

Exhibit A

City of South San Francisco Proposed Sewer Rate Increase

How rates are calculated:

Residential Rates. Rates for residential properties are calculated by multiplying the number of dwelling units on each property by the annual rate. The dwelling unit rate for Single Residential assumes an "average" annual effluent flow of 8,400 cubic feet. The Multi-Unit Residential and Trailer Unit rate assumes an "average" annual effluent flow of 7,500 cubic feet.

Commercial and Institutional Rates. Restaurant, Institutional and Commercial Rates are calculated by: A) Measuring the annual water use at each property and multiplying this usage by the inflow rate; or by B) Measuring the annual sewer flow from each property and multiplying by the effluent rate.

Industrial Rates. Industrial Rates are calculated based on the annual amount of flow, chemical oxygen demand and total suspended solids from each property. Separate sewer rates are calculated for each component and then added for the total sewer fee for each property. Annual measurement and testing are performed at each property to confirm the flow and loading.

Septage Rates. Septage rates are calculated by multiplying the gallons of flow discharged from the septic pumper by the septage rate.

Proposed Sewer Rate Increases over the next 3 years

User Group	Basis of Calculation	Existing Rate FY2013-14 \$ \$/Unit/Year	Proposed Maximum Rate FY2014-15 \$/Unit/Year	Proposed Maximum Rate FY2015-16 \$/Unit/Year	Proposed Maximum Rate FY2016-17 \$/Unit/Year
Single Unit Residential	Dwelling Unit	532	553	575	588
Multi-Unit Residential	Dwelling Unit	532	516	516	527
Trailer Unit Residential	Dwelling Unit	477	496	516	527
Light Strength Commercial	Minimum Charge	532	553	575	588
	Hundred Cubic Feet Inflow	7.0478	7.4028	7.4028	7.5508
	Or Effluent	7.8336	8.2253	8.2253	8.3898
Moderate Strength Commercial	Minimum Charge	532	553	575	588
	Hundred Cubic Feet Inflow	11.0325	11.5849	11.5849	11.8166
	Or Effluent	12.2591	12.8721	12.8721	13.1295
Restaurants	Minimum Charge	532	553	575	588
	Hundred Cubic Feet Inflow	16.1205	16.9261	16.9261	17.2646
	Or Effluent	17.9112	18.8068	18.8068	19.1829
Industrial	Minimum Charge	532	553	575	588
	Hundred Cubic Feet Inflow	4.2231	4.4348	4.4348	4.5235
	Or Effluent	4.6929	4.9275	4.9275	5.0261
	Chemical Oxygen Demand Pounds	0.4379	0.4598	0.4598	0.4690
	Total Suspended Solids Pounds	1.4178	1.4887	1.4887	1.5185
Institutions	Minimum Charge	532	553	575	588
	Hundred Cubic Feet Inflow	5.6881	5.9711	5.9711	6.0906
	Or Effluent	6.3187	6.6346	6.6346	6.7673
Septage Haulers	Gallons	0.3007	0.3157	0.3157	0.3220