



COUNTY SERVICE AREA 70 S-3

Lytle Creek

RATE PRESENTATION

GREG SNYDER

DIVISION MANAGER

TUESDAY, MARCH 31, 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 S-3 – Lytle Creek 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 S-3 Lytle Creek
 - 12.8% 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 2024-2027*
- Pumps and electrical components

Materials

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

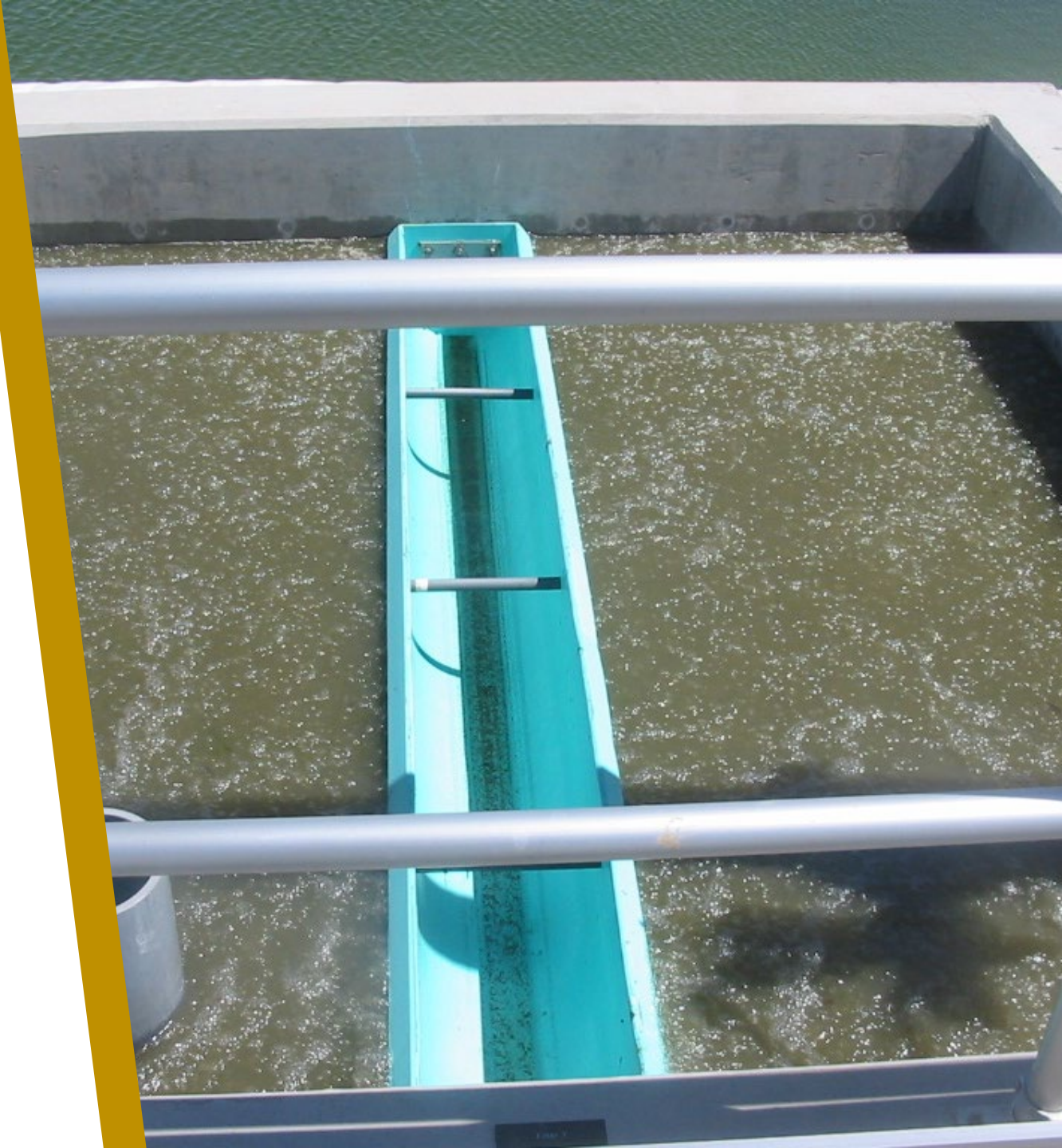
Outside vendors/contractors

- 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 wastewater treatment operations

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)



PROPOSED SEWER RATES

- A 10% rate increase is proposed for the first year and then a 7.5% rate increase is proposed for four years. The proposed increase is for 5 consecutive years.
- Rate increase proposed to ensure service levels are maintained and keep pace with rising costs.

Current Monthly Wastewater Rate Per EDU: \$66.03

Rate Year 1 - \$72.63/EDU (effective August 1, 2026)

Rate Year 2 - \$78.07/EDU

Rate Year 3 - \$83.93/EDU

Rate Year 4 - \$90.22/EDU

Rate Year 5 - \$96.99/EDU

Most typical residential homes = 1 EDU



CSA 70 S-3 PROJECTS

Project Name	Project Scope	Cost Estimate
Influent Bar Screen Installation	Replace existing screen; include controls and screenings handling	\$120,000
SCADA Automation (Aerators)	Upgrade and integration of aeration system	\$40,000
Master Plan	System-wide planning, capacity analysis, and CIP prioritization	\$200,000
Clarifier Refurbishment	Repair structure and replace mechanical components	\$150,000
Drying Beds	Rehabilitate or construct beds with grading and drainage improvements	\$300,000
Sludge Pump Station	Install/upgrade pumps, piping, and controls	\$250,000
Percolation Ponds (grubbing/ re-sloping)	Clear, regrade, and restore pond infiltration capacity	\$150,000
Perimeter Fencing with Security Gate	Install fencing and controlled access gate	\$200,000
Master Control Panel MCC	Replace MCC with updated electrical and controls	\$400,000
Lift Station #2 Emergency Bypass Pump	Install permanent emergency bypass system	\$80,000
Water System – Water Supply Well & Hydro Pneumatic Pump Station	Construct well and install booster/pump station	\$80,000

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
- Proposed rate increase of 10% for year 1 and 7.5% for years 2-5 is recommended to offset rising costs
- 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 sewer 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**