

Every resident, small business and nonprofit will be impacted by rising water and sewer costs. At one City Council (10/23) meeting, a proposal was rejected for a **rate hike of 60%- 125% for water and 125%-175% for sewer.** The current proposal proposes lower rate increases of 37% to 50% (water) and 50%-65% (wastewater) but also introduces the fact that the Water and Wastewater Operations finally ran out of money and the city has been “loaning” cash to pay water and wastewater expenses. The staff report proposes this be paid back over several years but with an additional 3% interest charge.

Based on a long history of misallocating funds from water and sewer rate payers to fund non water related expenses the city owes a debt to rate payers not the other way around.

Recently the City did a reallocation study which showed over \$700,000 annually in Water and Sewer rate revenues, which were funneled into the general fund and spent on expenses unrelated to water and sewer.

The City has been taking money they received from Water and Sewer rate payers and misallocating it to pay for salaries and expenses unrelated to delivering water and wastewater services that should have been paid for by tax revenue collected by the General Fund.

THIS IS AGAINST THE LAW. It is in direct violation of State Proposition 218 which says money collected for a service can only be used for that service.

**The City owes Water and Sewer rate payers around 5 MILLION DOLLARS.**

Our Water and Sewer infrastructure is in disrepair because these dollars have not been spent on infrastructure for the last ten years as we expected when we paid our water and sewer bills.

If the City pays its debt to rate payers from misallocating funds, the Water and Sewer Funds will be solvent and have money left over to start funding critical infrastructure needs.

The City Council needs to honor its fiduciary duty to all the people who have diligently paid their Water and Sewer bills.

**Bottom line: They have misappropriated our water and sewer payments creating our current deficit. Now there is a proposal for us, the rate payers, to pay 3% interest on the loan to fix the problem, not to mention the incredible rate hikes!**