



STAFF REPORT

4/22/2025

AGENDA ITEM

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

**FROM: CARLO TOMAINO
CITY MANAGER**

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

SUBJECT: AN ORDINANCE AMENDING CHAPTER 13.04.130 OF THE SIGNAL HILL MUNICIPAL CODE

Summary:

The City of Signal Hill currently provides water service and collects related service fees as permitted by California law. While the City's Municipal Code authorizes rates to be adopted by resolution, the current Water Service and Rate structure is set in Title 13 Public Utilities of the Signal Hill Municipal Code, therefore, changes must be adopted by ordinance. Because adopting an ordinance takes much more time than adopting a resolution, this creates a significant delay between adoption of service fees and inclusion of those fees in the Municipal Code.

Legislative changes effective January 1, 2017, allow public agencies to adopt new or increased water service fees by resolution under Health and Safety Code Section 5471. The proposed Ordinance would confirm the City can update water rates by resolution, while eliminating the requirement of adding water rates to the Municipal Code. This action will eliminate the need for adoption of an ordinance in addition to the required resolution, thereby streamlining water rate setting in compliance with applicable law.

If approved by the City Council, the proposed Ordinance would be introduced this evening and return for the required Second Reading on May 13, 2025. Amended Sections 13.04.130(A) and 13.04.130 (C) 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.

4/22/2025

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 the following Ordinance, 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:

None.

Background:

Section 13.04.130 currently provides that rates for water service may be adopted by resolution. However, it also lists the current rate structure. This means that even if the City adopts rates by resolution, an ordinance would still be required to amend the Municipal Code to add the new rates adopted by resolution. This creates administrative redundancy by requiring the City to take more steps than necessary to adopt water rates.

Analysis:

Pursuant to Health & Safety Code Section 5471 and Section 13.04.130 of the Municipal Code, the City Council may set water rates by resolution. Staff recommends amending the Signal Hill Municipal Code to remove outdated rate structures, as well as the requirement to include newly adopted rate structures, as outlined in the proposed Ordinance (Attachment A). This proposed amendment would streamline the City's process for adopting changes to water rates by removing the unnecessary step of adopting an ordinance after the City has already established rates via resolution.

The proposed Ordinance is exempt from the California Environmental Quality Act (CEQA), as it does not constitute a project with potential environmental impacts; including a severability clause to ensure the remainder remains effective should any portion be found to be invalid. Standard certification and publication provisions are also included to support legal adoption.

Next Steps:

Upon introduction of the Ordinance, the City Clerk's office would cause to be posted a summary of the Ordinance pursuant to Signal Hill Municipal Code Section 1.08.010 at City Hall, Discovery Well Park, Reservoir Park, and the Signal Hill Library on or before April 25, 2025. The City would also publish a summary of the Ordinance in the Signal Hill Tribune newspaper pursuant to Government Code §65091(a)(4) on April 25, 2025.

4/22/2025

Subject to City Council adoption of the proposed Ordinance, the City Clerk would schedule the Second Reading of the proposed Ordinance for the May 13, 2025 City Council meeting. If approved, the amended Sections 13.04.130 (A) and (C) would be effective June 12, 2025.

Reviewed for Fiscal Impact:

Siamlu Cox

Attachment:

A. Ordinance