



## Durham Irrigation District Myths and Facts

**Myth 1: Durham Irrigation District is spending, spending, spending on unnecessary upgrades.**

**Fact:** The DID water system is aging and in critical need of updates and improvements. In fact, 15-20 years ago, when the District was overseen by CalWater, they took note of the aging pipelines. Today, many pipes are leaking and, in some cases, breaking. The District must invest in capital improvements to repair and replace piping. In some parts of town, there are issues with pressure and flow due to smaller pipes that need to be upgraded in size as they are replaced. The industry standard is 6-to-8-inch minimum pipe size, but in some areas, Durham Irrigation District is serving customers with 2-to-4-inch pipes. In other instances, pipes are replaced with 6-to-8-inch pipes because of system demands.

Think of it this way – are you driving the same car you had in 1950? Probably not, but that’s how old some of the District’s oldest infrastructure is – the pipes, the valves, the nuts and bolts that hold the entire system together. Just as parts can be hard to find for old cars, it can be equally hard for old infrastructure, which means a risk of catastrophic failure for an essential of everyday life – clean, safe and reliable potable water for the community. There aren’t too many fifty-year old cars that are still roadworthy, unless someone knowledgeable has put a lot of time, expense, and expertise into maintaining it – the same applies to the District’s infrastructure.

**Myth 2: DID is building a system focused on future growth.**

**Fact:** DID has three wells...and about 479 customers. There has not been growth within the District, except for a handful of new homes, and some new businesses in the downtown area, like Dollar General. There is growth around Durham, but those homes are on wells, and are not located within the area where DID serves customers.

**Myth 3: DID rate payers are footing the bill for future growth and shouldering costs that developers should pay.**

**Fact:** If a new home is built, the builder/developer must pay a connection fee to connect to DID.

Mainly for new homes, the fee has 3 components

1. Actual cost to install a new service lateral and water meter estimated connection fee is \$650.
2. The estimated cost to become an owner of the system. This is calculated by taking the total value of District assets (wells, pipelines, etc.) and dividing by the number of customers (owners of the system).
3. The estimated cost of “system capacity.” This is proportional to the size of the new water meter and is based upon industry standard methodology.



#### Myth 4: Durham Irrigation District is subsidizing new homes and isn't focused on current customers.

**Fact:** In small districts, like Durham Irrigation District, residents are the owners, who can review the District's annual audited balance sheet. The District's total assets are divided by 479 payers. New customers pay their share of the cost of running the system.

A new customer pays a connection fee to buy into the infrastructure and cover the capacity costs of the new connection. The connection fee relates to the diameter of the pipe needed to serve the planned structure. A small house needs a small water line, but a multi-unit development needs a much larger service line. This is commonly referred to as the meter size, which refers to the diameter of the water line serving the property. If you are building an apartment building, you need more capacity and a larger service line, and your project is charged accordingly.

#### Myth 5: These rates are made up and there is no basis for why they keep going up.

**Fact:** Rate increases are governed by the need to meet operating and capital costs, maintain adequate debt coverage (if any), and build reserve funds. DID has prepared a comprehensive Cost of Service Analysis, which is available for review on the District website (go to [didwater.org](http://didwater.org) / Governance tab / March 20, 2023 - Proposition 218 Special Hearing). This document provides the basis for the current rate increase. It includes a comprehensive Revenue Analysis that includes a Historical Budget Summary, Projected Financial Data, and Projected Budget Expense Summary. Fixed Expenses are recovered by the basic monthly water fee, which follows American Water Works Association (AWWA) equivalency standards. Variable Expenses are recovered by the water usage portion of the monthly fee.

#### Myth 6: Durham Irrigation District is not transparent about fee increases or expenses.

**Fact:** DID has the current Cost of Service Analysis for review on its website at [didwater.org](http://didwater.org) under the Governance tab / March 20, 2023 - Proposition 218 Special Hearing. The District strives to be fully transparent about the rates and is happy to answer questions. District staff can be reached at [info@didwater.org](mailto:info@didwater.org) or (530) 343-1594. The district website is [didwater.org](http://didwater.org).

**Fact:** DID posts its monthly warrant sheet as part of the agenda packet of every regular board meeting. The warrant sheet is effectively the District's monthly check register and shows all the expenses and deposits that happened during the prior month. It is reviewed and approved by vote of the Directors at every board meeting. The public is welcome to review it and ask questions. Only after board approval do written checks get sent to vendors and contractors.



Scan the QR code with your smartphone for more information or go to <https://www.didwater.org/2023-03-20-board-proposition-218-special-hearing> from your computer