



CITY OF SIGNAL HILL
STAFF REPORT

2175 Cherry Avenue • Signal
Hill, California 90755-3799

5/13/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: THOMAS BEKELE
PUBLIC WORKS DIRECTOR/CITY ENGINEER**

**SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE 2025-04-1554 AMENDING
CHAPTER 13.04.130 (RATE ESTABLISHMENT) OF THE SIGNAL HILL MUNICIPAL
CODE**

Summary:

The City of Signal Hill currently provides water service and collects associated service fees in accordance with California law. Although the Signal Hill Municipal Code authorizes the adoption of rates by resolution, the existing water service and rate structure is included in Chapter 13.04 (Water Service and Rates) of the Municipal Code. As a result, any changes currently require adoption by ordinance. However, effective January 1, 2017, changes to Health and Safety Code Section 5471, allow public agencies to adopt new or increased water service fees by resolution.

On April 22, 2025, City Council introduced Ordinance 2025-04-1554, which proposes to amend Sections 13.04.130(A) and 13.04.130 (C) of the Municipal Code. The proposed Ordinance would confirm the City would update rate changes by resolution, streamline the rate setting process, and remove the requirement to include water rates within the Municipal Code, without diminishing the City's legal authority.

Staff is now presenting Ordinance No. 2025-04-1554 for second reading and adoption. If adopted, the Ordinance would become effective June 12, 2025.

Strategic Plan Goal(s):

Goal No. 1 Financial Stability: Ensure the City's long-term financial stability and resilience.

Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.

Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment,

retention, systems, and processes to increase the effectiveness and efficiency of City services.

Recommendation:

Adopt Ordinance No. 2025-04-1554, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, AMENDING SECTIONS 13.04.130(A) AND 13.04.130(C) OF THE SIGNAL HILL MUNICIPAL CODE TO AUTHORIZE FUTURE RATES FOR WATER SERVICE FEES TO BE SET BY RESOLUTION, AND FINDING SAID ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

Background and Analysis:

Section 13.04.130 of the Signal Hill Municipal Code currently authorizes the City Council to adopt water service rates by resolution. However, this section of the municipal code also includes the existing rate structure. As a result, even when the City adopts new rates by resolution, a separate ordinance is still required to amend the municipal code to reflect those changes. This process creates administrative redundancy by requiring the City to take additional steps to update rates.

In accordance with the Health and Safety Code Section 5471 and Section 13.04.130 of the Signal Hill Municipal Code (SHMC), the City Council may adopt water rates by resolution. Staff recommends amending the SHMC to eliminate specific rate schedules, as well as the requirement to include newly adopted rate structures. As outlined in the proposed Ordinance, this amendment would simplify the process by removing the need for a subsequent ordinance following rate adoption by resolution (Attachment A).

On April 22, 2025, the City Council introduced Ordinance No. 2025-04-1554, amending Sections 13.04.130(A) and 13.04.130(C) of the Municipal Code. In accordance with Signal Hill Municipal Code Section 1.08.010, the City posted a summary of the Ordinance at City Hall, Discovery Well Park, Reservoir Park, and the Signal Hill Library on or before April 25, 2025. The City also published a summary of the Ordinance in the *Signal Tribune* on April 25, 2025, pursuant to Government Code Section 65091(a)(4).

Staff is now presenting Ordinance No. 2025-04-1554 for second reading and adoption. Upon adoption, the Ordinance summary would again be posted in accordance with SHMC Section 1.08.010 and published in the *Signal Tribune*. Ordinance No. 2025-04-1554 would also be published in full on the City's website and become effective on June 12, 2025.

The proposed Ordinance is exempt from the California Environmental Quality Act (CEQA), as it does not constitute a project with the potential to environmental impacts. The Ordinance includes a severability clause to preserve the validity of the remaining provisions should any portion be found to be invalid. Standard certification and publication provisions are also incorporated to ensure proper

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legal adoption.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachment:

A. Ordinance No. 2025-04-1554