



Prop 218 Frequently Asked Questions

Why is Durham Irrigation District (DID) increasing the rates?

DID is not proposing a new rate increase. The proposed rate change restores rates that all DID customers paid for water service in 2022. The 2022 rates were legally established in 2018 under the Proposition 218 process and were charged to the customers starting in January 2019. These prior increases, and the current proposal to restore the rates as they existed in 2022 were and are essential for DID to continue to provide safe, reliable, and high-quality water services to our customers.

Why did DID charge lower rates starting with my January bill?

In January 2023 DID reverted its rate schedule to those in effect in 2018, which are significantly lower than the 2022 rates. It did this in response to a voter initiative initiated by a small group of DID customers seeking to repeal DID water rates to those in 2018. Because of a mistake, the initiative was not placed on the November 8, 2022, ballot for consideration by DID voters. This placed DID in potential legal jeopardy and at risk of having to defend expensive litigation. To avoid this risk, DID elected to repeal rates back to those in effect in 2018, which is what the initiative, if successful, would have accomplished.

I heard there is an initiative. On what and why?

An initiative is an event in which the people of a county or state vote for or against a legislative act that deals with a specific issue. In this case, the voters authorized a DID rate increase in 2018 (a legislative act) that took effect Jan. 1, 2019. A member of DID protesting those rates gathered signatures from other members within DID and submitted them to Butte County, asking to repeal the rates.

What happens next to remedy the situation?

Now, as part of the Proposition 218 process, the rates that were challenged will be considered at the Proposition 218 Special Hearing on March 20, 2023, at which time oral and written comments will be received, and written protests (i.e., Protest Forms) to the rates will be tabulated. If written protests against the proposed rates are presented by a majority of the parcels subject to the proposed increase, the Board will not impose the increase. Should the Board receive written protests from less than a majority of affected parcels, then the Board may adopt the proposed water rates. If adopted, the water rates may become effective with the next full billing cycle following adoption.

To clarify, this Proposition 2018 vote is to reinstate the rates that were in effect in 2022. There is not an increase. DID may need to initiate another Proposition 2018, later in 2023, but that will be a separate Proposition 218 process.



Who is responsible for the costs for this Proposition 2018 process?

DID is pursuing full reimbursement for costs associated with this Proposition 2018 process, as well as loss in water revenue for January, February, and March 2023, so that the DID's rate payers do not have to cover these expenses.

When was the last time DID increased rates?

The last rate increase occurred in 2018 and was made effective in January 2019 following a legally conducted public review and approval of a rate increase under the Proposition 218 process.

What was the 2019 rate increase?

DID is committed to meeting the long-term needs of the district and our customers' service expectations. In 2018 DID proposed, and DID customers passed, rate increases from \$39.93/month in 2018, to \$47.92/month in 2019, to \$52.71/month in 2020, to \$57.98/month in 2021, and finally to \$63.78/month in 2022. This increase passed and the new rate schedule was put in place on January 1, 2019. Due to a misfiling of paperwork and to avoid the risk of costly litigation, DID elected to repeal rates back to those in effect in 2018, which is what the initiative, if successful, would have accomplished.

Why didn't we know about this sooner?

DID was not aware of the misfiling until after it was too late. To avoid further costs and to move forward, DID is following the necessary steps in the legal process. While this might appear confusing to our customers, DID's top priority is to be transparent and ensure customers that we return rates to those in effect in 2022 so we can continue maintain a safe and reliable water system for our community.

Are you raising rates a second time?

Possibly. It has been determined that rate adjustments are necessary to continue to provide safe and reliable services. To maintain solvency, we must raise the rates. To expect that rates will remain the same while our system ages and costs increase is unrealistic. These potential future rate changes will be subject to a separate notice and process under Proposition 218 and are not considered or subject to the current Proposition 218 process to reestablish rates as they existed in 2022.

What can I expect to see on my bill?

You will see your rates drop to the pre-2019 increase until the Prop 218 hearing on Mar. 20. Once the rate increase is re-established, rates will return to the 2022 schedule starting with the next full billing cycle following adoption.



What benefit will I see for the increase?

DID is committed to providing safe, reliable, and high-quality water service for our customers. As water system ages, it is important to continue investing in replacing, rebuilding, and expanding it in accordance with a long-term plan. It has been determined that rate increases are necessary for DID to recover current and projected costs of service, including operations and maintenance; fund capital infrastructure improvements that are vital for providing safe and reliable drinking water; maintain the operational and financial stability of the utilities; and avoid operational deficits and depletion of reserves. The proposed adjustments are designed to bring in the revenue needed to cover operating expenses and meet reserve fund requirements for capital projects.

What is the consequence if the proposed increases are voted down?

The consequences are grave. Rate increases are needed to maintain the current level of service for all DID customers and pay for the costs of operating and maintaining safe water services for our community.

What rate adjustments are being proposed and how will my bill change?

Additional information is posted on our Prop 218 webpage.

Why are rates set so far into the future?

As DID's costs continue to increase, we must have the funds to operate and maintain the infrastructure so that our community can thrive.

Can DID ever charge more than the approved rates?

No. That would require starting a whole new Proposition 218 process.

What accommodations are being made for people on fixed incomes who just can't afford a rate increase?

Unfortunately, it is not possible to offer discounted rates to fixed income residents without making up the discount from some other source. California's state constitution (Proposition 218) prohibits any property owner from being charged more than their proportional cost of service. In other words, DID can't subsidize some of its customers by overcharging other customers.

The Butte County Community Action Agency (BCAA)– is set up to process assistance requests to all Butte County residents under the state Low-Income Household Water Assistance Program (LIHWAP) for one-time assistance of past due accounts. People are to call Butte County CAA at 530-712-2600 ex 270 and BCAA will set up an appointment for them to bring what is needed and help them fill out the application.

There is no online application.



I heard about rate increase, but I did not receive paperwork. How can I get a copy?

You can find the notice posted on our Proposition 2018 webpage.

How many protests will it take to stop the rate changes?

Proposition 218 requires a simple majority of 50 percent of the affected parcels plus one or more to defeat the proposed increase in rates.

What is the consequence if the proposed rate changes are voted down?

Without these rate adjustments, the public could see reduced levels of service. Delays could create costly damage that would be expensive to replace/fix.

When will the proposed rate adjustments take effect?

If the Board adopts the rates at the public hearing on March 20, 2023, the approved 2023 rates would go into effect starting with the next full billing cycle following adoption.

A hearing will be held March 20, 2023 at 6 p.m. at Durham Memorial Hall.

How long will these rates be in effect?

The rates will remain in effect until the DID Board of Directors initiates the process to increase rates, which would mean another Proposition 218 process.

How are rates determined?

Do we have a rate survey? Or a cost analysis? Can we share a copy of it? Please see the "Rate Policy Summary for Durham Irrigation District (07.18.2018)" which has been posted to the DID website here: <https://www.didwater.org/2023-03-20-board-proposition-218-special-hearing>.

Without these rate increases, the public could see reduced levels of service.

How can I dispute/protest?

The owner of record or tenant (customer of record) of any parcel wishing to protest the proposed rate increases may mail or deliver a signed written protest to the DID. Protests must be submitted in writing even if you plan to speak at the public hearing. Written letters of protest must be received by DID prior to the close of the March 20, 2023, public hearing. Under Proposition 218, email protest letters will not be accepted. Protests submitted by e-mail, facsimile or other electronic means will not be counted. Protests must contain your name and a description of the property in which you have an ownership interest. A street address and/or the assessor's parcel number are sufficient descriptions. If you were not the owner of record as of Butte County's last tax roll, your protest must contain written evidence that you presently own the property, unless the protest is by a tenant (customer of record) who pays the utility bills.



If a majority of the affected parcel owners submit written protests, the proposed rates will not go into effect. Only one protest per parcel shall be counted. There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge. Protest forms are available on DID's website.

Can I dispute the proposed service charge increases verbally?

No. Under Proposition 218, DID must receive a written protest with a signature.

I own multiple properties in Durham. Do I need to send a separate letter to protest each property?

Yes. Votes will be tabulated by service address or APN.

What is Proposition 218?

Proposition 218, or the "Right to Vote on Taxes Act", was approved by California state voters in November 1996. The Act amended the California constitution to require local governments to follow certain procedures when they impose fees for certain kinds of services in order to ensure that they are subject to voter approval. Prop 218 is a tool designed to provide greater public involvement in the rate setting process.

My form is damaged or missing, can I get a replacement?

The form can be downloaded from the District's website. Please remember that only one protest will be counted per identified property (APN or street address).

I have more questions!

That's great! Questions not addressed here can be emailed to DID at info@didwater.org. Please use the words "Prop 218 Question" in the subject line of your email.

Additional information relating to the upcoming March 20, 2023 Proposition 218 Special Hearing meeting will be posted to the Durham Irrigation District website here: <https://www.didwater.org/2023-03-20-board-proposition-218-special-hearing>.

Check back often for updates.



Scan the QR code above with your smartphone to go to the URL.