



COUNTY SERVICE AREA 64


Spring Valley Lake

RATE PRESENTATION

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DIVISION MANAGER

MONDAY, MARCH 30, 2026

A dynamic splash of clear blue water with many bubbles, moving from left to right across the middle of the slide.

“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”

A scenic view of a residential community along a lake. The foreground shows the calm, turquoise water of the lake with a few orange buoys. In the middle ground, a row of modern, multi-story houses with large windows and balconies sits along the shoreline. The background features a range of brown, rocky mountains under a clear blue sky with scattered white clouds.

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 64 Spring Valley Lake 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 64 Spring Valley Lake
 - 18.8% increase/year for 5 years for water rates and 2.66% increase/year for 5 years for sewer rates 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*
- 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
- Sewer treatment costs up **147%** 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)

**** Wastewater treatment outsourced to VVWRA



PROPOSED WATER RATES

- Rate increase proposed to ensure service levels are maintained and keep pace with rising costs.

Current Water Rate Tier 1: \$0.94

- Rate Year 1 - \$1.10 (effective August 1, 2026)
- Rate Year 2 - \$1.18
- Rate Year 3 - \$1.27
- Rate Year 4 - \$1.36
- Rate Year 5 - \$1.46

Current Facilities Charge (FC) 1" meter: \$26.05/month

- Rate Year 1 - \$27.99 (effective August 1, 2026)
- Rate Year 2 - \$30.09
- Rate Year 3 - \$32.35
- Rate Year 4 - \$34.77
- Rate Year 5 - \$37.38



PROPOSED SEWER RATES

- A flat **2.66%** rate increase 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: \$50.89

Rate Year 1 - \$52.24/EDU (effective August 1, 2026)

Rate Year 2 - \$53.63/EDU

Rate Year 3 - \$55.06/EDU

Rate Year 4 - \$56.52/EDU

Rate Year 5 - \$58.03/EDU

Most typical residential homes = 1 EDU



CSA 64 PROJECTS

| Project Name | Project Scope | Cost Estimate |
|---|---|---------------|
| New Pavement and Sealing at the CSA 64 Shop | Paving and sealing of the CSA 64 Shop area | \$550,000 |
| Raise Well Nos. 5 and 6 Pedestal Design | Design for raising of well Nos. 5 and 6 including electrical panel upgrades | \$344,964 |
| Reservoir No. 1B Design | Design of a new well | \$225,000 |
| Reservoir No 1B Construction | Construction of a new reservoir | \$3,000,000 |
| Well No. 8 Design | Design of a new well | \$325,000 |
| Well No. 8 Construction | Construction of a new well | \$2,000,000 |
| 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 |

NEXT STEPS

- **April 7, 2026 (Board meeting):** Resolution of Intent for proposed water and 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



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





**THANK
YOU**