



Public Works
Special Districts

CSA 64 Rate Presentation
Dec 8, 2022

“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 buildings, wells & pumps
 - Sewer treatment costs up 58%**** since 2014
- **Regulatory Obligations**
 - California Air Resources Board (CARB)
 - 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
**** Wastewater treatment outsourced to VVWRA



- Pooled staff and equipment
- Grant funding of major projects
- SCADA remote system monitoring
- Power/load shedding and off peak pumping



- 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: \$0.85

Rate Year 1 - \$0.88

Rate Year 2 - \$0.91

Rate Year 3 - \$0.94

Current Facilities Charge (FC) 1” meter: \$23.50/month

FC Year 1 - \$24.32

FC Year 2 - \$25.17

FC Year 3 - \$26.05



- 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. Most typical residential homes = 1 EDU

Current Bi-monthly Wastewater Rate Per EDU: \$91.80

Rate Year 1 - \$95.02/EDU

Rate Year 2 - \$98.34/EDU

Rate Year 3 - \$101.78/EDU = \$4.99/month total increase



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

HIGH DESERT SEWER TERRITORY (PER EDU, BI-MONTHLY)

District	District	Region	Commodity	Price per EDU					2017 - 2021 Increase
				2017	2018	2019	2020	2021	
Helendale CSD	N	High Desert	Sewer	\$ 73.28	\$ 73.28	\$ 73.28	\$ 73.28	\$ 73.28	0%
City of Hesperia	N	High Desert	Sewer	\$ 49.97	\$ 52.97	\$ 56.15	\$ 59.52	\$ 63.09	26%
City of Victorville	N	High Desert	Sewer	\$ 66.06	\$ 66.06	\$ 75.96	\$ 81.64	\$ 87.78	33%
Town of Apple Valley	N	High Desert	Sewer	\$ 62.86	\$ 62.86	\$ 68.52	\$ 68.52	\$ 68.52	9%
CSA 42 Oro Grande	Y	High Desert	Sewer	\$ 158.88	\$ 158.88	\$ 158.88	\$ 158.88	\$ 158.88	0%
CSA 64 SVL	Y	High Desert	Sewer	\$ 91.80	\$ 91.80	\$ 91.80	\$ 91.80	\$ 91.80	0%
CSA 82 Trona	Y	High Desert	Sewer	\$ 100.24	\$ 115.26	\$ 126.80	\$ 139.48	\$ 149.94	50%
CSA 70 SP-2 High Country	Y	High Desert	Sewer	\$ 94.30	\$ 94.30	\$ 94.30	\$ 94.30	\$ 94.30	0%

Estimated Figure

CSA 64 PROJECTS

Status	Project Name	Project Scope	Est. \$\$
Reservoirs inspected. Consultant to submit report	CSA 64 Recoating Tank 2A and 2B Project	Recoating tanks due to aging of protective coating	\$ 315,000
Well #1 removed. 90% drawings received for well 3	CSA 64 Raising Well 1, 3, 5 and 6 Pedestals Design Project	Regulatory driven well raising project design & scope preparation	\$ 125,000
Not Assigned yet	CSA 64 New Well #8 Design	Design new water supply well #8	\$ 325,000 (design)
PO being amended to bundle with Pedestal work	CSA 64 Well # 5 Electrical Panel	Replace aging electrical infrastructure	\$ 125,000
PO being amended to bundle with Pedestal work	CSA 64 Well # 6 Electrical Panel	Replace aging electrical infrastructure	\$ 100,000
In design, now have final technical memo with probable construction cost est.	Lakeview Lift Station Rehab Design	Reconstruct wet well, replace screw pumps with submersible pumps & replace MCC's	\$ 790,000 (Construction cost only)
All 6 locations identified, bids are now due back Dec 13, 2022	CSA 64 AC Pipe Longevity Evaluation	Forensic analysis on waterlines to determine future years' pipe replacement requirements	\$ 200,000

- 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

