



# COUNTY SERVICE AREA 70 W-4

## *Pioneertown*


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# RATE PRESENTATION

**GREG SNYDER**

DIVISION MANAGER

THURSDAY, MARCH 19, 2026



*“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”*



## OVERVIEW

- 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 County Service Area 70 W-4 Pioneertown was approved by the Board of Supervisors for a 3.5% increase for 2023, 2024, and 2025. Prior to that, customer rates had remained unchanged since 2013, resulting in a prolonged period without inflationary or cost of service alignments.

# RATE STUDY

San Bernardino County Special Districts retained NBS Consulting, a California-based public finance advisory firm specializing in municipal utility rate studies and financial planning for local agencies. NBS has extensive experience preparing cost-of-service analyses, long-term financial forecasts, and Proposition 218–compliant rate structures for water, wastewater, and special districts throughout the state.

- NBS evaluated all water and sewer districts for:
  - Cost of providing service
  - Planned capital improvement projects
  - Overall expenses and revenues
- Final Rate Study Report for CSA 70 W-4  
Pioneertown
  - 38.2% increase/year for 5 years is needed to sustain operations

A link to the Rate Study will be provided in the Proposition 218 notice you will receive in April 2026.



# NOTABLE INCREASES AND EXPENSES

## Labor & Equipment

- Board approved labor increases average **3.5%** per year 2024-27\*
- Wells, pumps, boosters, electrical components

## Materials

- Steel, PVC, Hoses & fittings, chemicals
- Materials Increase **35%\*\***

## Outside vendors/contractors

- CA Prevailing Wage Rates up **26%\*\*** from 2017\*\*\*

\* IBEW MOU Increase 2024-2027

\*\* CA CCCI Construction Cost Index 2017-2025

\*\*\* California Department of Industrial Relations



# OTHER FACTORS INCREASING COSTS

## Utility Costs

- Electricity to run buildings, wells & pumps
- Water pumping costs up **83%** since 2014\*

## Regulatory Obligations

- California Air Resources Board (CARB)
- State Water Resources Control Board (SWRCB)
- U.S. Environmental Protection Agency (EPA)
- San Bernardino County Public Health (EHS)
- San Bernardino County Fire Hazardous Material (CUPA)

\*California Public Advocates 2014-2025



# HISTORICAL RATE TRENDS & STRUCTURE

## Extended Period Without Rate Adjustments:

- No rate increases from 2013 through 2022
- Nearly 10 years without adjustment despite inflation, rising labor/material costs, and regulatory requirements

## Water Rate Structure (Historical Context):

- Multi-tier rate structure historically utilized (Tier 1–5)
- Tier 1 increased from \$1.50 to \$7.34
- Higher tiers reached \$9.71 to \$11.16
- Tier 5 eliminated over time

## Key Observations:

- Long period of rate stagnation created structural underfunding
- Followed by necessary corrective increases
- Recent adjustments trending 3 to 5% annually



# PROPOSED WATER RATES

- Rate increase proposed to ensure service levels are maintained and keep pace with rising costs.
- Rate shifts to a single tier rate.

## Current Water Rate Tier 1: \$7.34

- Rate Year 1 - \$9.65 (effective August 1, 2026)
- Rate Year 2 - \$10.61
- Rate Year 3 - \$11.67
- Rate Year 4 - \$12.84
- Rate Year 5 - \$14.12

## Current Facilities Charge (FC) 3/4" meter: \$43.24/month

- Rate Year 1 - \$47.55 (effective August 1, 2026)
- Rate Year 2 - \$52.31
- Rate Year 3 - \$57.54
- Rate Year 4 - \$63.29
- Rate Year 5 - \$69.62



# CSA 70 W4 PROJECTS

Project Name	Project Scope	Cost Estimate
Master Plan	A long-term strategic framework that evaluates current water infrastructure, forecasts future demand based on growth, and identifies necessary capital improvements	\$150,000
Treatment Feasibility Study	A comprehensive evaluation determining if a proposed treatment facility is technically, economically, and environmentally viable	\$150,000
Treatment Facility	New treatment facility based on the Treatment Feasibility Study	\$1,000,000
Future CIP	To be determined by the Master Plan	\$300,000

# SUMMARY

- Special Districts has a duty to maintain financial health of service areas, and is proposing a modest increase to offset increases to labor, materials, equipment, and additional regulatory obligations
- Continued cost escalation is placing sustained pressure on both administrative and operational service levels, reducing the District's ability to maintain reliability, regulatory compliance, and long-term system sustainability



# NEXT STEPS

- **April 7, 2026 (Board meeting):** Resolution of Intent for proposed water rate adjustments brought to the Board of Supervisors
- **April 8, 2026:** Department mails Proposition 218 Notices to residents
- **June 9, 2026 (Board meeting):** Conduct Public Hearing and Majority Protest Tabulation (If majority protest does not exist, process will move forward)
- **June 23, 2026 (Board meeting):** Adoption of ordinance implementing revised rates
- **August 1, 2026:** Proposed revised rates go into effect



**THANK  
YOU**