

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 14<sup>th</sup>, 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?”

	<b>Current</b>	<b>Recommended Rate</b>								
	<b>Fee</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>Average</b>			
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%
<b>Annual Ditch Operations Revenues</b>	\$234,318	\$272,962	\$311,607	\$311,607	\$311,607
Budget Expenditures					
<b>Ditch Operations Expenses</b>	\$249,783	\$258,525	\$267,573	\$276,938	\$286,631
Capital Improvements	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Ditch Net Balance</b>	<b>-\$35,465</b>	<b>-\$5,563</b>	<b>\$24,034</b>	<b>\$14,669</b>	<b>\$4,976</b>
District Net Balance	-\$5,387	\$798	\$36,135	\$33,014	\$30,106
<b>Projected 06/30/31 District Ending Fund Balance with PROPOSED rate (rounded)</b>					<b>\$515,000</b>

# Introduction

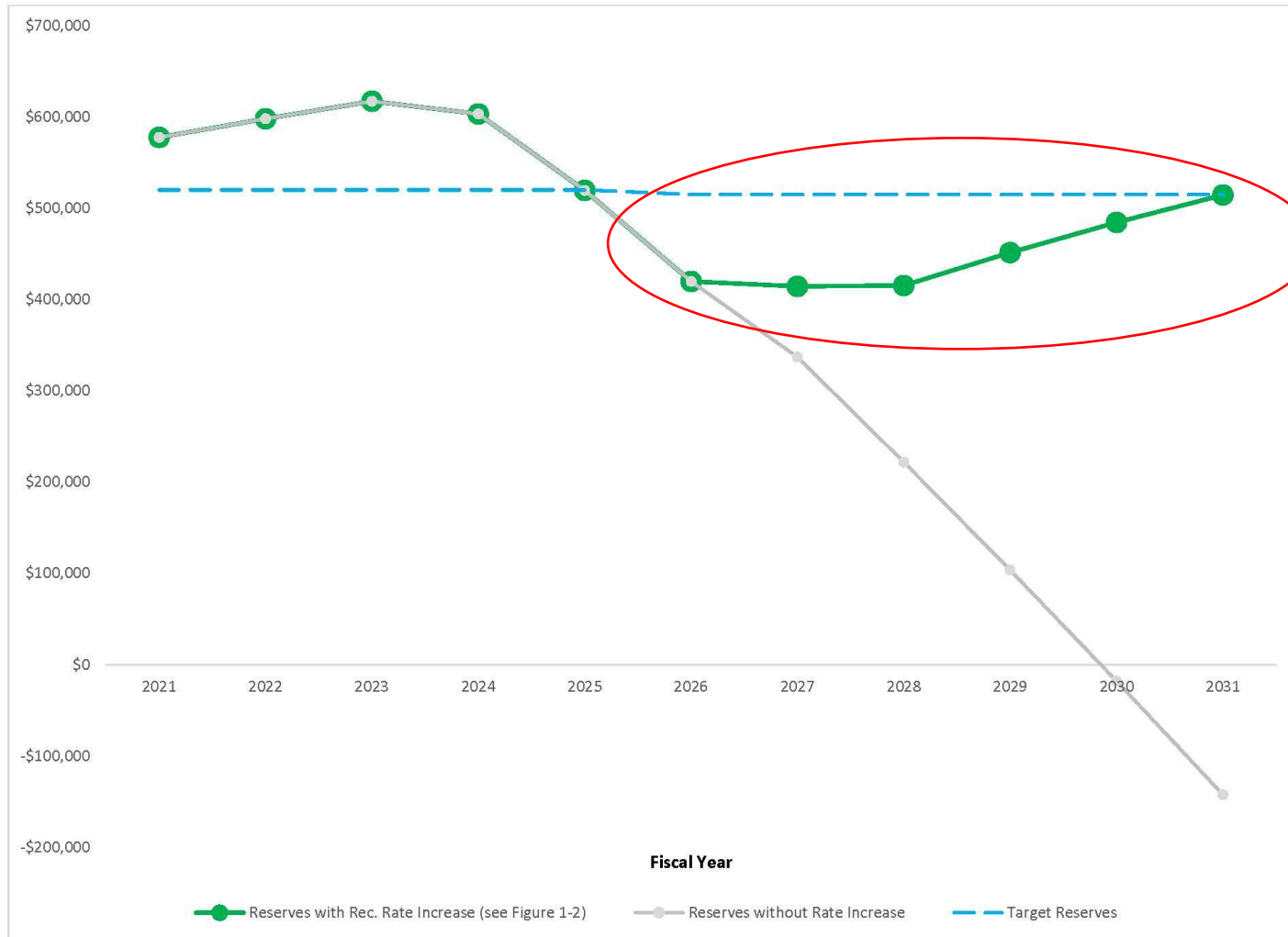
## Why is a Fee Increase Needed Now?

### 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



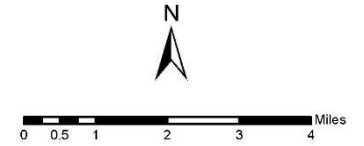
District  
Reserves  
Balance  
with and  
without  
Drainage  
Fee  
Increase

# “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

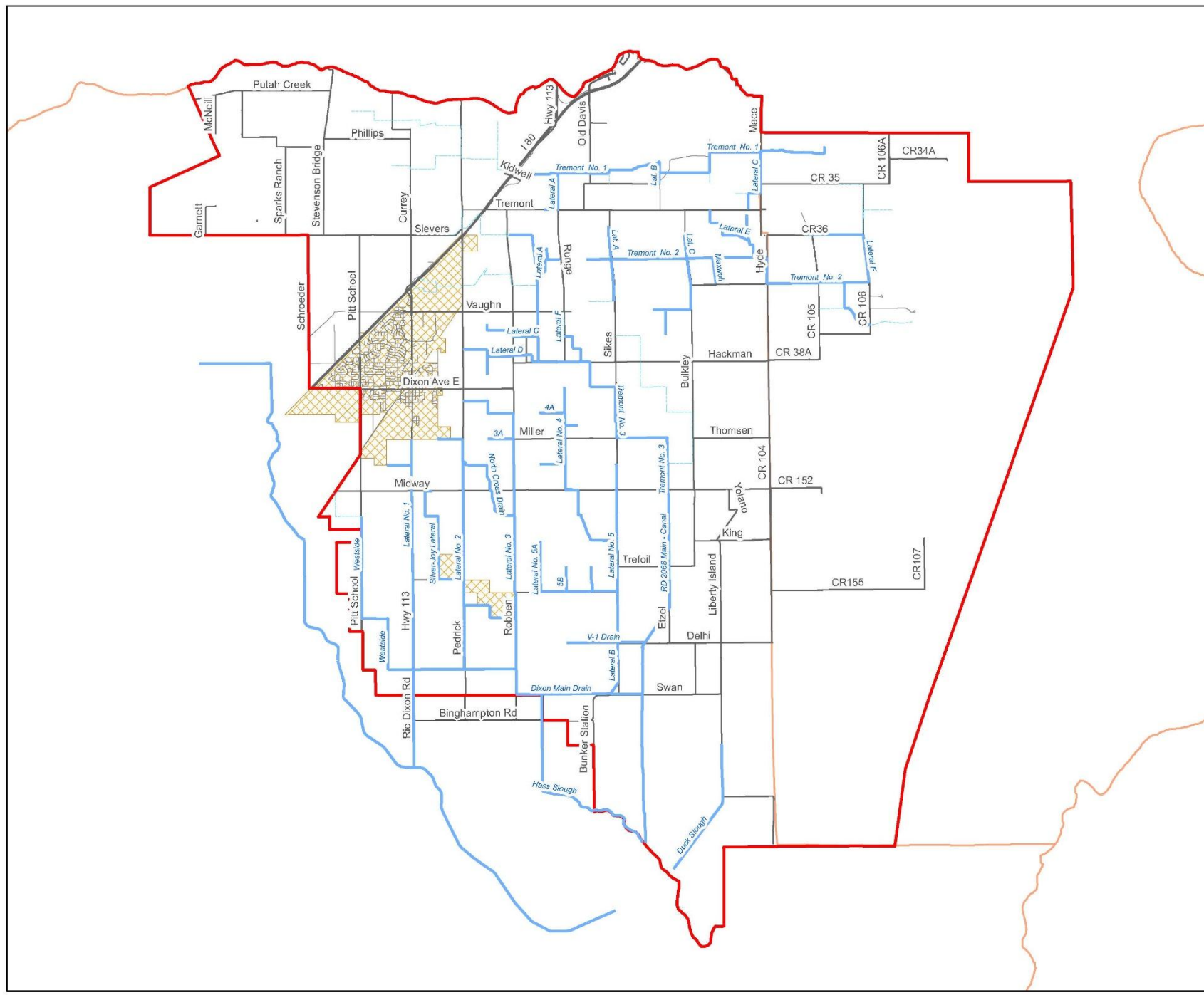


## Legend

- 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**, 1<sup>ST</sup> 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
<b>Ditch Net Balance with Ditch Capital Improvements</b>	<b>-\$10,731</b>	<b>-\$12,981</b>	<b>-\$17,634</b>	<b>-\$63,727</b>	<b>-\$122,303</b>	<b>-\$227,375</b>

# 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
<b>Budgeted Recurring Capital Projects</b>	Material Cost					
Pipe/Culvert Rehabilitation & Replacement		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Channel stabilization & enhancement						
<b>Capital Improvements</b>						
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				
<b>Total Program (2025 dollars)</b>	<b>\$190,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>
<b>Total Capital Project Cost</b>		<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

# 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
<b>Total Ag Services &amp; Supplies</b>	<b>\$175,000.00</b>		<b>\$ 175,000</b>

- 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](mailto:kelly-huff@dixonrcd.org)

