



**Public Works**  
Special Districts

**CSA 70 J Rate Presentation**  
January 5, 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**

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- 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 building, wells & pumps
- **Regulatory Obligations**
  - California Air Resources Board (CARB)
  - Mojave Water Agency (MWA)
  - 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



- 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) 1” 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	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



# CSA 70 J 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

