City of Davis
Surface Water Project Ballot Measure

November 13, 2012

Herb Niederberger
GM – Utilities, Development and Operations
Advisory Ballot Language:

“Should Davis proceed with participation in the Davis Woodland Water Supply Project, to provide 12 million gallons per day of surface water to Davis water customers and use groundwater as necessary, at an estimated construction cost of to Davis of approximately $120,000,000 and subject to approval of increased water rates by the water customers of Davis following a full Proposition 218?”
City of Davis
Surface Water Project Ballot Measure

Advisory Ballot Measure
- Approved Advisory Ballot Language
- Adopt Resolution of Necessity
- Adopt Resolution setting March 5, 2013 for mail-in Advisory Ballot
- Adopt Resolution requesting Yolo County conduct the Mail Ballot Special Election
- Appoint a Council Subcommittee to draft arguments and rebuttal
City of Davis
Surface Water Project Ballot Measure

Binding Ballot Language:

“Shall Ordinance No. XXXX, to direct that the City shall participate in the Davis Woodland Water Supply Project to provide 12 million gallons per day of surface water to Davis water customers and use groundwater as necessary, at an estimated construction cost of to Davis of approximately $120,000,000 and subject to approval of increased water rates by the water customers of Davis following a full Proposition 218, be adopted?”
City of Davis
Surface Water Project Ballot Measure

Binding Ballot Measure
- Approve Binding Ballot Language
- Adopt Ordinance
- Adopt Resolution setting March 5, 2013 for mail-in Binding Ballot
- Adopt Resolution requesting Yolo County conduct the Mail Ballot Special Election
- Appoint a Council Subcommittee to draft arguments and rebuttal
City of Davis
Surface Water Project Ballot Measure

- Advisory vs. Binding Ballot Measure
- Election March 5, 2013
- Concurrent Proposition 218 Process for Rates
- Approve New Rates – March 12 & 26, 2013
- Rates Effective May 1, 2013
- WDCWA Issue Contract August 2013
Frequently Asked questions

What happens if we delay the election?
Any delay in the election may result in a project delay. It could result in the loss of a construction season which will impact meeting regulatory requirements and deadlines resulting in higher project costs. In addition, there is the potential impact to the public financing of the project.

If Woodland were to proceed initially without Davis, the cost for Davis to re-join the project at a later date results in much higher incremental construction costs to Davis. The WAC saw estimates of project cost increases of $15 million to $50 million to rejoin the project.
**What happens to rates if we don’t build the project?**

If the City participates in the DWWSP, rate increases studied by the WAC indicate that rates for the average consumer will increase from approximately $34 to $94/month by 2018 (176% increase). Even if the City does not participate in the surface water project, the WAC was informed that rates could still increase from approximately from $34 to $55/month by 2018 (62% increase). The water utility is currently running at a deficit due to the deferral of rate increases scheduled for 2011. In addition, with the loss of a viable surface water supply, the City will still be obligated to invest in additional groundwater production facilities and infrastructure as well as demand side management tools to meet consumer demands.
<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone/Required Action</th>
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<tbody>
<tr>
<td>October 23, 2012</td>
<td>City Council: Receive WAC recommendation on the Design-Build-Operate process and preferred Surface Water Project. Consider ballot measure language and provide final direction to staff.</td>
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<td>November 8, 2012</td>
<td>Water Advisory Committee: Deliberate recommendation on Water Rates.</td>
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<td>November 13, 2012</td>
<td>City Council: Approve final ballot measure language and resolutions to call and consolidate election with Yolo County. Appoint a Council Subcommittee to draft Argument/Rebuttal.</td>
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<tr>
<td>November 13, 2012</td>
<td>City Council: Approve final ballot measure language and resolutions to call and consolidate election with Yolo County. Appoint a Council Subcommittee to draft Argument/Rebuttal.</td>
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<tr>
<td>December 4, 2012</td>
<td>Yolo County Board of Supervisors: Consider/Approve request to consolidate election. (Staff must submit request to Yolo County, including approved and executed resolutions, at least 3 weeks prior to meeting and no later than November 14, 2012.)</td>
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<td>December 7, 2012</td>
<td>City Attorney: Impartial Analysis Due.</td>
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<td>Council Subcommittee: Argument Due.</td>
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<td>December 13, 2012</td>
<td>Water Advisory Committee: Finalize recommendation on 5-year Water Rates</td>
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<td>December 17, 2012</td>
<td>Council Subcommittee: Rebuttal to Argument Due (if Argument Against Measure is submitted).</td>
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<tr>
<td>January 15, 2013</td>
<td>City Council: Receive WAC recommendation on Water Rate Structure. Consider/Approve language for Prop 218 Notice on Water Rates to be mailed to utility users.</td>
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<td>January 22, 2013</td>
<td>Mail out Prop 218 Notices on Water Rates</td>
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<tr>
<td>March 5, 2013</td>
<td>Election Day</td>
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<td>March 26, 2013</td>
<td>City Council: Adoption of Ordinance Establishing Water Rates.</td>
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<td>May 1, 2013</td>
<td>Proposed Water Rates Effective</td>
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