



**PUBLIC HEARING ON ESTABLISHMENT
OF WATER AND SEWER RATES**

**MARCH 28, 2023
Item No. 69**

**Department of Public Works
Special Districts
Water and Sanitation**

Presented By: Brendon Biggs, Director



INTRODUCTION

The Department of Public Works, Special Districts oversees administration, operations, capital improvement, and maintenance of 16 water and sanitation Districts throughout the County.

Special Districts has conducted an extensive study of the various Districts to determine if they have the revenue to support the operations and maintenance of providing service. In many cases, because annual inflators were not part of the original rate structure, these Districts require rate increases in order to continue providing service.





CONTINUATION OF FEE HEARING FOR FAWNSKIN AND CEDAR GLEN

As a result of the 2023 February/March Extreme Weather Event, the public hearing for the following districts is recommended to be continued to Tuesday, May 9, 2023:

- Sanitation district CSA 53B – Fawnskin
- Water district CSA 70, Zone CG (Cedar Glen)

Due to the unprecedented snow levels created by several storms, residents may not have had enough time to address any questions they may have, or to protest the hearing if they chose.

COST DRIVERS

Notable Water and Sanitation District increases in expenses include:

- **Labor:** Board approved labor increases 9%¹, internal and external Memoranda of Understanding escalate costs
- **Equipment:** Wells, pumps, boosters, and electrical components
- **Materials:** Steel, PVC, hoses, fittings, and chemicals. Materials increased 15.6%²
- **Vendors/Contractors:** California Prevailing Wage rates up 19% from 2017³
- **Utilities:** Electricity is required for buildings, wells and pumps. Natural gas and sewer expenses are also paid for by the Districts
- **Regulatory Obligations:** California Air Resources Board (CARB), State Water Resources Control Board (SWRCB), United States Environmental Protection Agency (EPA)



1. IBEW MOU Increase 2017-2020
2. CA CCCI Construction Cost Index 2016-2020
3. California Department of Industrial Relations



LOCATION OF DISTRICTS

1st District

Water Service

Oak Hills (CSA 70 J)

Sanitation Service

Trona (CSA 82)
High Country (CSA 70 SP-2)

Water and Sanitation Service

Spring Valley Lake (CSA 64)
Oro Grande (CSA 42)

2nd District

Water Service

No CSA within District

Sanitation Service

3rd District

Water Service

Hacienda Heights (CSA 70 W3)
Little Morongo (CSA 70 F)
Pioneertown (CSA 70 W4)
Cedar Glen (CSA 70 CG) (Continue)

Sanitation Service

Fawnskin (CSA 53B) (Continue)
Lytle Creek (CSA 70 S-3)
Lenwood (CSA 70 S7) (Not included in rate adjustment)

4TH District

Water Service

No CSA within District

Sanitation Service

5th District

Water Service

Sanitation Service

Glen Helen (CSA 70 GH)
Bloomington (CSA 70 BL)



- A flat **3.5%** rate increase is proposed for all Districts
 - The proposed increase is for **3** consecutive years
- The proposed rate increase aligns with the average California Consumer Price Index (CPI) for Riverside – San Bernardino – Ontario¹ between 2019 and 2021 to ensure service levels are maintained and to account for rising costs. Prices have continued to rise into 2022².
- High-risk Districts may need a more significant rate increase to ensure long-term sustainability. The following Districts will be evaluated in more detail over the next three years to determine the appropriate rate:
 - 1st District: Trona (CSA 82)
 - 3rd District: Hacienda Heights (CSA 70 W3), Cedar Glen (CSA 70 CG) Little Morongo (CSA 70 F), and Pioneertown (CSA 70 W4)
- High-risk Districts are impacted by:
 - Low fund balance
 - Increased operating expenses
 - Aged infrastructure
 - No economies of scale

1 - Riverside-San Bernardino-Ontario CPI from the US Bureau of Labor Statistics:

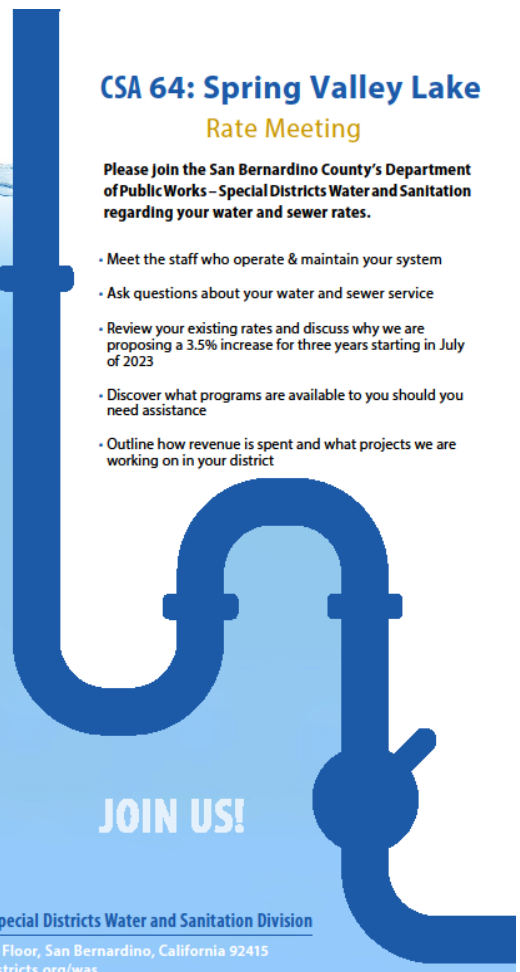
https://data.bls.gov/timeseries/CUURS49CSA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

2 - https://www.bls.gov/regions/west/news-release/consumerpriceindex_riverside.htm

PROPOSED RATES

RATES: PUBLIC OUTREACH

- **Outreach Activities Completed**
 - Mailings - Proposition 218 notices mailed on February 7, 2023
 - Webinar/Video presentations – 12 total presentations
 - In-person workshops – five total workshops done for the larger CSAs
- **Community Workshops**
 - Staff held community workshops for all CSAs and invited District residents
 - Discussion topics included:
 - Widespread inflation across all industry sectors
 - Metrics related to specific District
 - ✓ Economies of scale
 - ✓ Recent capital improvements
 - ✓ Daily operations
 - Department-wide efforts to realize efficiencies
 - New billing portal available to customers



WHEN:

Thursday, December 8, 2022
Come by any time between
6:00 p.m. - 8:00 p.m.

WHERE:

Spring Valley Lake
Community Center
12975 Rolling Ridge Drive
Spring Valley Lake, CA

QUESTIONS:

Contact Janine Valenzuela
(760) 962-1515 or
jvalenzuela@sdd.sbcounty.gov

JOIN US!

CSA 64: Spring Valley Lake
Rate Meeting

Please Join the San Bernardino County's Department of Public Works - Special Districts Water and Sanitation regarding your water and sewer rates.

- Meet the staff who operate & maintain your system
- Ask questions about your water and sewer service
- Review your existing rates and discuss why we are proposing a 3.5% increase for three years starting in July of 2023
- Discover what programs are available to you should you need assistance
- Outline how revenue is spent and what projects we are working on in your district

Department of Public Works, Special Districts Water and Sanitation Division
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RECOMMENDATIONS

1. Consider proposed ordinance for sanitation and water user rates beginning 2023-24 through 2025-26.
2. Make alterations, if necessary, to proposed ordinance.
3. Approve introduction of proposed ordinance.
 - An Ordinance of San Bernardino County, State of California, Acting as the Governing Body of Board Governed County Service Areas and Their Zones Relating to Sanitation and Water Fees and Charges.
4. SCHEDULE ORDINANCE FOR FINAL ADOPTION ON TUESDAY, APRIL 11, 2023 on the Consent Calendar.