

RESOLUTION NO. 8401

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA: (1) SETTING THE DATE, TIME AND PLACE FOR THE CONDUCT OF A MAJORITY PROTEST PUBLIC HEARING PER ARTICLE XIIID, SECTION 6 OF THE CALIFORNIA CONSTITUTION AND GOVERNMENT CODE SECTION 53755 ET SEQ. TO RECEIVE WRITTEN PROTESTS AND OBJECTIONS BY AFFECTED REAL PROPERTY PARCEL OWNERS TO PROPOSED INCREASES TO THE CITY'S SCHEDULE OF WATER AND SEWER SERVICE FEES AND CHARGES CODIFIED UNDER ARTICLE II (SEWER) AND ARTICLE III (WATER) OF CHAPTER 94 (UTILITIES) OF THE SAN FERNANDO MUNICIPAL CODE; (2) APPROVING A MASTER LIST OF AFFECTED REAL PROPERTY PARCELS; (3) APPROVING A WATER AND SEWER SERVICE CHARGE RATE STUDY JUSTIFYING THE RECOMMENDED WATER AND SEWER SERVICE CHARGE INCREASES; (4) APPROVING RULES FOR THE SUBMISSION OF OBJECTIONS AND THE SUBMISSION AND TABULATION OF WRITTEN PROTESTS; AND (5) DIRECTING CITY STAFF TO UNDERTAKE ALL OTHER MEASURES LEGALLY REQUIRED TO CONDUCT A MAJORITY PROTEST PUBLIC HEARING, INCLUDING THE ISSUANCE OF 45-DAYS PRIOR WRITTEN NOTICE TO THE OWNERS OF AFFECTED REAL PROPERTY PARCELS

WHEREAS, the City operates its own water system for the conveyance of water to certain private and public water users located within the City; and

WHEREAS, pursuant to Article XI, Section 9 of the California Constitution, a municipal corporation may establish, purchase and operate public works to furnish its inhabitants with water; and

WHEREAS, this power is, for the most part, self-executing and does not require enabling State legislation (See. *Glenbrook Dev. Co. v. City of Brea* (1967) 253 Cal. App. 2d 267); and

WHEREAS, the power to fix rates to be charged to water customers is incident to the power to establish and operate public utility systems conferred under Sections 7 and 9 of Article XI of the California Constitution (See also. *Durant v. City of Beverly Hills* 39 Cal. App. 2d (1940) 133, 137); and

WHEREAS, cities are not subject to outside review of their rates by the California Public Utilities Commission ("CPUC") because municipal corporations are outside the jurisdiction of the CPUC (See. *County of Inyo v. PUC* (1980) 26 C3d 154); and

WHEREAS, the City also operates a City-wide sewerage system for the transport of wastewater; and

WHEREAS, the City, pursuant to Health & Safety Code Section 5470 *et seq.*, also has the power to prescribe, revise and collect fees or other charges for the use of its sewer system; and

WHEREAS, fees and charges for water and sewer service are considered property-related fees/charges within the meaning of Article XIID of the California Constitution (“Article XIID”) and are therefore subject to the approval requirements set forth under Article XIID, Section 6 of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 *et seq.*); and

WHEREAS, Article XIID requires that the City provide all affected real property parcel owners with written notice that (i) informs the parcel owners of City’s intent to increase a property-related fee or charge and the amounts proposed, (ii) explains the reasons and methodology for the increases, (iii) identifies the proposed date, time and location of the majority-property hearing where the City Council will consider approval of the increase, and (iv) explains the majority-protest process and how parcel owners may submit written protests in opposition the proposed increases; and

WHEREAS, Article XIID further requires that such notice be issued no less than 45 days prior to the proposed date of the majority-protest hearing; and

WHEREAS, the City has engaged Robert D. Niehaus, Inc. (“RND”) to prepare certain report entitled “City of San Fernando 2025 Water and Sewer Rate Study” (the “2025 Rate Study”) which proposes and justifies an amended schedule of increased water and sewer service fees and charges; and

WHEREAS, following the close of the majority protest public hearing, the City Clerk will tabulate all written protests submitted in opposition to the proposed increases to determine whether or not the number of real property parcels for which a protest was submitted exceeds 50% of the total number of real property parcels affected by the contemplated increases; and

WHEREAS, the proposed increases to the City’s schedule of water and sewer service charges may not be implemented if the total number of real property parcels for which a protest was submitted exceeds 50% of the total number of real property parcels affected by the contemplated increases; and

WHEREAS, if the proposed increases to the City’s schedule of water and sewer service charges survives the majority protest proceedings, the City Council must also approve a resolution and/or ordinance approving and implementing the amended schedule of increased water and sewer service fees and charges as set forth in the 2025 Rate Study; and

WHEREAS, in addition to the standard protest procedures called for under Article XIID, the City will also avail itself of the written objection procedures of AB 2257 and codified under Government Code Section 53759.1(c) wherein parcel owners, in addition to written protests, may also submit written objections challenging the City’s rate setting methodology and/or compliance with legally applicable procedures; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

SECTION 1. The City Council finds that the foregoing Recitals are true and correct.

SECTION 2. The City Council accepts 2025 Rate Study and finds, determines and resolves, in accordance with Section 6(b) of Article XIID, that: (i) revenues derived from the fee or charge referenced in the 2025 Rate Study do not exceed the funds required to provide the property related service; (ii) revenues derived from the fees or charges will not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of the fees or charges imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel; and (iv) no fee or charge will be imposed for water or sewer service unless that service is actually used by, or immediately available to, the owner of the property in question; and (v) no fee or charge will be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at-large in substantially the same manner as it is to property owners. The City Council, reserves the right to amend any or all of these findings and determinations based on any additional information, documentation or testimony which may be presented as part of the majority-protest hearing process.

In adopting the proposed schedule of increased and adjusted water and sewer service fees and charges as set forth in the 2025 Rate Study, it is also the intent of the City Council, as permitted under Government Code Section 53756, to give the City the authority and ability to make automatic adjustments to the approved schedule of fees and charges that pass through increases in wholesale charges for water, sewage treatment or wastewater treatment as well as adjustments for inflation. To that end, and as required by Government Code Section 53756, the adopted schedule of fees and charges; (i) does not exceed a period of five years pursuant to Government Code Section 53755; (ii) includes a schedule of adjustments, including a clearly defined formula for adjusting for inflation, subject to the requirement that any inflationary adjustments shall not exceed the cost of providing water or sewer service; and (iii) provides for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water, sewage treatment, or wastewater treatment established by any other public agency insofar as the City purchases wholesale water, sewage treatment, or wastewater treatment from another public agency. As required by Government Code Section 53756, notice of any adjustment pursuant to the schedule shall be given pursuant to Government Code Section 53755(a), not less than thirty (30) calendar days before the effective date of the adjustment.

SECTION 3. The City Council also hereby accepts and approves that certain list of real property parcels which has been compiled by Los Angeles County Assessors 2024/2025 Tax Roll provided by Hdl Coren & Cone (the "Parcel List") and which represent the total number of real property parcels within the City that receive water and sewer services from the City and would be affected by the rate increases discussed herein. The parcel numbers and corresponding property owner addresses are based on parcel data compiled from the latest equalized tax assessment roll. (A true and correct copy of the Parcel List shall be maintained by the City Clerk as a record of the City and shall be available for inspection). The Office of the City Clerk is located **San Fernando City Hall, 117 Macneil Street, San Fernando, CA 91340**. As explained in

greater detail in Exhibit “A” to this resolution, City staff is also instructed to mail notice to water and sewer service customers based on the City’s own existing customer billing list with the understanding that a water and sewer customer may not necessarily be the owner of an affected parcel.

SECTION 4. The City Council further finds that the total number of written protests required to defeat any proposed increase in water charges shall be a sum equal to 50% plus 1 of **5,859**, the total number of affected real property parcels or 2,930 protests total. In keeping with Article XIID, Section 6, City staff is instructed to mail written notice of the majority protest public hearing to all persons identified in the Parcel List and such notice must be mailed no less than 45 days prior to the date of the majority protest public hearing. The specific procedures for the submission and tabulation of protests are set forth in **Exhibit “A”** to this Resolution which is entitled “Guidelines for the Submission and Tabulation of Protests and Objections” which is adopted and incorporated hereto by this reference. The mailed notice shall adhere to the requirements of Article XIID, Section 6 of the California Constitution and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 *et seq.*).

SECTION 4. The City Council hereby sets a public hearing to consider approval of the proposed increase to the City’s schedule of water and sewer service fees and charges. The public hearing shall be held as part of a special meeting or adjourned regular meeting of the City Council on the following date and time and at the following location:

Date:	October 6, 2025
Time:	6:00 p.m. or as soon thereafter as the matter may be heard
Location:	San Fernando City Hall Council Chambers 117 Macneil Street San Fernando, CA 91340

The hearing shall be open to the public and anyone interested may appear and be heard on the matter. Approval of the proposed water and sewer rate increases shall be undertaken in compliance with Article XIID, Section 6 of the California Constitution.

SECTION 5. The City Council further authorizes City staff to commence, coordinate, oversee all procedures and processes required for the approval of property-related fees or charges under Proposition 218 (specifically Article XIID, Section 6 of the California Constitution) and under Government Code Section 53750 *et seq.*

SECTION 6. City staff is also instructed to do the following so that the City may avail itself of the exhaustion of remedies established under AB 2257 and codified under Government Code Section 53759.1(c):

- i. Make the 2025 Rate Study and the Parcel List available for public inspection no less than 45 days prior to the scheduled date of the majority-protest hearing. Both documents shall be made available in hard copy form at the Office of the City Clerk during regular business hours and electronically on the City’s internet website.

- ii. Post the 2025 Rate Study on the City's internet website along with any other informational material concerning the proposed increase to the City's schedule of water and sewer service fees and charges.
- iii. The 45-day notice sent to affected real property parcel owners shall include the link to information referenced under romanette ii, above.
- iv. Upon request of a property owner, City staff shall mail a copy of the 45-day notice to the property owner. Such requests may be submitted to the Office of the City Clerk or to the Public Works Department c/o Director of Public Works.
- v. Provide property owners with at least 45 days to review the 2025 Rate Study and any other information concerning the same so that the property owner may timely submit to the City a written objection to the proposed water and sewer service charge increases that specifies the grounds for alleging noncompliance. To be considered timely, any written objection (as opposed to and distinct from written protests) shall be submitted no later than 5:00PM on Friday September 26 2025. A timely submitted "written objection" will be counted as "written protest" only if the written objection also satisfies all of the conditions required for a "written protest" to be counted.
- vi. The City will consider and respond in writing to timely submitted written objections prior to the close of the majority-protest hearing. The City's response will explain the substantive basis for retaining or altering the proposed water and sewer service fee and charge schedule in response to the written objection. Timely submitted written objections and City responses shall be presented to the City Council for consideration at the majority protest public hearing.
- vii. The 45-day notice shall include a prominently displayed statement that contains the following information:
 - That all written objections must be submitted by or before 5:00PM on Friday, September 26, 2025 and that the failure to timely object in writing bars any right to challenge the proposed schedule of City water and sewer service fees and charges through a legal proceeding.
 - All substantive and procedural requirements for submitting an objection to the proposed schedule of City water and sewer service fees and charges.
- viii. Completes the procedures described above, inclusive, prior to the completion of the majority-protest hearing.

SECTION 7. The Mayor shall sign this Resolution and the City Clerk shall attest and certify to the passage and adoption thereof. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this 4th day of August 2025.

Mary Mendoza, Mayor of the City of San
Fernando, California

ATTEST:

Julia Fritz, City Clerk

CERTIFICATION

I, City Clerk of the City of San Fernando, California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 8400 which was regularly introduced and adopted by the City Council of the City of San Fernando, California, at a regular meeting thereof held on the 4th day of August, 2025, by the following vote of the City Council:

AYES: Lopez, Garcia, Fajardo, Mendoza - 4

NAYS: None

ABSENT: Solorio - 1

ABSTAINED: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Fernando, California, this _____ day of August, 2025.

Julia Fritz, City Clerk

EXHIBIT “A”**GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS AND
OBJECTIONS****(Approved as Part of City Council Resolution No. 8401 on August 4, 2025)****HOW TO PROTEST PROPOSED RATES**

There are multiple ways that the record owner¹ of a real property parcel that is affected² by the City's proposed adoption of a schedule of increased water and sewer service fees and charges can participate in the Proposition 218 majority-protest process. A majority-protest election is not the same as traditional election in which all registered voters of the City may cast votes. A majority-protest vote is limited to Parcel Owners whose properties will be affected the by the establishment of, or increase to, a so-called property-related fee or charge like the schedule of water and sewer service fees and charges at issue here. As described below, specific comments in the form of legal protests or objections must be adequately stated in writing and timely submitted in order to be given consideration.

HOW TO SUBMIT A WRITTEN PROTEST

The owners of affected real property parcels within the City have the right to protest the City's proposed increases to its schedule of water and sewer service fees and charges. **Protests** will only be considered valid if they meet the following procedural and substantive requirements:

1. Protests must be in writing and must be submitted by property owner. The City will not accept email, fax, or photocopied protests. There are two ways in which a written protest may be submitted: **(a)** by delivering it to the Office of the City Clerk (“City Clerk”); or **(b)** by submitting the protest in-person at the majority-protest public hearing before the close of the public comment portion of the hearing. **Protests delivered to the City Clerk's Office** may be delivered in person during regular business hours, by regular mail or by overnight courier service. The City Clerk's office is located at **San Fernando City Hall, 117 Macneil Street, San Fernando, CA 91340** and is open Monday through Thursday from 7:30AM to 5:30PM and Friday from 8:00AM to 5:00PM, excluding City-observed holidays. **Please indicate on the envelope: “Water/Sewer Service Charge Protest Enclosed”.** All protests must be received by the City Clerk before the conclusion of the public comment portion of the majority-protest public hearing. Any protest received after the conclusion of the public hearing will not be accepted or considered. Only one written protest per affected

¹ For purposes of this Exhibit, the term “**record owner**” has the same meaning as found under subsection (j) of Government Code Section 53750 which defines the term “record owner” to mean the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the agency.

² A real property parcel is affected by the proposed rate increase if it receives municipal water or sewer services or is otherwise connected to the City water and/or sewer utility systems

property will be counted. Note that a written protest is not the same as a legal objection, as described below.

CAUTION: Written protests deposited in the mail and postmarked prior to the close of the public comment portion of the majority protest public hearing but received after the close of the public comment portion of the majority protest public hearing will be deemed untimely and will not be counted. The same applies to protests delivered through an overnight courier service. Parcel Owners who are concerned that their protest(s) will not be received on time are strongly encouraged to deliver their protest(s) in person during the City Clerk's regular business hours prior to the start of the public hearing or on the date of the majority protest public hearing but prior to the close of the public comment portion of the majority-protest public hearing.

Notice of the majority protest hearing will also be sent to water and sewer service customers based on the City's own customer list – all with the understanding that some customers may not be the parcel owner of the property receiving service. A customer who is not a parcel owner will be allowed to submit a written protest for the parcel they receive service from, however, as stated above, only one protest will be counted per parcel. Accordingly, if a customer who is a tenant submits a protest on behalf of the parcel they receive service from and if the owner of the parcel (i.e., the landlord) also submits a protest for the same parcel, only one protest will be counted for the specific parcel.

2. Protests must include the following information:
 - Property owner's name, parcel number (APN), and/or service address.
 - A statement to the effect of "I protest the proposed sewer service rate increases" and an original signature. Those wishing to protest may submit the protest form that is part of the City's 45-day notice.
3. The City Clerk will confirm the validity of each written protest submitted. The City Clerk will not accept a written protest as valid if any one or more the following circumstances apply:
 - a. The protest does not identify the specific real property parcel for which it is being submitted.
 - b. The protest does not bear an original signature of the record owner or person otherwise authorized to submit the protest on the record owner's behalf.
 - c. The protest does not state any opposition to the City's proposed approval of the schedule of increased sewer service fees and charges.
 - d. The protest was not received by the City Clerk before the close of the public comment portion of the majority protest public hearing.
 - e. A request to withdraw the protest is received prior to the close of the public comment portion of the majority-protest hearing.

The City Clerk's determination that a submitted written protest is not valid or otherwise fails to comply with the submission requirements shall constitute a final action of the City and shall not be subject to any further administrative appeal.

4. At the conclusion of the majority protest public hearing, the San Fernando City Council will consider adopting the proposed changes as follows:
 - If fewer than a majority of property owners submit a protest, the City Council will consider adopting the schedule of increased water and sewer service fees and charges as proposed.
 - If a majority (50%+1) of affected parcel owners protest the adoption of the proposed schedule of increased water and sewer service fees and charges the City Council will be prohibited by law from adopting the increased fees and charges.

To restate, a proposed rate increase under the majority-protest voting format, the number of written protests submitted in opposition to the proposed rate increase must exceed 50% of the total number of real property parcels affected by the proposed rate increase. The total number of real property parcels affected by the proposed rate increase has been determined to be 5859 total. If written protests in opposition to the rate increases are received for less than a majority of the total number of real property parcels affected by the proposed rate increase, then the City Council will be authorized to approve the new schedule of increased sewer service fees and charges.

HOW TO SUBMIT A WRITTEN OBJECTION(S) IN ORDER TO EXHAUST ADMINISTRATIVE REMEDIES PURSUANT TO CALIFORNIA ASSEMBLY BILL 2257 (AB 2257)

Notice is hereby given that any affected real property parcel owner who wishes to object to the adoption of the proposed schedule of increased water and sewer service fees and charges must first submit a timely-received written legal objection so that the San Fernando City Council can duly consider those objections prior to taking action to approve the rate increase.

1. There are two ways in which a written objection may be submitted: **(a) by delivering it to the Office of the City Clerk ("City Clerk"); or (b) by submitting the objection in-person at the majority-protest public hearing before the close of the public comment portion of the hearing.** Objections delivered to the City Clerk's Office may be delivered in person during regular business hours, by regular mail or by overnight courier service. The City Clerk's office is located at **San Fernando City Hall, 117 Macneil Street, San Fernando, CA 91340** and is open Monday through Thursday from 7:30AM to 5:30PM, and on Friday from 8:00AM to 5:00PM excluding City-observed holidays. **Please indicate on the envelope: "Water/Sewer Service Charge Objection Enclosed".** All objections must be received by the City Clerk by or before 5:00PM on Friday, September 26, 2025. Untimely submitted objections

will not be accepted or considered. As a courtesy, a written objection will also be counted as a written protest only if it includes all of the information required for written protests. A parcel owner who fails to submit written objections by the deadline specified above may still submit a written protest in accordance with the procedures and deadline applicable to the submission of written protests as set forth in this document above.

CAUTION: Written objections deposited in the mail and postmarked on or prior to September 26, 2025 but received by the City Clerk after the 5:00PM on Friday September 26, 2025 will be deemed untimely and will not be considered. The same applies to objections delivered through an overnight courier service. Parcel Owners who are concerned that their objection(s) will not be received on time are strongly encouraged to deliver their objection(s) in person during the City Clerk's regular business hours by or before 5:00PM on Friday, September 26, 2025.

2. Written objections must include the following information:
 - The affected parcel owner's name, parcel number, and/or service address.
 - A statement that your communication constitutes a legal objection.
 - A description of the nature of the legal objection, with sufficient specificity to allow City staff to respond in writing. A statement that the proposed adoption of increase water and sewer service fees and charge violate Proposition 218. Without an explanation as to the basis of your claim will not be sufficient to constitute a legal objection.
3. Failure to submit a legal objection or to meet the requirements set forth above will bar any right to challenge the proposed water and sewer rates and charges through a legal proceeding.
4. At the majority-protest public hearing scheduled for 6:00PM on Monday October 6, 2025, the San Fernando City Council will accept and consider all timely submitted written protests and written objections, and hear all oral comments on the proposed adoption of the schedule of increased water and sewer service fees and charges. Oral comments will not be counted as protests unless accompanied by a written protest as outlined above, but oral comments, as with all other written comments, protests, and objections, will be considered by the San Fernando City Council prior to rendering a decision and action on the proposed schedule of increased water and sewer service fees and charges. The San Fernando City Council, in exercising its legislative discretion, shall determine any of the following:
 - Whether timely submitted written objections and the City's response warrant clarifications to the proposed schedule of increased water and sewer service fees and charges.
 - Whether to reduce any fees or charges set forth in the proposed schedule of increased water and sewer service fees and charges.
 - Whether to further review before making a determination on whether clarification or reduction is needed.

- Whether to proceed with the majority-protest hearing.
5. If adopted, the proposed schedule of increased water and sewer service fees and charges will take effect beginning January 1st 2026. The reasons for the increases to the fees and charges, the basis upon which they were calculated, and the rates proposed are described in more detail in the updated water and sewer service charge fee study prepared by RND, the City's consultant, entitled "City of San Fernando 2025 Water and Sewer Rate Study" dated July 2 2025 (the "2025 Rate Study") which proposes an amended schedule of increased water and sewer service fees and charges.
 6. Statute of Limitations for Challenging Proposed Increases to Water and Sewer Service Fees and Charges: Please note that pursuant to California Government Code section 53759, there is a 120-day statute of limitations for judicially challenging the proposed rate increase that runs from the effective date or of the date of the final passage, adoption, or approval of the ordinance, resolution, or motion, approving the increase whichever is later.

CONTINUANCE OF MAJORITY-PROTEST PUBLIC HEARING

The San Fernando City Council reserves the right to continue the majority-protest public hearing to allow for additional time for the verification and/or tabulation of written protests and/or to allow City staff to respond to written protests in the manner contemplated under Government Code Section 53759.1(c)(5).

[END OF GUIDELINES]