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San Bernardino Valley Municipal Water District Board Reduces Property Tax Rate for State Water Project

Action to reduce property tax rate by nearly 64% improves affordability for property owners and renters while continuing work on major water supply infrastructure.

(San Bernardino, CA, July 21, 2026) – The San Bernardino Valley Municipal Water District Board of Directors unanimously voted to lower the Agency’s annual property tax rate by nearly 64%, landing at \$0.04 per \$100 of assessed value. The regional water agency and State Water Contractor bring supplemental water supplies from Northern California into its 353 square mile service area, providing water to 15 retail agencies who serve homes and businesses. In most years, approximately 75% of water is sourced from existing local surface and groundwater supplies, while 25% is imported from Northern California through the state’s water conveyance network to meet local water needs, a system known as the State Water Project (SWP).

Each year, the Board sets the annual property tax rate after a thorough review of current State Water Project costs, debt, and long-range infrastructure needs. President T. Milford Harrison stated, “For more than 70 years, we have been careful stewards of taxpayer dollars and our region’s water future. This vote continues that legacy of making decisions that ensure reliable water for residents today and for future generations.”

San Bernardino Valley Municipal Water District is the fifth largest of the 29 State Water Contractors who fund the infrastructure and have an annual entitlement of up to 102,600 acre-feet of water per year, enough to supply over 300,000 households for a year. The property taxes collected each year by San Bernardino Valley were authorized by voters in the 1960’s to pay for costs of the SWP; infrastructure which includes Oroville Dam, San Luis Reservoir, the California Aqueduct, and nearby Lake Silverwood. San Bernardino Valley serves water to agencies spanning from Fontana to Calimesa. Property taxes are restricted to funding the Agency’s obligations associated with the State Water Contract.

“Following an extensive economic analysis of the current and forecasted State Water Project costs as well as our available financial resources, the Board was able to significantly lower the property tax rate this year,” said Director Susan Longville, the longest serving member of the Board and member of the Agency’s Cost of Service Study Committee. “I am proud that we are able to lower our portion of property tax costs, while remaining committed to ensuring the long-term water supply resiliency for this region.”

The Board approved a rate of \$0.04 per \$100 of assessed property valuation, down from the previous rate of \$0.11, a reduction that reflects the Board’s continued commitment to easing costs for property

owners by relying on other sources of funding to continue the Agency's work; including funds received following the dissolution of Redevelopment Agencies and the Agency's earned interest. Reducing the amount of property tax collected will leave nearly \$60 million in the hands of taxpayers this year.

Director Jose Velasquez who made the motion to approve a new rate of \$0.04, stated, "Due to prudent decisions by past Boards over many years, along with new sources of revenue and smart investments, the Agency is now in a position to provide significant savings to the taxpayers. Bringing our property tax rate as low as possible right now, while we continue to plan and permit large infrastructure projects is a strategic decision by this Board that directly benefits the people we serve."

The Agency projects approximately \$100 million in costs this year on the SWP. The Board considered the feasibility of using alternative sources of revenue while also ensuring that sufficient revenue would be generated to meet its obligations under its State Water Project contract with the Department of Water Resources. In his statements during the meeting, Director Paul Kielhold acknowledged that there are many factors in water supply planning and delivery that the Agency and Board cannot control. In fact, setting the tax rate is one of the only things that the Board directly controls and they try to find the right balance between ensuring there is enough funding for future projects while also keeping water affordable today. The investment pays for infrastructure built to serve the region for 50 to 100 years, providing a reliable, imported water supply for decades to come.

Vice President Gil Botello stated of the decision, "We know this work is hard and requires bold decisions providing benefits well into the future. But these decisions strengthen the foundation from which the Agency was formed by the voters in 1954. Our Board is independently elected by the voters in our service area to represent their interests. We accomplished that with our decision by recognizing our obligations to future water supply projects while also acknowledging the financial burdens our taxpayers experience."

Workshop materials and the full Board action are available on the Agency's website at www.sbvmd.com.

About San Bernardino Valley

San Bernardino Valley Municipal Water District is a regional wholesale water agency serving approximately 734,000 people across 353 square miles in southwestern San Bernardino County and a small portion of Riverside County. Through regional partnerships, innovative projects, and a dedicated team of professionals, San Bernardino Valley is committed to building a resilient and sustainable water supply future for the communities it serves. Learn more at www.sbvmd.com.

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