IMPARTIAL ANALYSIS BY THE CITY ATTORNEY

MEASURE M

City of Cerritos Voter Initiative Relating to a Water and Sewer Rate Repeal

Background. On January 26, 2026, the Cerritos City Council adopted Resolution 2026-01 implementing new water and sewer rate increases to address increased operational costs, necessary maintenance, and planned critical water/ sewer capital improvement projects. The adoption of Resolution 2026-01 occurred after a public hearing was conducted, all prerequisites under Proposition 218 were met, and no majority protest was reached. The increased water and sewer rates took effect on February 1, 2026.

Measure M. On April 1, 2026, a voter initiative was submitted to the City seeking to repeal the water and sewer rate increases recently adopted under Resolution 2026-01. The voter initiative was circulated by a petition and signed by the requisite number of registered voters in the City. On November 9, 2026, the City Council placed the voter initiative on the ballot as Measure M in the upcoming City of Cerritos Special Election on February 9, 2027.

Effects. Water and sewer fees collected by the City are used for ongoing costs related to the City's water and sewer operations, including maintenance, repairs, and replacement. The fees ensure that water and sewer systems remain operational, reliable, and compliant with health and environmental standards. Under California law, water and sewer rates must be based on the cost of service. Revenue must be allocated to their respective enterprise funds to ensure they are used for water and sewer-related services and projects.

Measure M seeks to repeal the City's water and sewer rate increases adopted by Resolution 2026-01 on January 26, 2026. The Measure also requires the City to conduct a new rate study based on a cost-of-service analysis or other substantial evidence in compliance with California Constitution Article XIIID, Section 6 governing water and sewer rates and other property-related charges. The Measure requires the rate study to be completed within 180 days of certifying the election results on the Measure. The Measure allows for an independent review of all financial data, methodologies, and allocations used in preparing the cost-of-service analysis for the rate study. Additionally, the Measure requires the City Council to adopt new water and sewer rates within that same 180-day period, based on the rate study. Prior to adopting any new water and sewer rates, the Measure requires at least a 45-day publicly noticed protest hearing.

If the City does not adopt new water and sewer rates prior to the expiration of that 180-day period, the water and sewer rates in effect prior to February 1, 2026 will apply on an interim basis until new rates are adopted. The repeal of increased water and sewer rates will reduce the water and sewer fund revenues, such that revenues will not cover the cost of water and sewer operations or provide for capital improvement projects.

A "YES" vote on Measure M is a vote in favor of the repeal of water/ sewer rates. A "NO" vote is a vote against the repeal. Measure M takes effect if approved by a majority (50% + 1) of those voting on the Measure.

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City Attorney

The above statement is an impartial analysis of Measure M. If you desire a copy of the full text of the Measure, please call the Office of the Cerritos City Clerk/ Elections Official at (562) 916-1248 or email election2027@cerritos.gov and a copy will be mailed or transmitted at no cost to you.