City and the subregional customer communities utilizing the WWTP.

The fund's financial plan consists of two elements: (1) the 2022-23 proposed operating budget and forecast of future operational needs, and (2) estimated cash inflows and outflows for sewer capital improvement projects (CIP) during the forecast period. The capital expenses identified in this financial plan, as well as the corresponding bond/loan proceeds, are predominantly related to the execution of the Clean Water Program, which is discussed in detail in the Capital Improvement Program section of this document.

In 2018, the City Council adopted a five-year sewer rate structure for fiscal years 2018-19 through 2022-23 designed to provide sufficient revenues to fund ongoing operations and capital projections. The 50/50 volumetric/fixed fee structure was implemented. The new rate structure introduced a fixed monthly fee to better stabilized revenue and help address revenue reductions due to increased water conservation. A recent Sewer Rate Study found that the past rate increases have put the City's sewer fund in a good financial position. Additionally, the City has been successful in getting a large amount of the Clean Water Program financed with low interest rate loans. As a result, only inflationary level rate increases will be required for future years.

The financial plan will be continually monitored and this plan will be updated accordingly.