



January 26, 2023

Re: NOTICE OF PROPOSED INCREASE IN WATER RATES FOR
DURHAM IRRIGATION DISTRICT

Dear Property Owner and/or Water Customer:

This is to notify you of **PROPOSED** new rates for water as required by Article XIII D, Section 6, of the California Constitution (Proposition 218). Details concerning the proposed rates, and your opportunity to protest those rates are set forth below.

Public Hearing:

A Public Hearing to consider the proposed rates will be held on March 20, 2023 from 6:00 to 7:00 pm for the purpose of receiving oral and written comments, and tabulating written protests to the proposed rates. The Public Hearing will be conducted in person at Durham Recreation & Park District – Memorial Hall Meeting Room, 9319 Midway, Durham CA 95938.

Basis and Reasons for the Proposed Water Rates

Durham Irrigation District (District) is committed to providing a safe, affordable and reliable source of water supply for its customers. To accomplish this, the District levies a variety of water rates and charges for water services. Water rates are required to be set at levels sufficient to cover the costs of: (1) ongoing operations and maintenance; (2) repair of water system facilities; (3) acquisition of materials and supplies; (4) labor and administration; (5) capital improvements, and (6) maintenance of adequate cash reserves.

Recent events have resulted in the reality that the District's rates are not adequate to cover its costs of providing water service. The deficit is the result of a voter referendum initiated by a small group of District customers seeking to repeal water rates back to those in effect in 2017. This voter referendum was supposed to be placed on the November 8, 2022 general election ballot for consideration by District voters. However, due to a mistake, the referendum was not placed on the ballot, placing the District in potential legal jeopardy and at risk of having to defend expensive litigation. To avoid this risk, the District elected to repeal rates back to those in effect in 2017, which is what the voter referendum, if successful, would have accomplished. However, these 2017 rates are not sustainable and are not sufficient to cover the District's cost of service. This proposed rate change would reestablish rates back to those in effect immediately prior to the repeal due to

the voter referendum. In other words, this proposed rate change would reestablish rates that District customers paid for water service in 2022.

The District’s Rate Policy Summary demonstrating the need for this reestablishment of rates is publicly available on the District’s website at www.didwater.org under the Governance / Board Meetings tab.

Amount of Proposed Water Rates

The District proposes to adopt water rates as they existed in 2022 and as set forth in Table 1 below:

TABLE 1.

SERVICE SIZE	2022 RATES	CURRENT RATES	PROPOSED RATES
FLAT RATE SERVICES			
3/4" Service	\$63.78	\$39.93	\$63.78
1" Service	\$84.16	\$49.91	\$84.16
1-1/2" Service	\$134.74	\$74.87	\$134.74
2" Service	\$194.21	\$99.83	\$194.21
Development	\$1,084.20	\$678.81	\$1,084.20
METERED RATE SERVICES - BASE FEE			
3/4" Service	\$35.07	\$21.96	\$35.07
1" Service	\$46.43	\$27.95	\$46.43
1-1/2" Service	\$72.02	\$33.94	\$72.02
2" Service	\$102.50	\$39.93	\$102.50
3" Service	\$192.91	---	\$192.91
4" Service	\$309.88	---	\$309.88
6" Service	\$602.05	---	\$602.05
Misc. Service	\$701.49	\$415.27	\$701.49
METERED RATE SERVICES - QUANTITY FEE			
PER CCF (748 Gal)	\$1.00	\$0.50	\$1.00

THE RATES SHOWN IN TABLE 1 ARE MAXIMUM ALLOWABLE RATES. IF APPROVED THE BOARD WOULD BE ALLOWED, BUT NOT REQUIRED, TO CHARGE UP TO THESE RATES. THE BOARD MAY DECIDE TO CHARGE LESS THAN THESE RATES IN ANY GIVEN YEAR.

Re-Instituting Proposed Water Rate Policies

The District also proposes re-instituting a number of water rate policies in effect as recently as 2022 and repealed due to the voter referendum as of January 1, 2023. These policies may impact the rates paid by District's customers. These policies align water rates with District's cost of service and are described below:

1. Eliminate discounted services – There are a few charitable or public service facilities that have historically received water at a discounted rate or at no charge. They will now be charged at the minimum monthly flat ¾" service rate, currently \$39.93.
2. Fire sprinkler services – The District will implement a monthly service charge equal to a metered ¾" service rate, currently \$21.96.
3. Standardize the Schedule of Services and Rates – The District will eliminate reference to "commercial", "single-family", "duplex", "triplex", etc., and assess all connections based solely on equivalent meter size. For example, a current "commercial" service will be identified as a ¾" service and the monthly flat rate will increase from \$23.96 to \$39.93.

Protest Procedures

Any affected customer may submit a written protest to the proposed water rates; provided, however, only one protest will be counted per identified property.

Each protest must:

- (1) be in writing;
- (2) state that the identified property owner/customer opposes the proposed water rates;
- (3) identify the property for which the protest is made (by assessor's parcel number or street address); and
- (4) include the name and signature of the property owner/customer.

Protest forms are available at the District office at 9418-C Midway, Durham CA 95938 during regular office hours and are also available at www.didwater.org.

Protests submitted by e-mail, facsimile or other electronic means *WILL NOT BE COUNTED*. Written protests may be submitted by mail to: Durham Irrigation District, P.O. Box 98, Durham CA 95938, or hand-delivered to the District's drop box at 9418-C Midway, Durham CA 95938.

Written protests must be received prior to the close of the public meeting on March 20, 2023 beginning at 6:00 pm to be tabulated. A sample Protest Form is provided as the last page of these materials.

During the public hearing, the Board will hear a brief staff presentation and public comments. *Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest.* After receiving all protests, the Board will close the public hearing and count all written protests.

If written protests against the proposed rates are presented by a majority of owners 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 commencing with the next full billing cycle following adoption.

Information relating to this important meeting will be posted to the Durham Irrigation District website here: <https://www.didwater.org/2023-03-20-board-proposition-218-special-hearing>



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

Statute of Limitations

There is a 120-day statute of limitations for challenging any new, increased, or extended fee or charge for water service, pursuant to Government Code section 53759.