



COUNTY SERVICE AREA 70 CG

Cedar Glen

RATE PRESENTATION



GREG SNYDER

DIVISION MANAGER

WEDNESDAY, MARCH 18, 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”

An aerial photograph of a densely forested hillside during sunset. The sky is a mix of orange, yellow, and grey, with soft clouds. The trees are mostly evergreens, but many have turned shades of orange and yellow. In the center of the hillside, there is a small cluster of buildings, including what appears to be a school or community center with a large parking lot. A blue semi-transparent overlay covers the bottom third of the image, containing the title and a list of bullet points.

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 CG – Cedar Glen was approved by the Board of Supervisors for a 3.5% increase for 2023, 2024, and 2025.

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 CG Cedar Glen
 - 125.4% increase / year for 5 years is needed to sustain operations **(Not Proposed Rates)**

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 averaging **3.5%** per year 2024 -2027*
- Increased costs for wells, pumps, boosters, electrical components, etc.

Materials

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

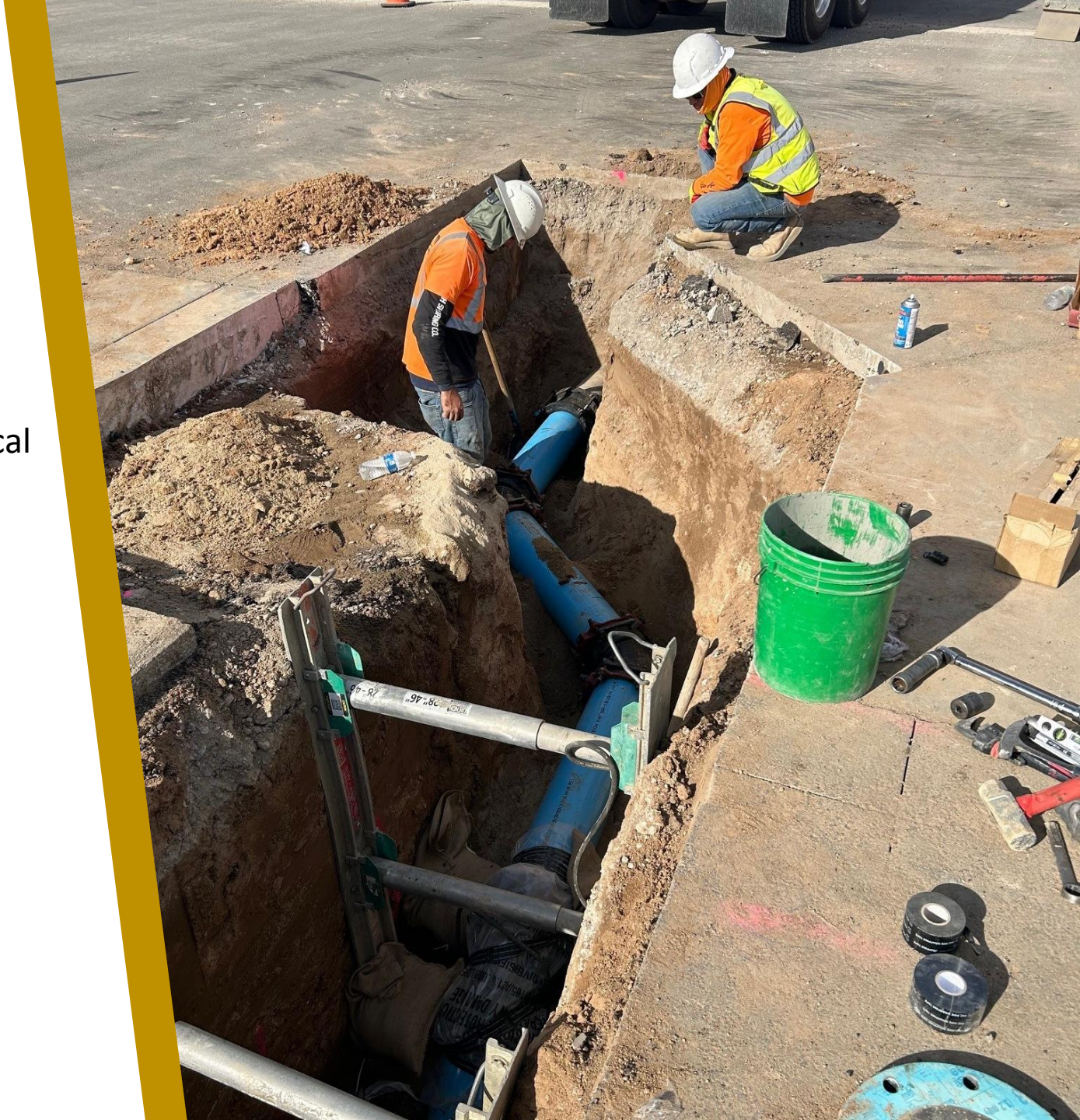
Outside vendors/contractors

- CA Prevailing Wage Rates up **26%****

* 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
- Building Lease (field staff equipment)
- CLAWA 2025-2030 rate increases by 48%*

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)

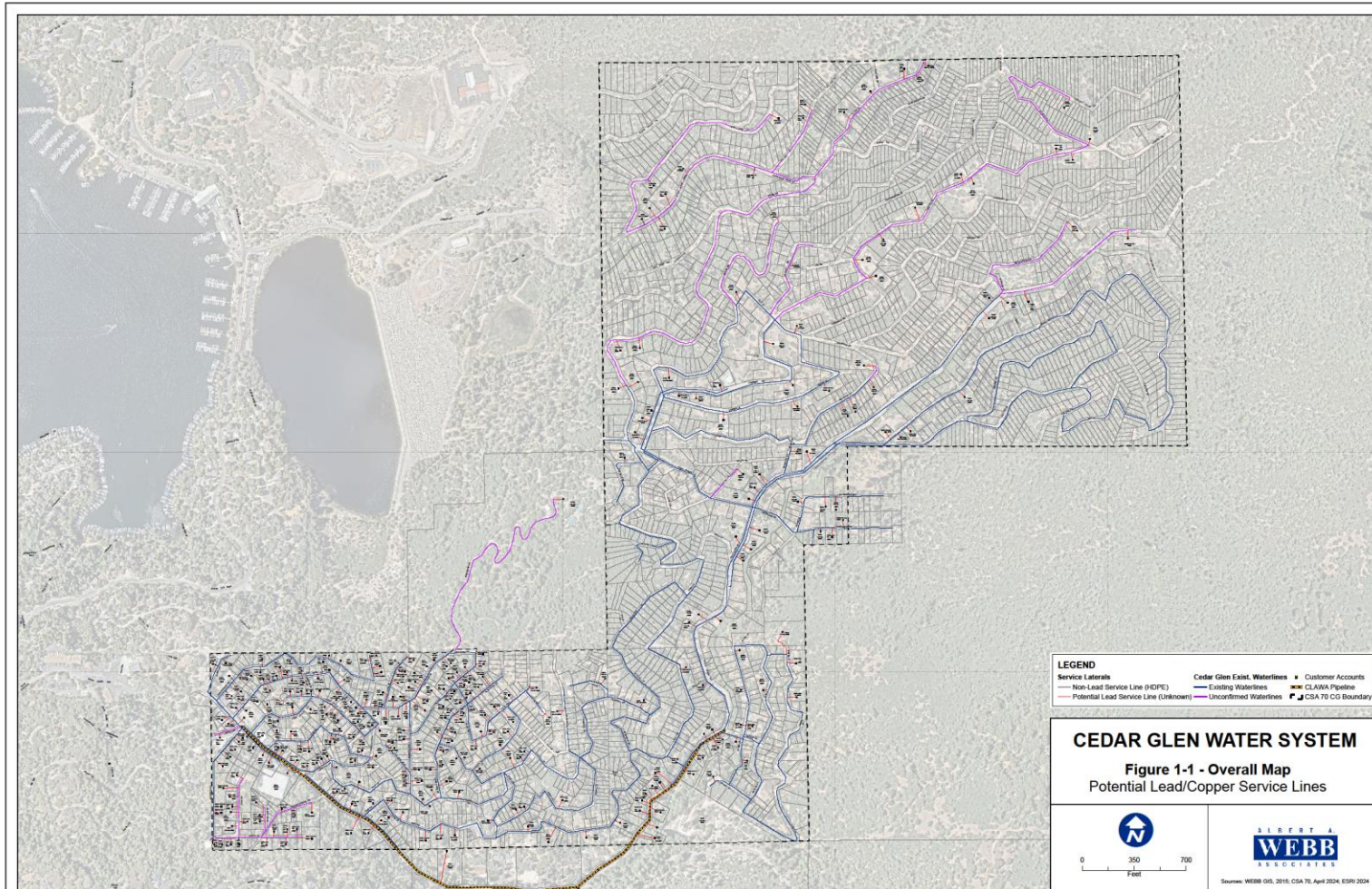
*Purchased Water from CLAWA



CSA 70 CG EARMARK

- Special Districts has received approval for \$35M for water infrastructure, including water supply and water storage, in Cedar Glen through the Water Resources Development Act (WRDA).
- The proposed improvements include replacement of the entire Cedar Glen water distribution system, replacement of an existing reservoir, and construction of new well sites.
- The WRDA grant requires a 25% match to be locally funded (\$11.7M).
- The proposed rate increase includes funding for the required earmark match to construct a portion of the water mainline replacement and pavement restoration project.
- Special Districts is exploring additional funding opportunities to be able to utilize the remaining WRDA funds.

CSA 70 CG SERVICE LINE MAP



CSA 70 CG PROJECTS

Project Name	Project Scope	Cost Estimate
Lead Pipe Investigation	Mandated investigation of lead and copper	\$248,032
Master Plan	A long-term strategic framework that evaluates current water infrastructure, forecasts future demand based on growth, and identifies necessary capital improvements	\$250,000
CSA 70 CG Earmark – Water Distribution System Replacement	Phase 1-4: Replacement/upgrade of all water mainlines including pavement restoration	\$29.3 M
CSA 70 CG Earmark – Reservoir Replacement	Construct a new 500k gallon reservoir	\$3.3 M
CSA 70 CG Earmark – New Production Well	Drill new groundwater production well	\$4.125 M

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: \$10.08

- Rate Year 1 -\$13.27 (effective August 1, 2026)
- Rate Year 2 -\$14.59
- Rate Year 3 -\$16.05
- Rate Year 4 -\$17.66
- Rate Year 5 -\$19.43

Current Facilities Charge (FC) 3/4" meter: \$35.26/month

- Rate Year 1 -\$45.94 (effective August 1, 2026)
- Rate Year 2 -\$50.54
- Rate Year 3 -\$55.59
- Rate Year 4 -\$61.15
- Rate Year 5 -\$67.26



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
- Proposed rate increase of 30% for year 1 and 10% for years 2-5 is recommended to offset rising costs and provide funding for future system upgrades
- 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**