

**INITIATIVE MEASURE SETTING MONTHLY UTILITY SERVICE RATES AT
FEBRUARY 2010 LEVELS AND CAPPING FUTURE RATE INCREASES BY A
CONSUMER PRICE INDEX**

The purposes of this initiative measure, identified as the "Utility Rate Hike Rollback Act of 2010," are to: repeal and cancel increases in certain monthly utility service rates approved by the Sacramento City Council on June 23, 2009; set these monthly utility service rates at the amounts in effect on February 10, 2010; and allow the City Council to increase these rates without voter approval only in accordance with the increase in a specified consumer price index.

To achieve these purposes, the measure, if adopted, would amend three Sacramento City Code sections relating to water, sewer, and garbage collection/solid waste disposal rates, charges and fees. City Code sections 13.04.720, 13.08.400, and 13.10.130 would each be amended to include a new provision stating that the monthly utility service rate increases that are effective July 1, 2010, set forth in City Council Resolution 2009-445 (adopted June 23, 2009), are repealed and cancelled as of July 1, 2011, and that after that date these monthly utility service rates shall be the same rates that were in effect on February 10, 2010.

Additionally, each of the foregoing City Code sections would be amended to include a new paragraph stating that the City Council, on and after July 1, 2012, shall be authorized to establish, without further voter approval, monthly service rates for water, sewer, and garbage collection/solid waste disposal services that are higher or lower than the February 10, 2010, rates, provided that the City Council does not increase any of these rates by a percentage amount exceeding the increase in the cost of living in the one-year period preceding the rate increase. The cost of living increase would be determined using the "All Items Consumer Price Index for All Urban Consumers for the U.S. City Average," with an index base period of 1982-1984=100, as published by the United States Department of Labor, Bureau of Labor Statistics, or other similar inflation index if that data is no longer available.