

## Dixon Water Rate Repeal Initiative - Impartial Analysis of Measure S

Measure S, if approved by a majority of voters, would repeal current water rates which took effect April 1, 2019. The Measure would reestablish the rates that were in effect prior to April 1, 2019, until such time as the Dixon City Council undertakes a new rate setting process. Measure S was placed on the ballot by voter initiative.

In 2014, the City of Dixon ("City") assumed ownership, operation, and maintenance of one (1) of the two (2) water systems serving the City. As a condition of the permit to operate the water system, the State Water Resources Control Board directed the City to complete a water rate study to determine the proper cost of service based on the infrastructure, operating, and maintenance needs of the water system.

The City hired a consultant to study the water system and to compose a five-year rate schedule based on the needs of the water system, as documented in the Water System Master Plan and Strategic Asset Management Plan. The City then hired a separate consultant to develop a rate study which identified operating expenses, infrastructure upgrades, and financial obligations for the water system. Based on the results of the rate study, the consultant found existing rates did not adequately fund the infrastructure, operating, and maintenance needs of the water system. The City accepted the results of the rate study and commenced proceedings to adopt a new rate schedule.

Prior to increasing water rates, state law requires that the City first provide customers an opportunity to submit written protests at a public hearing. On January 22, 2019, the City held a noticed public hearing to receive protest votes against the proposed rate increase. The City did not receive a majority protest vote and the City Council proceeded to adopt the new rate schedule as set forth in Resolution 19-010. The new rate schedule went into effect April 1, 2019, providing for a series of rate increases through 2022.

Measure S would repeal current water rates and would reinstitute the rates in effect prior to April 1, 2019. The Measure would also direct the Dixon City Council to propose a different rate schedule and to conduct a new rate setting process. Repealing current water rates, and reinstituting prior rates, would also delay City efforts currently underway to address the operating and infrastructure needs identified in the consultant's rate study.

A "Yes" vote on Measure S repeals existing water rates, reinstitutes the rates in effect prior to April 1, 2019, and directs the City to conduct a new rate setting process.

A "No" vote on Measure S maintains the existing water rates, which became effective April 1, 2019.

/s/

Douglas L. White, City Attorney  
City of Dixon

**The above statement is an impartial analysis of Measure S. If you desire a copy of the Measure, please call the City Clerk at (707) 678-7000, and a copy will be mailed at no cost to you.**