



The Dixon Resource Conservation District (RCD) will hold an **Informational Meeting** on the **Proposed Ditch Maintenance Fee Increase on Monday, March 30, 2026, at 6:00 p.m.** at the RCD Large Conference Room (Suite 109), Dixon, CA 95620.

And

Join Zoom Meeting

<https://us02web.zoom.us/j/87313650969?pwd=mnzfaD3HR2HCJZbiBefQEhTTIm5ih.1>

Meeting ID: 873 1365 0969

Passcode: 608727

Or by phone

+1 669 900 6833 US (San Jose)

The District Staff will present information and answer questions on the proposed rate increase.

AGENDA

1. **Introduction**
2. **Proposed Ditch Maintenance Fee Increase – “How much is it going to cost?”**
3. **Purpose and History of the Ditch Maintenance Fee – “What am I paying for?”**
 - a. Nature and Level of Service
 - b. Drainage System
 - c. Service Area
 - d. Ditch Fee History
4. **Process and Timing of Fee Increase –**
 - a. Ditch Maintenance Fee – a property related fee
 - b. Timing – Preparation, Protest, Public Hearing and Election
5. **Review of the Draft Rate Study – “Nuts and Bolts”**
 - a. Review of Prior Fiscal Years 2021 – 2025
 - b. Current Fiscal Year 2026
 - c. Planning Period Fiscal Years 2027 – 2031
 - d. Review of Cost Allocations

6. **Announcements**

The next Dixon RCD Board Meeting will be on **TUESDAY April 14, at 12:00 NOON** at the Dixon RCD Large Conference Room (Suite 109), 1170 N. Lincoln Street, Dixon CA.

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The District Staff will present information and answer questions on the proposed rate increase.

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	Current Fee	Recommended Rate					Average Fee
		2027	2028	2029	2030	2031	
Drainage Fee (\$/Ac)	\$4.00	\$6.00	\$7.00	\$8.00	\$8.00	\$8.00	\$ 7.40
	% Change	50.0%	16.7%	14.3%	0.0%	0.0%	

Dixon RCD Informational Meeting:
Proposed Ditch Maintenance Fee Increase
Monday, March 30, 2026 - 6:00 PM



GROUND RULES FOR ZOOM PARTICIPANTS

- All Zoom participants will be muted during the presentation. After the presentation, you can raise your hand for questions. Please stay muted when not speaking & remember to lower hand after you share. Questions/Comments will be limited to 3 minutes. On phones use *6 to mute/unmute.
- Use the **Chat Room** as an alternative to type in your question.
- If you have additional Questions / Feedback between now and April 14th, Please contact Dixon RCD staff or board members (email or call).

Dixon RCD SPECIAL BOARD MEETING

Informational Meeting

PURPOSE / INTENT OF MEETING:

- To **INFORM** Dixon RCD Rate Payers regarding proposed ditch maintenance fee increase, preliminary results, timeline and how to provide input.
- **OBTAIN QUESTIONS / FEEDBACK** from rate payers on DRAFT Rate Study for inclusion in FINAL Rate Study

SPECIAL BOARD MEETING

Informational Meeting

AGENDA:

- Introduction
-
- **Proposed Ditch Maintenance Fee Increase – “How much is it going to cost?”**
-
- **Purpose & History of Ditch Maintenance Fee – “What am I paying for?”**
-
- **Process and Timing of Fee Increase – “What to expect & when”**
-
- **Review of the Draft Rate Study – “Nuts and Bolts”**

Introduction

Proposed Drainage Fee “How much is it going to cost?”

	Current	Recommended Rate								
	Fee	2027	2028	2029	2030	2031	Average			
Drainage Fee (\$/Ac)	\$4.00	\$6.00	\$7.00	\$8.00	\$8.00	\$8.00	\$ 7.40	(average fee)		
	% Change	50.0%	16.7%	14.3%	0.0%	0.0%	16.2%	(average annual increase)		

Proposed Drainage Fee options

- Recommended: closest to ditch revenues covering costs.

Figure 4-1. PROPOSED Drainage Fee, Closest to 5-year Ditch Net Balance Breakeven

PROPOSED RATE					
Revenues With Rate Increase	Projections				
Description	2027	2028	2029	2030	2031
Annual Fee (\$/Acre)	\$6.00	\$7.00	\$8.00	\$8.00	\$8.00
% Change	50.0%	16.7%	14.3%	0.0%	0.0%
Annual Ditch Operations Revenues	\$234,318	\$272,962	\$311,607	\$311,607	\$311,607
Budget Expenditures					
Ditch Operations Expenses	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631
Capital Improvements	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Ditch Net Balance	-\$35,465	-\$5,563	\$24,034	\$14,669	\$4,976
District Net Balance	-\$5,387	\$798	\$36,135	\$33,014	\$30,106
Projected 06/30/31 District Ending Fund Balance with PROPOSED rate (rounded)					\$515,000

Introduction

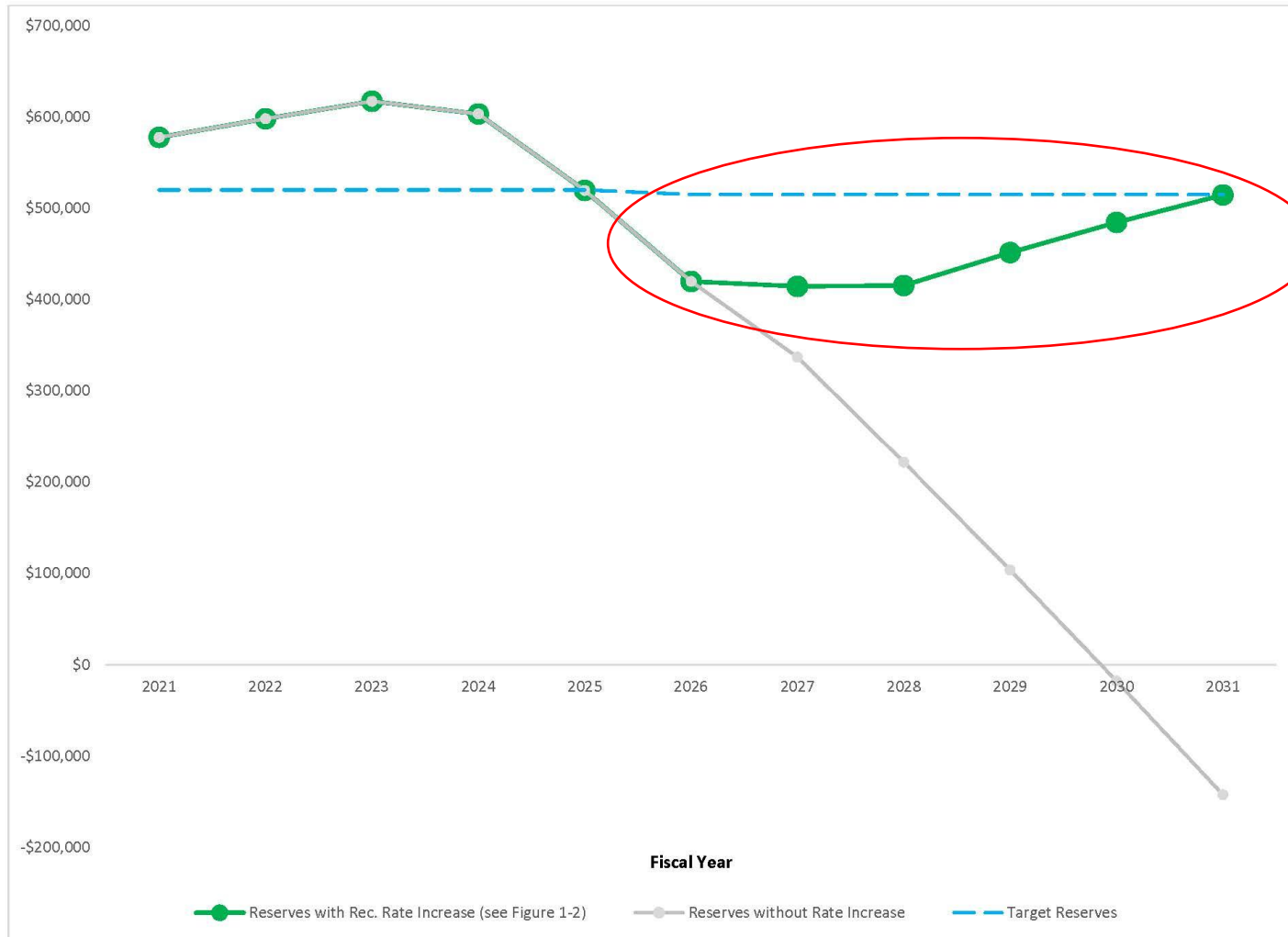
Why is a Fee Increase Needed Now?

PRIMARY REASON:

- Ditch Revenues are not covering Ditch Expenses & the shortfall is increasing

ADDITIONAL FACTORS:

- Increased costs for ditch maintenance
- Changing expectations for higher levels of service
- Insufficient District reserves after several capital improvement projects
- Reduced offsets from professional services revenues
- Increased costs for District to respond to proposed development



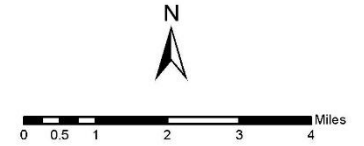
District
Reserves
Balance
with and
without
Drainage
Fee
Increase

“What am I paying for?”

Nature and Level of Service

- In 1952, Landowners formed the District in response to regional flooding.
- The drainage system was constructed to replace the natural drainage features that had been or were being changed due to land leveling and irrigation.
- The system is designed to provide drainage not “flood protection” for between a 5 and 10 year, 24-hour storm event.
- The system is designed to handle agricultural runoff.
- The District is responsible for maintaining the existing 70.5 miles of ditches, which includes spraying, excavation, right of way maintenance and repair or replacement of existing culverts.
- The District provides drainage service to 32,504.60 acres of rural lands and to the City of Dixon through agreements.
- The City of Dixon fee is set at 4 times the Ditch Maintenance Fee.

Dixon RCD Drainage Ditch System

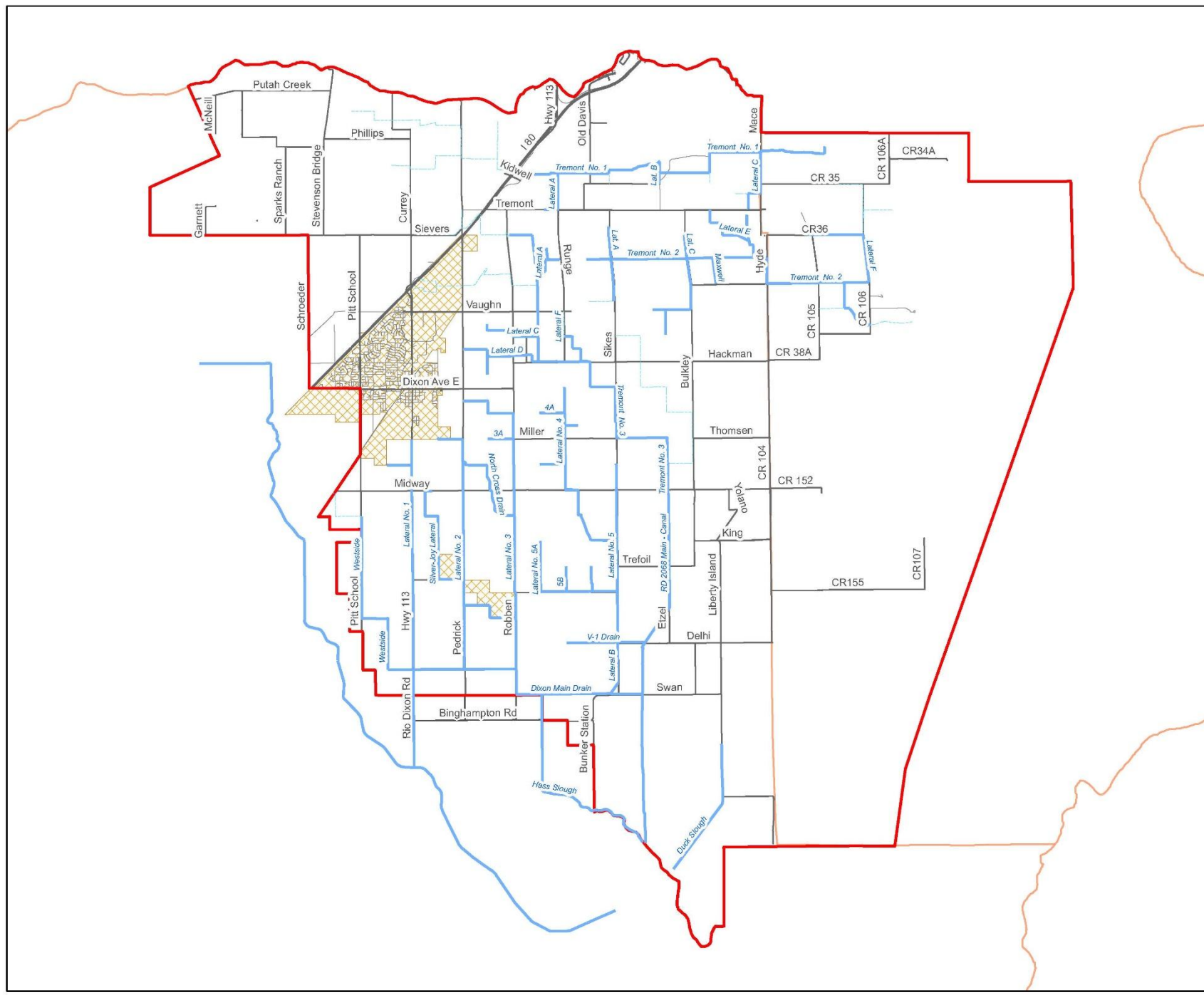


Legend

- Roads
- County Boundaries
- City of Dixon Boundary
- Dixon RCD Outer Legal Boundary
- Drainage Ditches**
- Ditch - Private
- Ditch - Public

Creation Date: Dec 14
Created by: DRCD

Notes:
- DRCD Outer Legal Boundary was verified with the 1972 Solano tax map and 1962 recorded boundary.



Dixon Ditch Assessments



Legend

- Roads
- DRCD Ditch Assessment
- DRCD Members w/ Outside Ditch Assessments
- DRCD Members w/ Alternative Agreements
- Maine Prairie
- Reclamation District 2068
- Dixon RCD Outer Legal Boundary
- County Boundaries
- City of Dixon Boundary
- NE Ag Industrial Area

213 owners
402 parcels
32,504.60 acres

Creation Date: 20 Dec 13
Created by: DRCD
Parcel Layers: 2012

Notes:

- DRCD Outer Legal Boundary was verified with the 1972 Solano tax map and 1962 recorded boundary.
- Maine Prairie territory is from the Solano HCP database.
- Reclamation District 2068 territory was employee verified.



RESOURCE
CONSERVATION DISTRICT

“What am I paying for?”

Ditch Fee History

- After construction in 1950s through 1983, the ditch fee was between 25 cents and \$2.50/acre
- 1990 through 2016 the ditch fee remained at \$2.00/acre.
- From 2004-2015 ditch maintenance was heavily subsidized by revenue from professional services (lease management services to Yolo Bypass Wildlife Area). This contributed more than \$400,000 to District reserves.
- The fee was last increased in 2017 through 2021 (from \$2/ac incrementally to \$4/ac).
- The 2017 through 2021 rate increases were established through a rate study and landowner election process in 2016.
- *During most of this time, the ditch fee has not covered the costs*

“What to expect & when”

Process and Timing of Fee Increases

- As the individual drains were constructed during the 1950's and 1960's, every landowner signed a mutual agreement authorizing the project and agreeing to pay an annual per acre assessment in order to carry out ditch maintenance.
- Under the California Constitution (Proposition 218), the ditch maintenance fee is considered a “property-related fee” given the nature of the drainage service and its relationship to a parcel.
- The Ditch Maintenance Fee is specifically considered a “stormwater service fee”
A more complicated fee increase process when compared to water, wastewater and solid waste disposal.

Requires 2-steps

1. Majority Protest Public Hearing – Preliminary date = June 9, 2026
2. If no majority protest, then, election by ballot June through August
 - **IF FEE INCREASE IS APPROVED**, 1ST FEE INCREASE WOULD BE IN DECEMBER 2026
 - **IF FEE INCREASE IS NOT APPROVED**, THE BOARD WOULD HAVE TO RE-EVALUATE THE LEVEL OF SERVICES PROVIDED ON ALL PROJECTS, INCLUDING DITCH MAINTENANCE & A NEW PROP 218 PROCESS WITH NEW RATE STUDY, HEARING & ELECTION WOULD BE REQUIRED

“What to expect & when”

Process & Timing – Preparation, Protest, Public Hearing and Election

- The first step is to complete a rate study that identifies past, present and future expense and revenue trends.
- The rate study must justify the need for a fee increase and show potential financial impacts to the landowners.
 - This rate study considers expenses for the past 5 years, the current budget year and projections for the next 5 years (11-year window)
 - The District’s
 - Fiscal year (FY) is July 1, to June 30.
 - The current FY is 2026: July 1, 2025 – June 30, 2026
- The public process starts tonight with this informational meeting explaining the analysis and results of the DRAFT rate study.
- April 14, 2026 (12:00 noon) **Board Meeting** – approve FINAL rate study.

Rate Study

“Nuts and Bolts”

- District financial structure
 - Government services
 - Ditch operations
 - Historically, only partially funded through ditch maintenance fees
 - District operations (e.g. other issues groundwater, development, habitat development, board activities, etc.) + project reviews for proposed developments.
 - primarily funded through property tax revenues
 - Professional services
 - Irrigated Lands Regulatory Program, Dixon Regional Watershed Joint Powers Authority, Grants
 - Reserve funds

Rate Study “Nuts and Bolts”

Review of Prior Period FYs 2021 – 2025

	2021	2022	2023	2024	2025	TOTAL
Annual Ditch Operations Revenues	\$159,059	\$155,407	\$156,870	\$156,336	\$159,447	\$787,119
Ditch Operations (Ditch) Expenses	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$938,380
Ditch Capital Improvements	\$0	\$0	\$21,814	\$6,467	\$47,834	\$76,114
Ditch Net Balance with Ditch Capital Improvements	-\$10,731	-\$12,981	-\$17,634	-\$63,727	-\$122,303	-\$227,375

Rate Study “Nuts and Bolts”

Review of Prior Period FYs 2021 – 2025

- During the Prior Period, utilized District Reserves for several capital improvement projects (on District and Regional facilities):
 - FY 23 \$21,813.91 – Lat 4 guardrail (Midway) & T2 culvert replacement (Maxwell Rd)
 - FY 24 \$6,447.57 – T1 culvert replacement (Becker Rd)
 - FY 25 \$47,833.92 (\$11,402.58 – T3 flow measurement stations, \$36,431.34 cost-share on Delhi Rd crossing replacement, \$15,425.47 cost-share on cleaning of V-Drain)
 - FY 26 Budget \$70,000 (includes up to \$40,000 for Lat 2-3 flow measurement stations & up to \$30,000 for rate study and/or culvert replacements)

Rate Study “Nuts and Bolts”

Current Fiscal Year 2026

Projected Financial Position

Starting Fund Balance on 06/30/2025 = \$519,483

- \$484,483 Cash Held At the Solano County Treasury
- \$35,000 Cash Held At First Northern Bank
- 2026 Projected District Net Balance = negative **(\$-99,661)**
- Reduced ditch maintenance activities to lessen impact on District’s finances

Projected Ending Fund Balance on 06/30/26 = \$419,822 vs. Target \$515,000

Compare to 2016 rate study

- \$633,519 Fund Balance on 6/30/2015 vs. Target \$520,000 in 2021

Rate Study “Nuts and Bolts”

How are the Reserves Allocated?

DISTRICT TARGET RESERVES FOR 2031 = \$515,000

Minimum Fund Balance \$160,000 (32% of Ave. District Operating Budget)

- \$145,000 General and Imprest Cash Reserves
- \$ 15,000 Fund Balance Available – non allocated cash

Equipment & Capital Improvement Reserves \$355,000

- \$75,000 Future Equipment Acquisition
 - Ditch Maintenance Equipment and Vehicle
- \$190,000 Future Capital Improvements (District)
 - Identified Projects and flood repair cost estimates
- \$90,000 Future Capital Improvements (Regional)
 - Per agreements, Dixon RCD is responsible for cost-share on regional drainage capital improvement and major ditch maintenance projects.

Rate Study “Nuts and Bolts” Future Capital Improvements

Appendix A: Table A-3. Capital Improvement Projects

Project	Total Project Expenditures	Projections				
		2027	2028	2029	2030	2031
Budgeted Recurring Capital Projects	Material Cost					
Pipe/Culvert Rehabilitation & Replacement		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Channel stabilization & enhancement						
Capital Improvements						
Swan Road (Sac Northern) Culvert Rehab.	\$25,000					
Flooding Damage Repair	\$40,000					
Robben Road/Radio Station Road Culvert repairs	\$5,000					
Tremont 2 Crossing Reinforcement	\$6,000					
Tremont 3 Diversion	\$25,000					
Future / Emergency Projects	\$89,000	\$ assumes outside contractor				
Total Program (2025 dollars)	\$190,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Capital Project Cost		\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000

Rate Study “Nuts and Bolts”

Fiscal Year 2027 Base Budget

TOTAL DITCH OPERATION BUDGET 2027 = \$249,283

- District Staffing for Ditch = \$ 30,581
- Ditch Maintenance Services = \$175,000

Ag Services & Supplies (Ditch Maintenance)		% to Ditch	\$ to Ditch
Ditch Spraying - Winter \$208/ac * 165 to 170 acres	\$35,000.00	100.00%	\$ 35,000
Ditch Spraying - Spot treat (aquatic) \$390/ac + time (if applies)	\$8,000.00	100.00%	\$ 8,000
Ditch Spraying - Summer \$210/ac * 152.4 acres	\$32,000.00	100.00%	\$ 32,000
Ditch Excavation - \$7,150 to \$10,000 / mile 5 to 7 miles	\$50,000.00	100.00%	\$ 50,000
Spoil leveling	\$10,000.00	100.00%	\$ 10,000
Ditch Repair and Debris Removal	\$8,000.00	100.00%	\$ 8,000
RD 2068 Cleaning & spraying	\$8,000.00	100.00%	\$ 8,000
NEW Annual flow measurement maintenance	\$5,000.00	100.00%	\$ 5,000
DRWJPA Lateral Maintenance Fund	\$5,000.00	100.00%	\$ 5,000
NPDES monitoring	\$14,000.00	100.00%	\$ 14,000
Total Ag Services & Supplies	\$175,000.00		\$ 175,000

- General Services & Supplies = \$44,202
 - Includes fees to RD 2068 & Dixon Regional JPA, share of Dixon RCD Office Expenses, engineering and legal services for District ditches.

Rate Study “Nuts and Bolts”

Planning Period Fiscal Years 2027-2031

Inflation Factors included in the Rate Study:

- Property tax revenue is projected at 6.0% increase annually, based on historical average.
- Proposed rates will align ditch maintenance costs and revenues & provide for up to 3.5% annual inflation.
 - Annual Inflation will be determined based on average of Western States and Bay Area CPI and considered by District Board annually in October.
 - NOTE: The proposed rate schedule reflects the maximum rate that the District may adopt in each year without initiating another Prop 218 process.

Cost of Service Analysis – Same as in 2016

- Uniform per acre drainage allocation method
 - Original design method
 - Objective was to reduce winter flooding on agricultural lands
 - Assumes all parcels drain uniformly
 - 0.02 cubic feet per second (CFS) or 11 cfs per square mile
- Runoff load allocation method
 - Determines volume of runoff per parcel based on land use and proportions fees accordingly
 - Used 4 land use classes for the analysis (Ag, Ag-residential, institutional, commercial-industrial)
- **The Board chose to keep using the uniform per acre billing method**
 - Cost of implementing the new method would outweigh the savings to any land use class and raise the drainage fees for everyone
 - District's policy is to require landowners and developers to maintain agricultural rates of discharge into the District's drains or to upgrade the District's (and any downstream) facilities to accept higher rates of discharge as part of land use change proposals

Questions/Rate Payer Feedback?

PLEASE KEEP COMMENTS / QUESTIONS TO 3 MINUTES

Additional Questions???

Contact: Kelly Huff, District Manager

707.678.1655 x102 kelly-huff@dixonrcd.org



Proposed Drainage Fee options

- Recommended: closest to ditch revenues covering costs.

Figure 4-1. PROPOSED Drainage Fee, Closest to 5-year Ditch Net Balance Breakeven

PROPOSED RATE					
Revenues With Rate Increase	Projections				
Description	2027	2028	2029	2030	2031
Annual Fee (\$/Acre)	\$6.00	\$7.00	\$8.00	\$8.00	\$8.00
% Change	50.0%	16.7%	14.3%	0.0%	0.0%
Annual Ditch Operations Revenues	\$234,318	\$272,962	\$311,607	\$311,607	\$311,607
Budget Expenditures					
Ditch Operations Expenses	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631
Capital Improvements	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Ditch Net Balance	-\$35,465	-\$5,563	\$24,034	\$14,669	\$4,976
District Net Balance	-\$5,387	\$798	\$36,135	\$33,014	\$30,106
Projected 06/30/31 District Ending Fund Balance with PROPOSED rate (rounded)					\$515,000

Proposed Drainage Fee options

- Alternative 1: Front load, with average 4.0% annual increase 2028-2031

Figure 4-2.1 ALTERNATIVE 1 Drainage Fee, Front Load Increase Option

ALTERNATIVE 1						
Revenues With Rate Increase		Projections				
Description	2027	2028	2029	2030	2031	
Annual Fee (\$/Acre)	\$6.85	\$7.10	\$7.40	\$7.70	\$8.00	
% Change	71.3%	3.6%	4.2%	4.1%	3.9%	
Annual Ditch Operations Revenues	\$267,166	\$276,827	\$288,420	\$300,013	\$311,607	
Budget Expenditures						
Ditch Operations Expenses	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631	
Capital Improvements	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	Total
Ditch Net Balance	-\$2,617	-\$1,698	\$847	\$3,075	\$4,976	\$4,582
District Net Balance	\$27,461	\$4,663	\$12,948	\$21,420	\$30,106	\$96,598
Projected 06/30/31 District Ending Fund Balance with ALTERNATIVE 1 rate (rounded)						\$516,000

Proposed Drainage Fee options

- Alternative 2: Gradual Increase Option

ALTERNATIVE 2					
Revenues With Rate Increase	Projections				
Description	2027	2028	2029	2030	2031
Annual Fee (\$/Acre)	\$6.00	\$6.75	\$7.50	\$8.00	\$8.00
% Change	50.0%	12.5%	11.1%	6.7%	0.0%
Annual Ditch Operations Revenues	\$234,318	\$263,301	\$292,285	\$311,607	\$311,607
Budget Expenditures					
Ditch Operations Expenses	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631
Capital Improvements	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Ditch Net Balance	-\$35,465	-\$15,224	\$4,712	\$14,669	\$4,976
District Net Balance	-\$5,387	-\$8,863	\$16,813	\$33,014	\$30,106
Projected 06/30/31 District Ending Fund Balance with ALTERNATIVE 2 rate (rounded)					\$486,000

Proposed Drainage Fee options

Recommended: closest to ditch revenues covering costs.

Figure 4-3. Sample Customer Impacts at the **PROPOSED RATE**

Sample Customers	Acres	Current Rate	Proposed Rates				
		\$4.00	2027 \$6.00	2028 \$7.00	2029 \$8.00	2030 \$8.00	2031 \$8.00
Max	1234.24	\$4,936.96	\$7,405.44	\$8,639.68	\$9,873.92	\$9,873.92	\$9,873.92
Average	152.6	\$610.40	\$915.60	\$1,068.20	\$1,220.80	\$1,220.80	\$1,220.80
Median	78.74	\$314.96	\$472.44	\$551.18	\$629.92	\$629.92	\$629.92
Min	0.71	\$2.84	\$4.26	\$4.97	\$5.68	\$5.68	\$5.68

“What am I paying for?”

Key Factors for Consideration Ditch Net Balance 2011 to 2025

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Annual Ditch Operations Revenues	\$ 77,632	\$ 88,583	\$ 79,347	\$ 81,341	\$ 81,195	\$ 82,371	\$121,834	\$127,558	\$143,936	\$152,058	\$159,059	\$155,407	\$156,870	\$156,336	\$159,447	\$1,822,976
Ditch Operations (Ditch) Expenses	\$ 107,710	\$ 112,840	\$ 95,249	\$ 117,375	\$ 90,152	\$ 166,378	\$92,378	\$181,359	\$139,471	\$156,813	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$2,198,105
Ditch Capital Improvements	\$ 7,914	\$ 8,689	\$ -	\$ 4,497	\$ -	\$ 25,886	\$0	\$8,999	\$6,339	\$0	\$0	\$0	\$21,814	\$6,467	\$47,834	\$138,439
Ditch Net Balance	\$ (30,078)	\$ (24,257)	\$ (15,902)	\$ (36,034)	\$ (8,957)	\$ (84,007)	\$ 29,456	\$ (53,801)	\$ 4,465	\$ (4,755)	-\$10,731	-\$12,981	-\$17,634	-\$63,727	-\$122,303	-\$451,244
Ditch Net Balance with Ditch Capital Improvements	\$ (37,992)	\$ (32,946)	\$ (15,902)	\$ (40,531)	\$ (8,957)	\$ (109,893)	\$ 29,456	\$ (62,800)	\$ (1,874)	\$ (4,755)	\$ (10,731)	\$ (12,981)	\$ (39,448)	\$ (70,193)	\$ (170,137)	\$ (589,683)

“What am I paying for?”

Key Factors for Consideration Ditch Net Balance 2011 to 2025

	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL
Annual Ditch Operations Revenues	\$ 77,632	\$ 88,583	\$ 79,347	\$ 81,341	\$ 81,195	\$ 82,371	\$121,834	\$127,558	\$739,862
Ditch Operations (Ditch) Expenses	\$ 107,710	\$ 112,840	\$ 95,249	\$ 117,375	\$ 90,152	\$ 166,378	\$92,378	\$181,359	\$963,441
Ditch Capital Improvements	\$ 7,914	\$ 8,689	\$ -	\$ 4,497	\$ -	\$ 25,886	\$0	\$8,999	\$55,986
Ditch Net Balance	\$ (30,078)	\$ (24,257)	\$ (15,902)	\$ (36,034)	\$ (8,957)	\$ (84,007)	\$ 29,456	\$ (53,801)	\$ (223,579)
Ditch Net Balance with Ditch Capital Improvements	\$ (37,992)	\$ (32,946)	\$ (15,902)	\$ (40,531)	\$ (8,957)	\$ (109,893)	\$ 29,456	\$ (62,800)	\$ (279,565)
	2019	2020	2021	2022	2023	2024	2025	<i>Budget 2026</i>	TOTAL
Annual Ditch Operations Revenues	\$143,936	\$152,058	\$159,059	\$155,407	\$156,870	\$156,336	\$159,447	\$157,008	\$1,240,122
Ditch Operations (Ditch) Expenses	\$139,471	\$156,813	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$209,430	\$1,444,094
Ditch Capital Improvements	\$6,339	\$0	\$0	\$0	\$21,814	\$6,467	\$47,834	\$70,000	\$152,453
Ditch Net Balance	\$ 4,465	\$ (4,755)	\$ (10,731)	\$ (12,981)	\$ 4,180	\$ (57,260)	\$ (74,469)	\$ (52,422)	\$ (203,973)
Ditch Net Balance with Ditch Capital Improvements	\$ (1,874)	\$ (4,755)	\$ (10,731)	\$ (12,981)	\$ (17,634)	\$ (63,727)	\$ (122,303)	\$ (122,422)	\$ (356,426)

“What to expect & when”

Next Steps: Public Hearing

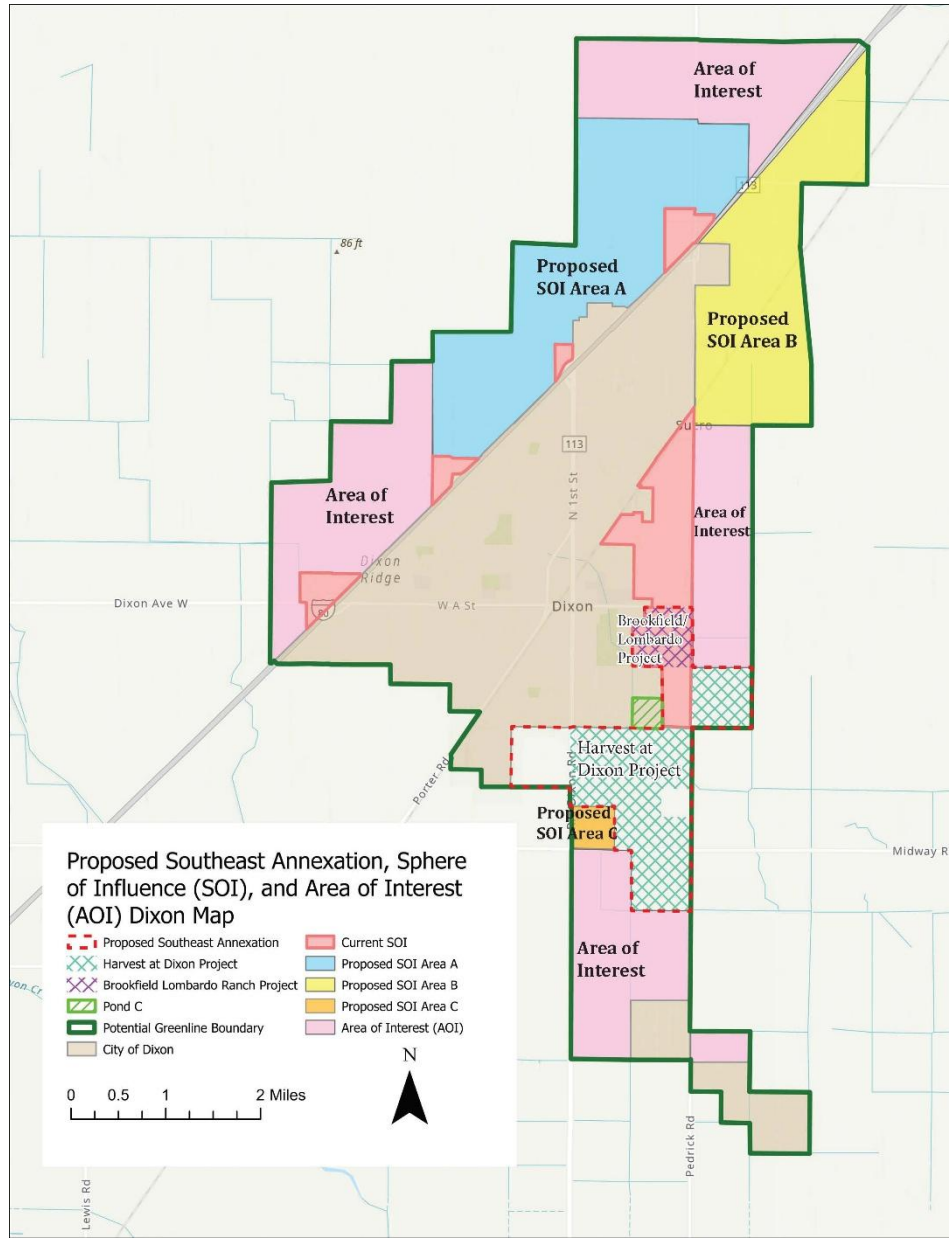
- April 14th Dixon RCD Board Meeting to Approve Rate Study
- April 15, 2026 **Mail Notice of Public Hearing** to the property owners – Begins 45-day notice period
 - Total Parcels = 402 in service area, majority protests = 202 protests
- June 9, 2026 **Board Meeting and Public Hearing**
 - If 202 or more written protests are received, then the rate adoption process ends. The Board may initiate a new rate setting process or continue at the old rate.
 - If 201 or fewer written protests are received, then the Board may proceed to the election. The election can be conducted not less than 45 days after the majority protest hearing.

“What to expect & when”

Next Steps: Election

- June 19, 2026 **Mail Election Ballot to property owners**
 - 214 property owners
- August 11, 2026 **Board Meeting and certify election results**
 - If the majority of the votes cast by landowners (**weighted by financial obligation**) are for the fee increase, then the Board may implement the new voter approved fee increase.
 - If the majority of the votes cast are in opposition to the fee increase, then the Board may not implement the fee increase and the process would end. The Board may initiate a new rate setting process or continue at the old rate.
- December 1, 2026 Mail Ditch Maintenance Fee Invoices

City of Dixon Proposal July 2025 – *under revision*



The approximate acreages of each proposed project component are shown in Table 1 below:

Table 1: Proposed Project

Project Component	Approximate Acres
Area of Interest	3,408
SOI Area A	1,768
SOI Area B	1,306
SOI Area C	79
Harvest Project	838
Lombardo Ranch Project	147
Non-participating Parcels	273
Pond C	39
Total	7,858

- Existing SOI into Laterals 2/3 – 500 acres
- Harvest Project 800+ acres
- Area of Interest East of Pedrick – 621 acres
- In the next 10 years, Total = 1,500 to 2,000 acres currently in District to City?

DIXON RCD EXPECTATIONS OF NEW DEVELOPMENT AT A MINIMUM

- Managed and measurable discharges into Dixon RCD systems when and if there is capacity. Discharges will be at agricultural runoff rates that meet the system designs.

OR

- Necessary upgrades to all existing systems needed to accommodate new flow rates.

AND

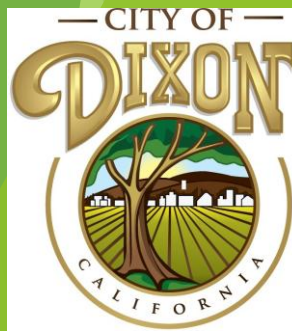
- Modeling that demonstrates no loss of existing function for all lands served by any impacted drain.
- Installation & maintenance of **flow measurement** stations to establish actual baseline existing conditions.
- Payment of ongoing drainage maintenance fees at development vs. agricultural rates.
- Reimbursement for cost of third-party engineering review of drainage plans with adequate time to make adjustments to designs, by a firm that is agreed to by agricultural water districts, including Dixon RCD.
- Reimbursement of Dixon RCD costs for project review and ditch member outreach.

DIXON RCD EXPECTATIONS OF NEW DEVELOPMENT IDEALLY

- Improve existing flooding.
- Improve drainage function and management of storm drainage. E.g. use of excess storm water to recharge aquifer, to supplement irrigation (city and/or ag use).
- Install multibenefit projects with recreation/habitat features.

DRAINAGE STANDARDS

- Addresses Climate Change - Design storm rainfall increased by 18%
- Detention Basins and Pump Stations
 - Sizing for 100-Year, however, 4-Day Storm (Rain depth increased from 7.96-inches to 9.39-inches)
 - Detention Basin Sizes Increased by 18% (for climate change)
 - Require the assumption- basin to be 25% full at start of design storm (accounting for preceding rainfall)
 - Allow City Engineer to specify groundwater recharge as a basin joint use
 - Basin storage and discharge capacity shall be determined on a case-by-case basis and subject to review and approval of the City Engineer (allows City Engineer to specify compliance with DRCD channel design capacity of 11 cfs per square mile of tributary area)
 - The pump station capacity must be coordinated with the detention basin sizing and must comply with downstream storm drain and open channel capacity limitations (this was intentionally included to achieve compliance with DRCD Channel Design Capacity of 11 cfs per square mile)



Key Factors for Consideration

- Historically, the District has allowed annual Ditch Operations Expenses to significantly exceed the Ditch Operations Revenues (see below). The District cannot sustain this into the future.

	2021	2022	2023	2024	2025	TOTAL
Annual Ditch Operations Revenues	\$159,059	\$155,407	\$156,870	\$156,336	\$159,447	\$787,119
Ditch Operations (Ditch) Expenses	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$938,380
Ditch Capital Improvements	\$0	\$0	\$21,814	\$6,467	\$47,834	\$76,114
Ditch Net Balance with Ditch Capital Improvements	-\$10,731	-\$12,981	-\$17,634	-\$63,727	-\$122,303	-\$227,375

- Response to development projects that have the potential to impact the District's drainage service area. Moving forward, the District is updating the development project review process to recoup these costs from project proponents through work order requests and associated fees.
- As part of the rate study process, the District has performed an analysis of upper watershed acres (that are not currently in the District service areas) but that benefit from the District's facilities. The District is pursuing options to address this issue.
- The current Fiscal Year 2025-2026 ditch maintenance activities have been reduced to lessen the impact of the negative ditch operations net balance on the District's overall finances.

Key Factors for Consideration

- In addition to inflationary impacts, the ditch maintenance costs have increased significantly in order to improve the effectiveness of the annual ditch spray program, to respond to increased needs for debris removal & spoil leveling and to respond to immediate regional capital improvement needs.
- In the last three years, Dixon RCD has been able to partner with Reclamation District 2068 to conduct maintenance services on Dixon RCD's drainage system, which allowed us to offer a higher level of service at a lower cost.
- Dixon RCD staff has performed the majority of the initial financial analysis, projections and drafting of the rate study, with legal and engineering reviews, to minimize the cost of the rate study to rate payers.

Key Factors for Consideration

- The District's proposed per mile costs for 2027-2031 Ditch Operations average \$3,660.34 per mile. For comparison, Solano County Water Agency's budget for the Ulatis Flood Control Channel and the Green Valley Channel is \$36,364 per mile. The District's proposed rates for the 5-year rate study period range from \$6.00/acre to \$8.00/acre. Reclamation District 2068's current fee for drainage from acres outside of their service area is \$6.25/acre.
- Since 2020, the District has reached out to drainage fee paying landowners and operators with two surveys to gather feedback on priorities and expectations of level of service from the District's Ditch Operations. This input has helped guide future plans for operations and maintenance.

Appendix A: Table A-1: Fiscal Year 2027 Base Year Budget Projections

Descriptions	2027 Combined Budget	% to Ditch	2027 Ditch Budget
Payroll Expenses			\$ to Ditch
Manager Total Wages and Benefits	\$123,994	14.00%	\$17,359
Admin Total Wages and Benefits	\$87,976	14.00%	\$12,317
Project Coordinator Total Wages and Benefits	\$90,488	1.00%	\$905
Total Payroll Expenses	\$302,458		\$30,581
Ag Services & Supplies (Ditch Maintenance)		% to Ditch	\$ to Ditch
Ditch Spraying - Winter \$208/ac * 165 to 170 acres	\$35,000.00	100.00%	\$ 35,000
Ditch Spraying - Spot treat (aquatic) \$390/ac + time (if applies)	\$8,000.00	100.00%	\$ 8,000
Ditch Spraying - Summer \$210/ac * 152.4 acres	\$32,000.00	100.00%	\$ 32,000
Ditch Excavation - \$7,150 to \$10,000 / mile 5 to 7 miles	\$50,000.00	100.00%	\$ 50,000
Spoil leveling	\$10,000.00	100.00%	\$ 10,000
Ditch Repair and Debris Removal	\$8,000.00	100.00%	\$ 8,000
RD 2068 Cleaning & spraying	\$8,000.00	100.00%	\$ 8,000
NEW Annual flow measurement maintenance	\$5,000.00	100.00%	\$ 5,000
DRWJPA Lateral Maintenance Fund	\$5,000.00	100.00%	\$ 5,000
NPDES monitoring	\$14,000.00	100.00%	\$ 14,000
Total Ag Services & Supplies	\$175,000.00		\$ 175,000
Services & Supplies		% to Ditch	\$ to Ditch
Restoration Supplies	\$ 500.00	8.35%	\$ 42
Clothing and Personal Supplies	\$ 200.00	8.35%	\$ 17
Cell Phone Allowance	\$ 1,920.00	8.35%	\$ 160
Meals/Refreshments	\$ 3,000.00	0.00%	\$ -
Insurance -General Liability, Property, Auto, E & O	\$ 7,100.00	8.35%	\$ 593
Maintenance Equipment	\$ 500.00	8.35%	\$ 42
Fuel & Lubricants-Auto	\$ 1,000.00	8.35%	\$ 84
Membership-CARCD (.02 of Expenses)	\$ 5,500.00	8.35%	\$ 459
Membership-NACD	\$ 800.00	8.35%	\$ 67
Membership-CSDA	\$ 2,500.00	8.35%	\$ 209
Membership-Farm Bureau	\$ 350.00	8.35%	\$ 29
Miscellaneous Expense	\$ 500.00	8.35%	\$ 42
Fees & Permits	\$ 4,000.00	100.00%	\$ 4,000
Documents & Records	\$ 2,400.00	33.33%	\$ 800
Books & Subscriptions	\$ 200.00	8.35%	\$ 17
Office Expense	\$ 3,500.00	8.35%	\$ 292
Office Equipment	\$ 1,000.00	8.35%	\$ 84
Computer Equipment	\$ 2,500.00	8.35%	\$ 209
Postage	\$ 2,000.00	8.35%	\$ 167
Accounting-Payroll Services	\$ 2,500.00	8.35%	\$ 209
Accounting- Audit (26/27), (28/29), (30/31)	\$ -	8.35%	\$ -
Accounting-Co Bookkeeping	\$ 3,500.00	22.64%	\$ 792
Engineering Services	\$ 20,000.00	10.00%	\$ 2,000
Legal Services	\$ 15,000.00	10.00%	\$ 1,500
Contracted Services Database + ILRP Speakers	\$ 2,000.00	100.00%	\$ 2,000
Contracted Services DRCD IT (SRCD & Lantech)	\$ 1,500.00	8.35%	\$ 125
Solano Co (Tax Admin Fees)	\$ 2,300.00	8.35%	\$ 192
RD 2068 - Admin Fee	\$ 20,776.00	100.00%	\$ 20,776
JPA Admin Fee	\$ 6,500.00	100.00%	\$ 6,500
Software Licenses & Maintenance Agreements	\$ 8,500.00	8.35%	\$ 710
Publications and Legal Notices	\$ 1,000.00	8.35%	\$ 84
Advertising/Marketing	\$ 500.00	8.35%	\$ 42
Equipment-Lease & Rent	\$ 1,000.00	8.35%	\$ 84
Buildings-Rents & Leases - Office Management Act.	\$ 18,500	8.35%	\$ 1,545
Small Tool and Instruments	\$ 500.00	8.35%	\$ 42
Education and Training	\$ 2,000.00	8.35%	\$ 167
Travel Expense	\$ 700.00	8.35%	\$ 58
Personal Mileage	\$ 500.00	8.35%	\$ 42
Refund of Prior Year Charges	\$ 300.00	8.35%	\$ 25
Total Services and Supplies	\$147,046		\$ 44,202
Total Expenses	\$ 624,504		\$ 249,783

Appendix A: Table A-2. Operating Expenses

Expenses						Budget	Projections					
	Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Ditch Operations (Ditch)												
Salaries & Benefits	\$25,168	\$15,012	\$18,356	\$17,629	\$31,106	\$23,996	\$30,581	\$31,651	\$32,759	\$33,906	\$35,093	
% Change		-40.4%	22.3%	-4.0%	76.4%	-22.9%	27.4%	3.5%	3.5%	3.5%	3.5%	
Ditch Maintenance	\$99,601	\$122,722	\$105,395	\$158,947	\$161,907	\$145,072	\$175,000	\$181,125	\$187,464	\$194,025	\$200,816	
% Change		23.2%	-14.1%	50.8%	1.9%	-10.4%	20.6%	3.5%	3.5%	3.5%	3.5%	
Materials & Services	\$45,021	\$30,654	\$28,938	\$37,020	\$40,904	\$40,363	\$44,202	\$45,749	\$47,350	\$49,007	\$50,722	
% Change		-31.9%	-5.6%	27.9%	10.5%	-1.3%	9.5%	3.5%	3.5%	3.5%	3.5%	
Subtotal	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$209,430	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631	
Response to Development/Regional Drainage												
Salaries & Benefits	\$6,319	\$8,998	\$21,544	\$28,830	\$26,997	\$24,785	\$25,652	\$26,550	\$27,479	\$28,441	\$29,436	
% Change		42.4%	139.4%	33.8%	-6.4%	-8.2%	3.5%	3.5%	3.5%	3.5%	3.5%	
Materials & Services	\$14,674	\$5,985	\$18,974	\$36,409	\$46,539	\$38,370	\$25,875	\$25,875	\$25,875	\$25,875	\$25,875	
% Change		-59.2%	217.0%	91.9%	27.8%	-17.6%	-32.6%	0.0%	0.0%	0.0%	0.0%	
Subtotal	\$20,993	\$14,983	\$40,518	\$65,239	\$73,536	\$63,154	\$51,527	\$52,425	\$53,354	\$54,316	\$55,311	
Administration Operations (District)												
Salaries & Benefits	\$70,848	\$78,408	\$78,062	\$71,237	\$88,011	\$87,976	\$94,886	\$128,207	\$132,694	\$137,338	\$142,145	
% Change		10.7%	-0.4%	-8.7%	23.5%	-0.04%	7.9%	35.1%	3.5%	3.5%	3.5%	
Materials & Services	\$18,920	\$22,836	\$23,990	\$18,544	\$21,548	\$18,566	\$27,664	\$28,632	\$29,634	\$30,671	\$31,744	
% Change		20.7%	5.1%	-22.7%	16.2%	-13.8%	49.0%	3.5%	3.5%	3.5%	3.5%	
Subtotal	\$89,769	\$101,244	\$102,051	\$89,781	\$109,559	\$106,543	\$122,550	\$156,839	\$162,328	\$168,009	\$173,889	
Subtotal Operating Budget	\$280,551	\$284,615	\$295,260	\$368,616	\$417,011	\$379,127	\$423,861	\$467,789	\$483,255	\$499,263	\$515,831	
% Change		1.4%	3.7%	24.8%	13.1%	-9.1%	11.8%	10.4%	3.3%	3.3%	3.3%	
CIP Project Cash Expenditures	\$0	\$0	\$21,814	\$6,467	\$47,834	\$70,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
Contribution to Reserves							\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$280,551	\$284,615	\$317,074	\$375,082	\$464,844	\$449,127	\$443,861	\$487,789	\$503,255	\$519,263	\$535,831	

*Note: 2028 Staff Expenses for District Operations include \$30,000 adjustment for end of groundwater and CARCD grants

Appendix A: Table A-4. Revenues

Revenues With Recommended Rate Increase (see Figure 1-2)						Budget	Projections				
Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Ditch Operations (Ditch)											
Ditch Maintenance Fee-based Revenues											
Annual Fee (\$/Acre)	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$6.00	\$7.00	\$8.00	\$8.00	\$8.00
Customer (Acres)/403 Parcels	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6	32504.6
Ditch Maintenance Fee-based Revenues	\$130,018	\$130,018	\$130,018	\$130,018	\$130,018	\$130,018	\$195,028	\$227,532	\$260,037	\$260,037	\$260,037
Adjustments (collections/delinquencies)	\$1,321	-\$1,621	-\$158	-\$692	\$2,419	-\$20	\$0	\$0	\$0	\$0	\$0
Total Ditch Maintenance Fee-based Revenues	\$131,339	\$128,397	\$129,860	\$129,326	\$132,437	\$129,998	\$195,028	\$227,532	\$260,037	\$260,037	\$260,037
Drainage Services Agreements Revenues											
City of Dixon (\$/Acre)	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$24.00	\$28.00	\$32.00	\$32.00	\$32.00
City of Dixon (Acre)	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0	1,535.0
City of Dixon	\$24,560	\$24,560	\$24,560	\$24,560	\$24,560	\$24,560	\$36,840	\$42,980	\$49,120	\$49,120	\$49,120
Solano Irrigation District (fixed rate)	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450	\$2,450
Maine Prairie Water District (reimbursement)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dixon Regional Watershed JPA (reimbursement)	\$710	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Drainage Services Agreements Revenues	\$27,720	\$27,010	\$27,010	\$27,010	\$27,010	\$27,010	\$39,290	\$45,430	\$51,570	\$51,570	\$51,570
Annual Ditch Operations Revenues	\$159,059	\$155,407	\$156,870	\$156,336	\$159,447	\$157,008	\$234,318	\$272,962	\$311,607	\$311,607	\$311,607
Administration Operations (District)											
Property Tax Revenue	\$131,462	\$140,018	\$154,651	\$162,599	\$180,451	\$180,335	\$191,156	\$202,625	\$214,783	\$227,670	\$241,330
Other Revenues (Interest/Fees/Etc.)	\$5,247	\$3,553	\$16,782	\$23,283	\$22,457	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Reimbursement Agreements	\$0	\$0	\$0	\$0	\$5,644	\$0	\$0	\$0	\$0	\$0	\$0
Administrative (District) Revenues	\$136,709	\$143,571	\$171,433	\$185,882	\$208,552	\$190,835	\$201,656	\$213,125	\$225,283	\$238,170	\$251,830
Annual Revenues	\$295,768	\$298,978	\$328,303	\$342,218	\$367,999	\$347,843	\$435,974	\$486,087	\$536,890	\$549,777	\$563,437

Appendix A: Table A-5. Revenues and Expenditures

Revenues and Expenses						Budget	Projections				
Description	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Budget Expenditures											
Ditch Operations (Ditch)	\$169,790	\$168,388	\$152,690	\$213,596	\$233,916	\$209,430	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631
Administration Operations (District)	\$89,769	\$101,244	\$102,051	\$89,781	\$109,559	\$106,543	\$122,550	\$156,839	\$162,328	\$168,009	\$173,889
Response to Development/Regional Drainage	\$20,993	\$14,983	\$40,518	\$65,239	\$73,536	\$63,154	\$51,527	\$52,425	\$53,354	\$54,316	\$55,311
Capital Improvements	\$0	\$0	\$21,814	\$6,467	\$47,834	\$70,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Contribution to reserves											
Total Expenditures	\$280,551	\$284,615	\$317,074	\$375,082	\$464,844	\$449,127	\$443,861	\$487,789	\$503,255	\$519,263	\$535,831
Drainage Program Funding Sources											
Beginning Fund Balance	\$548,657	\$577,586	\$598,081	\$617,135	\$603,179	\$519,483	\$419,822	\$414,435	\$415,233	\$451,368	\$484,382
Receipts from revenues											
Ditch Maintenance Fee-based Revenues	\$131,339	\$128,397	\$129,860	\$129,326	\$132,437	\$129,998	\$195,028	\$227,532	\$260,037	\$260,037	\$260,037
Drainage Services Agreements Revenues	\$27,720	\$27,010	\$27,010	\$27,010	\$27,010	\$27,010	\$39,290	\$45,430	\$51,570	\$51,570	\$51,570
Property Tax Revenue	\$131,462	\$140,018	\$154,651	\$162,599	\$180,451	\$180,335	\$191,156	\$202,625	\$214,783	\$227,670	\$241,330
Other Revenues (Interest/Fees/Etc.)	\$5,247	\$3,553	\$16,782	\$23,283	\$22,457	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500	\$10,500
Reimbursement Agreements	\$0	\$0	\$0	\$0	\$5,644	\$0	\$0	\$0	\$0	\$0	\$0
Transfers (net professional services revenues)	\$13,712	\$6,132	\$7,824	\$18,908	\$13,149	\$1,623	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Total Revenues	\$309,480	\$305,110	\$336,128	\$361,127	\$381,148	\$349,467	\$438,474	\$488,587	\$539,390	\$552,277	\$565,937
Less expenditure	-\$280,551	-\$284,615	-\$317,074	-\$375,082	-\$464,844	-\$449,127	-\$443,861	-\$487,789	-\$503,255	-\$519,263	-\$535,831
Ending Fund Balance	\$577,586	\$598,081	\$617,135	\$603,179	\$519,483	\$419,822	\$414,435	\$415,233	\$451,368	\$484,382	\$514,487
Change in District fund balance	\$28,929	\$20,495	\$19,054	-\$13,956	-\$83,697	-\$99,661	-\$5,387	\$798	\$36,135	\$33,014	\$30,106

Rate Study “Nuts and Bolts”

How are the Reserves Allocated?

- Reserve Allocations for FYs 2026 - 2031: \$515,000
 - Minimum Fund Balance \$160,000 – 30% of Annual Budget
 - \$145,000 General and Imprest Cash Reserves
 - \$15,000 Fund Balance Available – non allocated cash
 - Cash Flow Requirements – Goal 30% of Annual Budget
- (Total FY 2027 Budget = \$625,500)
- Each year expenses exceeded revenue from July 1st - Dec. 31st
 - \$250,000 Average Cash Need July – Dec 2021-2026
 - \$335,880 Greatest Cash Need \$55,980 ave/month July – Dec 2025