



Public Works
Special Districts

CSA 70 SP2 Rate Presentation
January 17, 2023

“We promote the safety, health and enrichment of the communities we serve by providing essential municipal services along with diverse community-based programs in an efficient and sustainable manner”

- Special Districts Mission Statement



Steve Samaras, Division Manager

www.SBCounty.gov

- Special Districts are created to deliver specialized services essential to health, safety, and well-being of communities. In many areas, communities have no other means of accessing these critical services.
- The Department of Public Works, Special Districts oversees administration, operations, capital improvement and maintenance of 17 water and sanitation Districts throughout the County.
- The last rate increase for your District was approved by the Board of Supervisors during the 2014/15 Fiscal year. The Department brought forward a request to increase rates in 2017; however, the initiative did not move forward. Overall costs to operate these systems continue to rise, jeopardizing near and long-term sustainability.



- **Last Rate Increase**
 - 2014-15
- **Labor & Equipment**
 - Board approved labor increases average 3% * per year 2017 - 2020
 - Wells, pumps, boosters, electrical components
- **Materials**
 - Steel, PVC, Hoses & fittings, chemicals
 - Materials Increase 15.6%**
- **Outside vendors/contractors**
 - CA Prevailing Wage Rates up 19%*** from 2017
- **Utility Costs**
 - Electricity to run buildings, wells & pumps
 - Sewer treatment costs up 58% **** since 2014
- **Regulatory Obligations**
 - California Air Resources Board (CARB)
 - State Water Resources Control Board (SWRCB)
 - U.S. Environmental Protection Agency (EPA)

* IBEW MOU Increase 2017- 2020
** CA CCCI Construction Cost Index 2016-2020
*** California Department of Industrial Relations
**** Wastewater treatment outsourced to VVWRA



- New cell tower at site 2A
- Pooled staff and equipment
- Grant funding of major projects
- SCADA remote system monitoring
- Power/load shedding and off peak pumping
- Purchasing “paper water” annually on the open market



- A flat **3.5%** rate increase is proposed to all Districts. The proposed increase is for **3** consecutive years.
- Rate increase proposed aligns with average California Consumer Price Index (CPI) between 2017 and 2021 to ensure service levels are maintained and keep pace with rising costs.

Current Water Rate Tier 1: \$2.09

Rate increase Year 1 - \$2.16

Rate increase Year 2 - \$2.24

Rate increase Year 3 - \$2.32

Current Facilities Charge (FC) 3/4" meter: \$30.40/month

FC Year 1 - \$31.46

FC Year 2 - \$32.56

FC Year 3 - \$33.70



HIGH DESERT WATER TERRITORY (TIER 1 PRICE PER HCF)

Agency	District	Region	Commodity	Price per HCF (Tier 1)								2014 - 2021 Increase
				2014	2015	2016	2017	2018	2019	2020	2021	
City of Victorville	N	High Desert	Water	\$ 1.53	\$ 1.53	\$ 1.75	\$ 1.88	\$ 2.03	\$ 2.18	\$ 2.35	\$ 2.35	54%
Mariana Rancho County	N	High Desert	Water	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.59	\$ 2.59	13%
Helendale CSD	N	High Desert	Water	\$ 0.84	\$ 0.84	\$ 0.84	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	79%
Liberty Utilities (Apple Valley)	N	High Desert	Water	\$ 3.51	\$ 3.51	\$ 3.88	\$ 4.04	\$ 4.04	\$ 4.19	\$ 4.39	\$ 4.14	18%
Golden State Water Co.	N	High Desert	Water	\$ 3.11	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.73	\$ 3.76	\$ 3.92	\$ 4.06	31%
Phelan-Pinon Hills CSD	N	High Desert	Water	\$ 1.89	\$ 2.02	\$ 2.22	\$ 2.35	\$ 2.39	\$ 2.53	\$ 2.64	\$ 2.64	40%
City of Hesperia	N	High Desert	Water	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.92	\$ 1.00	\$ 1.09	\$ 1.19	\$ 1.30	44%
CSA 42 Oro Grande	Y	High Desert	Water	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	0%
CSA 64 Spring Valley Lake	Y	High Desert	Water	\$ 0.81	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	5%
CSA 70 J Oak Hills/SP 2	Y	High Desert	Water	\$ 2.06	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	\$ 2.09	1%

Golden State and Liberty Utilities price per HCF is much higher. This may be due to their private, for-profit model. These are private water companies who are authorized a rate of return to their shareholders by the Public Utilities Commission.

Estimated Figure



- A flat **3.5 %** rate increase is proposed to all Districts. The proposed increase is for **3** consecutive years.
- Rate increase proposed aligns with average California Consumer Price Index (CPI) between 2017 and 2021 to ensure service levels are maintained and keep pace with rising costs. Most typical residential homes = 1 EDU

Current Bi-Monthly Wastewater Rate Per EDU: \$94.30

Rate increase Year 1 - \$97.60

Rate increase Year 2 - \$101.02

Rate increase Year 3 - \$104.56 = \$5.13 monthly total increase

HIGH DESERT SEWER TERRITORY (PER EDU, BI-MONTHLY)

District	District	Region	Commodity	Price per EDU					2017 - 2021 Increase
				2017	2018	2019	2020	2021	
Helendale CSD	N	High Desert	Sewer	\$ 73.28	\$ 73.28	\$ 73.28	\$ 73.28	\$ 73.28	0%
City of Hesperia	N	High Desert	Sewer	\$ 99.94	\$ 105.94	\$ 112.30	\$ 119.04	\$ 126.18	26%
City of Victorville	N	High Desert	Sewer	\$ 53.78	\$ 66.06	\$ 75.96	\$ 84.40	\$ 93.60	74%
Town of Apple Valley	N	High Desert	Sewer	\$ 62.86	\$ 65.84	\$ 68.52	\$ 71.34	\$ 74.28	18%
CSA 42 Oro Grande	Y	High Desert	Sewer	\$ 158.88	\$ 158.88	\$ 158.88	\$ 158.88	\$ 158.88	0%
CSA 64 SVL	Y	High Desert	Sewer	\$ 91.80	\$ 91.80	\$ 91.80	\$ 91.80	\$ 91.80	0%
CSA 82 Trona	Y	High Desert	Sewer	\$ 100.24	\$ 115.26	\$ 126.80	\$ 139.48	\$ 149.94	50%
CSA 70 SP-2 High Country	Y	High Desert	Sewer	\$ 94.30	\$ 94.30	\$ 94.30	\$ 94.30	\$ 94.30	0%

CSA 42 priced higher due to Victor Valley Wastewater Reclamation (VWVRA) charges which are passed to customers and only 97 sewer accounts. For example, CSA 42 paid \$10,554 and CSA 64 paid \$79,009 for the month of March 2022 to VWVRA for wastewater reclamation. VWVRA charges vary monthly based on the total amount of gallons treated. CSA 82 is priced higher primarily due to system age requiring more maintenance, local contractor on call for 24 x 7 emergency response, and the logistics of their remote location for O & M.

CSA 70 J/SP2 PROJECTS

Status	Project Name	Project Scope	Est. \$\$
All 12 locations identified, bid package with County Counsel for review	CSA 70J AC Pipe Longevity Evaluation	Forensic analysis on waterlines to determine future years pipe replacement requirements	\$300,000
Property acquisition completed	New Reservoir 3A	Design and build new 3 MG reservoir	\$300,000 (Design only)
In planning phase	CSA 70J New Well #6 Design	Design new water supply well #6	\$325,000 (Design only)



- Special Districts has a duty to maintain financial health of service areas, and is proposing a modest increase to offset demonstrable increases to labor, materials, equipment, and additional regulatory obligations
- Proposed rate increase of 3.5 % is in alignment with California CPI to offset for rising costs
- Rate increase proposed for 3 years, with a re-evaluation of high-risk Districts prior to the end of final year
- Increase in costs continue to strain administrative and operational service levels
- As needs arise, recommend utilizing long-term debt to address underfunded reserves for capital projects

