



**CONTINUE PUBLIC HEARING ON  
ESTABLISHMENT OF WATER AND SANITATION  
RATES FOR COUNTY SERVICE AREA 70 CG  
AND COUNTY SERVICE AREA 53B**

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**MAY 9, 2023  
Item No. 68**

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

**Presented By: Brendon Biggs, Director**



# BACKGROUND

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 sufficient revenue is available to support the cost of operations and maintenance. 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.



# COST DRIVERS

Notable Water and Sanitation District increases in expenses include:

- **Labor:** Board of Supervisors approved labor increases 9%<sup>1</sup>, 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%<sup>2</sup> from 2016 – 2020
- **Vendors/Contractors:** California Prevailing Wage rates up 19% from 2017<sup>3</sup>
- **Utilities:** Electricity 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. International Brotherhood of Electrical Workers Memorandum of Understanding, Increase 2017 – 2020
2. California Construction Cost Index 2016-2020
3. California Department of Industrial Relations

# RATES: PUBLIC OUTREACH

- Due to extreme weather event in February and March, the public hearing for County Service Area 70, Zone CG (Cedar Glen) and County Service Area 53B (Fawnskin) were continued to May 9, 2023
- Staff held 17 community workshops, from November 2022 through February 2023, 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
- Cedar Glen
  - In-person meeting on November 30, 2022, and virtual meeting on January 18, 2023
- Fawnskin
  - In-person meeting on December 13, 2022, and virtual meeting on January 11, 2023
- Mailings – Proposition 218 notices mailed on February 7, 2023
- Extension notice for the continued public hearing mailed on March 23, 2023





- A flat **3.5%** rate increase is proposed for both Districts
  - The proposed increase is for three consecutive years
- The proposed rate increase aligns with the average California Consumer Price Index (CPI) for Riverside – San Bernardino – Ontario<sup>1</sup> between 2019 and 2021 to ensure service levels are maintained and to account for rising costs
  - Prices have continued to rise from the 2019 – 2021 CPI thru 2022<sup>2</sup>

# PROPOSED RATES

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](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](https://www.bls.gov/regions/west/news-release/consumerpriceindex_riverside.htm)

# RECOMMENDATIONS

1. Consider proposed ordinance for water and sanitation 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 to Amend Ordinance No. SD 23-01 Relating to Sanitation and Water Fees and Charges for County Service Area 53, Zone B (Fawnskin) and County Service Area 70 Zone CG (Cedar Glen).
4. SCHEDULE ORDINANCE FOR FINAL ADOPTION ON TUESDAY, MAY 23, 2023, on the Consent Calendar.