

Notice of Public Hearing Proposed Water Rate Increases

Notice is hereby given that the City Council (Council) of the City of Signal Hill (City) will conduct a public hearing on **May 27, 2025, at 7:00 P.M.** or as soon thereafter as practicable, at City Council Chambers located at **2175 Cherry Avenue, Signal Hill, California 90755-3799**, to consider adopting increases to the rates of its water service charges.

Members of the public who wish to view meetings can watch the live stream online or on television. Members of the public may email public comments to: CityClerk@cityofsignalhill.org or may call 562-989-7300. Comments must be submitted before 5:00 p.m. on the day of the meeting.

Please note that a legal challenge to the proposed water rates must be brought within 120 days of the date the resolution adopting the rates is adopted.

REASONS FOR THE PROPOSED RATE INCREASES

The City works continuously to minimize price increases to its customers through long-range financial planning, capital investment, and operational spending reviews, among others. These initiatives have allowed the City to keep rates for water service as low as possible given the City's costs of providing water service.

However, numerous factors are impacting the City's revenue requirements. The three main drivers affecting revenue adjustments include funding vital capital improvement projects, inflationary pressures impacting operating and maintenance and capital costs, and meeting recommended reserve levels. Without additional revenue, the City cannot maintain existing or proposed reserve levels, achieve minimum debt service coverage requirements, or adequately fund capital improvements.

While the City continually strives to keep costs as low as possible, and use and maintain its assets in the most efficient and effective way possible. Nevertheless, the City must ensure there is enough revenue to pay maintain capital infrastructure, keep pace with inflation on the costs of purchasing materials necessary to treat and deliver water, and recover costs associated with ensuring sufficient water supply. To that end, the City hired an independent rate consultant to conduct a rate study and determine how best to meet its revenue requirements and keep pace with projected cost increases over a three-year period. Based on this evaluation, the City has determined that rate adjustments and increases are necessary.

A copy of the rate study (Study) is available for inspection at the offices of the City, and is also available online at <https://www.cityofsignalhill.org/>.

BASIS UPON WHICH THE RATES ARE CALCULATED

The City provides water to three customer classes: Residential (including single-family and multi-family); Commercial, Industrial and Institutional, and Irrigation customers. The proposed rate structure for the water service charges includes a monthly meter charge, based on the size of the

meter serving the parcel, and a commodity rate. Commodity rates for Residential and Irrigation customers include two tiers, and three tiers for Commercial, Industrial, and Institutional customers. Commodity rates are based on the amount of water used by each parcel, measured in cubic hundred feet (“CCF”). Additionally, the City imposes a fire service charge on parcels with a private fire line serving the parcel, determined based on the size of the fire meter.

PROPOSED RATES

The City is proposing to increase the rates for its water service charges. If approved, the rates will be effective for services provided on and after July 1, 2025, and will be increased each July 1 thereafter as set forth in the tables below. The rates set forth below are the maximum rates that may be imposed by the City.

Proposed Monthly Meter Service Charges (\$/Month)

A	B	C	D	E	F	G
Line	Meter Size	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
1	5/8"	\$28.08	\$30.61	\$33.36	\$36.36	\$39.63
2	3/4"	\$28.08	\$30.61	\$33.36	\$36.36	\$39.63
3	1"	\$72.27	\$78.77	\$85.86	\$93.59	\$102.01
4	1 1/2"	\$159.30	\$173.64	\$189.27	\$206.30	\$224.87
5	2"	\$276.04	\$300.89	\$327.97	\$357.48	\$389.66
6	3"	\$618.47	\$674.13	\$734.80	\$800.93	\$873.02
7	4"	\$618.47	\$674.13	\$734.80	\$800.93	\$873.02
8	6"	\$618.47	\$674.13	\$734.80	\$800.93	\$873.02
9	8"	\$618.47	\$674.13	\$734.80	\$800.93	\$873.02
10	10"	\$1,972.97	\$2,150.53	\$2,344.08	\$2,555.05	\$2,785.00

Proposed Water Usage Rates (\$/CCF)

A	B	C	D	E	F	G	H
Line	Class/Tier	Monthly Tier (CCF)	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Residential - Single Family							
1	Tier 1	0-15	\$4.77	\$5.20	\$5.67	\$6.18	\$6.74
2	Tier 2	>16	\$7.62	\$8.30	\$9.05	\$9.87	\$10.75
Residential - Multi-Family							
3	Tier 1	0-15	\$4.77	\$5.20	\$5.67	\$6.18	\$6.74
4	Tier 2	>16	\$7.62	\$8.30	\$9.05	\$9.87	\$10.75
Commercial, Industrial, and Institutional							
5	Tier 1	0-15	\$4.77	\$5.20	\$5.67	\$6.18	\$6.74
6	Tier 2	16-150	\$7.62	\$8.30	\$9.05	\$9.87	\$10.75
7	Tier 3	>151	\$11.22	\$12.23	\$13.33	\$14.53	\$15.83
Irrigation							
8	Tier 1	0-15	\$4.77	\$5.20	\$5.67	\$6.18	\$6.74
9	Tier 2	>16	\$7.26	\$7.91	\$8.62	\$9.40	\$10.25

Proposed Monthly Fire Service Charges (\$/Month)

A	B	C	D	E	F	G
Line	Fire Line Diameter	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028	July 1, 2029
Residential Fire Lines						
1	2"	\$132.75	\$144.70	\$157.72	\$171.92	\$187.39
2	4"	\$262.44	\$286.06	\$311.80	\$339.87	\$370.45
3	6"	\$394.59	\$430.10	\$468.81	\$511.01	\$557.00
4	8"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18
5	10"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18
Business Fire Lines						
6	2"	\$224.49	\$244.69	\$266.71	\$290.72	\$316.88
7	3"	\$224.49	\$244.69	\$266.71	\$290.72	\$316.88
8	4"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18
9	6"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18
10	8"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18
11	10"	\$498.15	\$542.99	\$591.85	\$645.12	\$703.18

WRITTEN PROTESTS AND LEGAL OBJECTIONS

Written Protests: Any record owner of a parcel upon which the water rate increases are proposed to be imposed and any tenant directly liable for water service fees and charges the payment of water service charges (i.e., a customer of record who is not a property owner) may submit a written protest to the proposed rate increases to the City’s water service charges; however, only one protest will be counted per identified parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed water rate increases; (2) provide the location of the identified parcel (by street address, assessor’s parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted in one of the following manners: (1) by mail or in person to the City Clerk’s Office at 2175 Cherry Avenue, Signal Hill, CA 90755, provided they are received by 4:00 P.M. on May 27, 2025, or (2) at the Public Hearing on May 27, 2025, so long as they are received prior to the close of the public comment portion of the Public Hearing. Any protest submitted via e-mail or other electronic means will not be accepted as a valid written protest. Please indicate on the outside of any envelope mailed to the City – Attn: Rate Hearing.

The City Council will accept and consider all written protests and will hear and consider all oral comments to the proposed rate increases at the Public Hearing. Oral comments at the Public Hearing will not qualify as valid protests unless accompanied by a written protest. Upon the conclusion of the Public Hearing, the City Council will consider adoption of the proposed rate increases as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the City Council will be authorized to adopt the rate increases. Details regarding the proposed water service charges are available at the City’s offices (location noted above) or on the City’s website at <https://www.cityofsignalhill.org/>. If you have any questions regarding the proposed rates or the amount of the water service charges that may be imposed on your property, please contact the City at tbekele@cityofsignalhill.org.

Separate Exhaustion of Administrative Remedies Procedure (Cal. Gov't. Code § 53759.1.): The owner of record of any parcel upon which the water rates are proposed for imposition, or a customer of record who is not the property owner (e.g., a tenant), may submit a written objection (“Objection”) to the City.

Substantive and Procedural Requirements: In order to be valid, an Objection must:

(1) specify the grounds for alleging the City’s noncompliance with Proposition 218; (2) provide the location of the identified parcel (street address, or assessor’s parcel number); (3) include the name and signature of the party submitting the Objection; and (4) indicate the submission is an Objection. Please note the specified grounds must be sufficiently detailed to allow the City to determine whether alterations to the proposed rates are needed, and to provide you with a meaningful response. By way of example, an Objection stating a proposed rate change violates Proposition 218, without explaining the basis for this claim, is insufficient for purpose of administrative exhaustion.

Objections must be received by the earlier of the close of the public comment portion of the public hearing, or 11:59 p.m. on May 27, 2025. Failure to timely submit an Objection will bar any right to challenge the proposed water rates through a legal proceeding. Any Objection received after the earlier of the close of the public comment portion of the public hearing, or 11:59 p.m. on **May 27, 2025** will not be counted as an Objection.

Objections must be mailed or hand delivered to the attention of the City Clerk’s Office at 2175 Cherry Avenue, Signal Hill, CA 90755. Objections submitted by email, fax, or other electronic means will not be accepted.

Documents comprising the City’s written basis for the proposed increases to the water service charges are available at <https://www.cityofsignalhill.org/>. A printed copy of the written basis will be mailed to a party upon request and will be available at the City Clerk’s Office for inspection.