

Dixon Resource Conservation District (DRCD)
Ditch Maintenance Fee Rate Increase
Frequently Asked Questions (FAQs)

Following are answers to the most frequently asked questions about the DRCD's proposed Ditch Maintenance Fee increase.

Q: What does the Ditch Maintenance Fee pay for?

A: The Ditch Maintenance fee primarily pays for contractors to complete on the ground work such as excavation, weed spraying or debris removal. In order to be able to legally spray the ditches, the District is required to obtain and maintain a National Pollution Discharge Elimination System (NPDES) permit including records of every spray done. As of January 2015, each contract the District enters into must comply with the State's prevailing wage law and be registered on the State's prevailing wage website. Additionally, the fee pays for:

- staff time to plan and oversee all activities related to ditch maintenance
- drainage and administration fees to other agencies, such as RD 2068
- the ditch billing system, administration and mailings
- legal and engineering fees specific to upgrades to and operations and maintenance of the existing system

Q: Why does DRCD need to raise the fee now?

A: For more than a decade, DRCD has entered into professional services agreements such as managing agricultural leases for the Yolo Bypass Wildlife Area. The net revenue from these agreements has been used to offset the rising costs of regulatory and environmental compliance. In February 2015, the District decided not to renew its contract to manage the agricultural leases in the Yolo Bypass Wildlife Area, because the District decided that the terms of the new contracts were more restrictive and the project no longer aligned with the District's priorities. This means that the District is losing approximately \$45,000 a year in net revenues from outside sources that, if needed, must now be generated by the Ditch Maintenance Fee.

Q: When would the rate go into effect?

A: If approved, we would expect the rate increase to go into effect beginning December 1, 2016.

Q: How much would the increase be to the average landowner?

A: The rate would increase from \$2.00/ac to \$3.00/ac in 2016 and then increase more gradually up to \$4.00/ac in 2021. The increase rate must be justified by staff annually so the rate may increase more slowly than that if all anticipated costs are incurred. For a 40 acre parcel, the cost would increase by \$40/yr in 2016 and up to \$80/yr in 2021.

Q: Why is there a protest and an election?

A: The Ditch Maintenance fee is considered a stormwater fee, which a "property-related" fee under CA Proposition 218. Prop 218 requires that all proposed stormwater fee increases comply with Section (6) of the law which includes a two phased process. The first is a protest vote. If 50% + 1 protests are submitted to the agency, the Board is not allowed to call for an election. If a majority protest is not received, the Board authorizes a special election in which a majority of the landowners must vote in favor ("yes") of the rate increase for it to take effect.

Q: What happens if the proposed rate fails?

A: If the proposed rate fails, the DRCD Board would have to reevaluate the level of services provided on all projects, including ditch maintenance. The Board would have to evaluate what level of fees that the landowners are willing to pay in order to decide what services can be provided. A new Prop 218 process would have to be initiated with a new rate study, Hearing and election process.

Q: How much does a Prop 218 process like this cost?

A: While it is hard to know the exact cost now, it is estimated that the Rate setting process will cost approximately \$42,000 in staff time, legal counsel, outside engineering, and mailing costs.

Q: If I disagree with the rate increase, what are my next steps?

A: If you disagree with the proposed increase, you may choose to protest the vote on the enclosed form. DRCD recommends that you come to the Hearing to voice your opinions in person so that the concerns may be addressed and considered. If you still disagree with the proposed rate increase after the Hearing and the Board chooses to go to an election, you may vote “no” on the ballot you receive.

Q: If I agree with the rate increase, what are my next steps?

A: If you agree with the proposed increase, ignore the attached protest form. DRCD recommends that you come to the Hearing to voice your opinions in person. If the Board chooses to go to an election after the Hearing, you may vote “yes” on the ballot you receive.

Q: Shouldn't the reserve levels be equal to the annual budget?

A: The reserves are twofold. Two hundred thousand (\$200,000) is used to maintain the annual cash flow. This prevents the District from having to obtain a loan at the beginning of every year until the tax revenues come in. Three hundred twenty thousand (\$320,000) is specifically allocated for capital improvements such as replacing the District vehicle or IT infrastructure and replacing aging ditch infrastructure, such as culverts.

Q: What is the capital improvements money is being saved for?

A: There are three major capital improvement projects identified for future repair. None of them are imminent but money needs to be saved in case an unanticipated failure happens. One of the largest projects is the replacement of the Tremont 1 outlet culvert through an US Army Corp of Engineers (ACOE) controlled levee. The ACOE has substantially changed its design requirements for such projects to make a culvert replacement a more complicated project. The current estimate for this project is ~\$1000/linear foot. The culvert is 80 feet long.

Q: What other services does DRCD provide for its landowners?

A: DRCD assists landowners and tenants with any resource concerns, whether it is habitat planting or understanding new regulations for groundwater supply and water quality. DRCD partners with other agencies, such as Solano RCD and USDA-NRCS, to help customers achieve the resource goals for their land.

Q: If the new rate is approved, what will my rate be in 2022 and beyond?

A: \$4/ac unless a new rate setting process is initiated.

Q: If the new rate is approved, will the District still pursue Professional Services to help offset costs in the future?

A: Yes, the DRCD Board will continue to look at every avenue possible to keep the Ditch Maintenance fee as low as possible. The Board is hoping that this rate increase, if approved, will last much longer than the 5 years projected in the rate study. If the Board doesn't have to change the rate for another 25 years, the Directors will be very happy.