

THE CITY OF
SAN FERNANDO

CITY COUNCIL

August 11, 2025

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VICE MAYOR
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COUNCILMEMBER
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NOTICE OF PUBLIC HEARING

PROPOSITION 218 NOTICE OF PROPOSED WATER AND SEWER RATE ADJUSTMENTS AND CHANGES TO THE CITY'S WATER AND SEWER RATE CALCULATION METHODOLOGY

NOTICE OF PUBLIC HEARING

A public hearing regarding the City of San Fernando's proposed water and sewer rate increases and changes in the rate calculation methodology will be held on:

DATE: Monday, October 6, 2025
TIME: 6:00 pm
LOCATION: City of San Fernando Council Chambers
117 Macneil Street, San Fernando, CA 91340

Written protests to the proposed rate increases will be accepted if received by the end of the public comment portion of a majority-protest public hearing to be held on October 6, 2025, as long as the protests conform to the Proposition 218 procedures provided in this notice.

A link to the rate study is available here: [SFCITY.ORG/WaterSewerStudy](https://www.sfcity.org/WaterSewerStudy).

A copy of the rate study is available at the front counter of City Hall, 117 Macneil Street, San Fernando, CA 91340.

Guidelines for the Submission and Tabulation of Protests and Objections can also be obtained from the City Clerk's Office and be found on the City website at: [SFCITY.ORG/WaterSewerStudy](https://www.sfcity.org/WaterSewerStudy).

INTRODUCTION

The last rate study conducted by the City of San Fernando (City) occurred six years ago in 2019. Since that time, regulations and costs for the City have changed considerably. The City, as required by Article XIID of the California Constitution (Proposition 218), has conducted a new Water and Sewer Rate Study to review the existing rates, and to determine the estimated future costs of maintaining the City's high level of service, meeting State regulations, and completing system-wide maintenance projects to cover the next five years (January 1, 2026 through December 31, 2030).

This 45-day notice is hereby given in accordance with Section 6(a) of Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (Govt. Code Sections 53750 through 53758). The purpose of this notice is to provide you with information about the proposed rate increase and changes in methodology, and to inform you about your ability to oppose the rate increase by submitting a written protest prior to or during October 6, 2025 majority protest public hearing.

CITY MANAGER'S
OFFICE

117 MACNEIL STREET
SAN FERNANDO
CALIFORNIA
91340

(818) 898-1202

[WWW.SFCITY.ORG](https://www.sfcity.org)

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WHY ARE INCREASES/ADJUSTMENTS TO WATER AND SEWER FEES AND CHARGES NEEDED?

As a public agency, the revenues collected from rates must adequately fund water and sewer operations, maintenance, capital improvement projects, and compliance with existing or new State of California regulations; mitigate droughts; and meet environmental standards. The immediate needs over the next five years include:

- Ensure Safe Drinking Water – The City needs to continue investing in water treatment and testing techniques to ensure drinking water remains safe for current and future customers.
- Modernize Aging Infrastructure – The City plans to upgrade operational efficiencies with numerous projects, such as modernizing heavy machinery, vehicles, wells, water and sewer main lines, and booster pumps.

City staff provided a five-year history of financial information to demonstrate the need to increase rates to support the continued delivery of safe, clean and reliable water to customers. The Water and Sewer Rate Study was conducted by Robert D. Niehaus, Inc. Using economic trends in California and the City's detailed financial history, RDN recommended the revenue increases to ensure the water and sewer utilities meet reserve target goals while having the funds to upgrade its aging systems and equipment, extend the life of existing equipment, minimize water system and sewer leakage, and increase water-use efficiency. As a public agency, all rates, fees and charges are calculated to cover only the actual cost of providing safe and reliable water and sewer service that meet State and Federal requirements. The City does not make a profit from utility rates.

HOW THE WATER RATES WERE CALCULATED

The Fixed Charge pays for the City's fixed costs of operating and maintaining the water system. These costs do not change based on the amount of water used by customers. More fixed costs are applied to customers with larger meters to reflect the additional capacity needs of those meters. The Variable Charge pays for the amount of water actually used by a customer. In developing its rates, the City carefully projected changes in costs as part of its Long-Range Financial Plan; however, there are significant uncertainties about the future availability and cost of water supplies involved. To ensure that there are sufficient revenues to provide safe water to our customers, the City proposes the implementation of a pass-through charge, pursuant to California Government Code Section 53756. If the City must purchase water from the Metropolitan Water District, a pass-through adjustment will apply to the Variable Charges set forth in the tables included in this notice. Variable charges are billed per hundred cubic foot of water used.

The proposed rate structure changes are as follows:

- The City will bill meters larger than 6" based on their increased flow capacity.
- The City will introduce a passthrough rate for Metropolitan Water District (MWD) water if there is a need to use that source.

Table 1. Current and Proposed Fixed Charges

Meter Size	Current	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
3/4"	\$55.94	\$56.63	\$59.46	\$62.44	\$65.56	\$68.84
1"	\$113.66	\$112.55	\$118.18	\$124.09	\$130.29	\$136.81
1 1/2"	\$209.86	\$205.75	\$216.04	\$226.84	\$238.19	\$250.10
2"	\$325.30	\$317.60	\$333.48	\$350.15	\$367.66	\$386.04
3"	\$633.14	\$671.76	\$705.35	\$740.62	\$777.65	\$816.53
4"	\$979.46	\$1,193.69	\$1,253.38	\$1,316.04	\$1,381.85	\$1,450.94
6"	\$1,941.46	\$3,001.80	\$3,151.89	\$3,309.49	\$3,474.96	\$3,648.71
8"		\$5,238.64	\$5,500.57	\$5,775.60	\$6,064.38	\$6,367.60
10"		\$7,848.29	\$8,240.70	\$8,652.74	\$9,085.37	\$9,539.64

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Table 2. Current and Proposed Variable Charges

Tier	Current	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Groundwater	\$3.10	\$3.28	\$3.45	\$3.62	\$3.80	\$3.99
MWD	\$3.10	\$4.98	\$5.23	\$5.49	\$5.76	\$6.05

HOW THE SEWER RATES WERE CALCULATED

The Fixed Charge pays for the City's fixed costs of operating and maintaining the sewer system. These costs do not change based on the amount of sewer flow customers produce. The fixed charge for residential customers also includes the cost associated with an average of indoor water use at residential strength. The Variable Charge is billed to non-residential customers and pays the cost for the amount of sewer flow by a customer at the sewer strength of their customer class. Increased sewer strength leads to additional costs for system maintenance. Variable charges are billed per hundred cubic foot of water used.

The proposed rate structure changes are as follows:

- The City will bill educational customers under the same billing structure as other non-residential customers.

Table 3. Current and Proposed Fixed Charges

Customer Class	Current	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Residential (Flat Rate)	\$84.82	\$82.43	\$84.91	\$87.45	\$90.08	\$92.78
Residential (Multi Unit)	\$62.11	\$68.39	\$70.45	\$72.56	\$74.74	\$76.98
Commercial Group II	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Commercial Group III	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Commercial Industrial	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Commercial Group IV	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Commercial Group V	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Schools	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
Higher Education	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38
City Property	\$35.59	\$34.99	\$36.04	\$37.12	\$38.23	\$39.38

Table 4. Current and Proposed Variable Charges

Tier	Current	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Commercial Group II	\$2.89	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
Commercial Group III	\$4.79	\$5.00	\$5.15	\$5.31	\$5.47	\$5.63
Commercial Industrial	\$2.58	\$2.98	\$3.07	\$3.16	\$3.26	\$3.36
Commercial Group IV	\$7.08	\$7.08	\$7.29	\$7.51	\$7.73	\$7.97
Commercial Group V	\$2.89	\$3.28	\$3.38	\$3.48	\$3.58	\$3.69
Schools	\$1.86	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
Higher Education	\$1.86	\$2.34	\$2.41	\$2.48	\$2.55	\$2.63
City Property	\$2.51	\$2.93	\$3.02	\$3.11	\$3.20	\$3.30

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WHAT ARE MY OPTIONS IF I OPPOSE THE PROPOSED INCREASES OR WISH TO CHALLENGE SOME OTHER ASPECT OF THE PROPOSED INCREASE

Under Proposition 218, there are multiple ways that property owners who are subject to the proposed rates increases can voice their opposition and/or challenge other aspects of the City's proposal. 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. Refer to City Resolution No. 8401 for more detailed information about the Proposition 218 Procedures, also available online at: SFCITY.ORG/WaterSewerStudy.

HOW TO PROTEST PROPOSED WATER AND SEWER RATE CHANGES AND INCREASES

You have the right to protest proposed water and sewer rate adjustments. Protests will only be considered valid if they meet the following procedural and substantive requirements:

- Protests must be submitted in writing by the property owner. By law, the City cannot accept email, fax, or photocopied protests. Written protests may only be submitted as follows:
 - a. By Mail or Courier sent to the City of San Fernando, ATTN: City Clerk, 117 N Macneil St, San Fernando, CA 91340.
 - b. In Person delivered to the City of San Fernando, Office of the City Clerk, 117 N Macneil St, San Fernando, CA 91340 between the hours of 7:30 am and 5:30 pm, OR during the majority protest public hearing starting at 6 pm, Monday, October 6, 2025.
- All protests must be received by the City Council before the conclusion of the public comment portion of the Public Hearing. Any protest received after the conclusion of the majority protest public hearing will not be accepted or considered. Only one written protest per affected parcel will be counted. Note that a written protest is not the same as a legal objection, as described below. Protests must include the following information:
 - a. Eligible property owner's name, and the parcel number (APN) and address.
 - b. A statement to the effect of "I protest the proposed water and sewer rate adjustments," and an original signature.
 - c. Indicate on the envelope, "Water/Sewer Service Charge Protest Enclosed."

At the conclusion of the Public Hearing, the City Council will consider adopting the proposed changes as follows:

1. If written protests are submitted for 50% or less of the total number of affected parcels, the City may adopt the proposed schedule of increased/adjusted water and sewer service fees and charges.
2. Alternatively, if written protests are submitted for a majority of the total number of affected parcels (50%+1) then the City will be prohibited from adopting the proposed schedule of increased/adjusted water and sewer service fees and charges.

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

Notice is hereby given that any affected real property parcel owner who wishes to object to the proposed water and sewer rates and charges must first submit a timely-received written legal objection so that the City can duly consider those objections prior to making its decision. Written objections will only be considered valid if they meet the following procedural and substantive requirements and are submitted as follows:

- a. By Mail or Courier sent to the City of San Fernando, Office of the City Clerk, 117 N Macneil St, San Fernando, CA 91340.

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- b. In person by or before 5 pm on September 26, 2025, delivered to the City of San Fernando, Office of the City Clerk, 117 N Macneil St, San Fernando, CA 91340.

Legal objections must be submitted in writing by the parcel owner and include the following information:

- Objector'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 water and sewer rates and charges violate Proposition 218. Without an explanation as to the basis of your claim will not be sufficient to constitute a legal objection.

Failure to submit a legal objection or to meet the requirements set forth above will bar any right to challenge the proposed adoption of a schedule of increased/adjusted water and sewer charges service fees and charges through a legal proceeding.

At the majority protest public hearing of October 6, 2025, the City Council will accept and consider all written protests, written objections, and hear all oral comments on the proposed water and sewer rate increases/adjustments. Oral comments will not be counted as protests or objections unless accompanied by a written protest or a written objection as outlined above. Oral comments will, however, be considered by the City Council prior to rendering a decision and taking action on the proposed changes to water and sewer fees and charges.

If adopted, the proposed water and sewer rates will take effect beginning January 1, 2026. The reasons for the rate adjustments, the basis upon which they were calculated, and the amount of the proposed water and sewer rates are described in more detail in the "City of San Fernando 2025 Water and Sewer Rate Study" (the "2025 Rate Study") that is on file with the City Clerk and available on the City website at [SFCITY.ORG/WaterSewerStudy](https://www.sfcity.org/WaterSewerStudy). To request a copy of this Notice, contact the City Clerk's Office at (818) 898-1204 and/or CityClerk@sfcity.org. A copy of the "Guidelines for the Submission and Tabulation of Protests and Objections" can also be obtained from the City Clerk's Office and can be found on the City website at [SFCITY.ORG/WaterSewerStudy](https://www.sfcity.org/WaterSewerStudy).

STATUTE OF LIMITATIONS FOR CHALLENGING PROPOSED RATE INCREASE

IMPORTANT: Please note that pursuant to California Government Code section 53759, there is a 120-day statute of limitations for judicially challenging all rates set forth in this Notice that runs from the effective date of or the date of the final passage, adoption, or approval of the resolution or motion approving the rates, whichever is later.

PROTEST FORM

To protest the proposed Water or Sewer Rate Increases, you may complete a Protest Form and mail, or hand deliver to: City of San Fernando, 117 N Macneil St, San Fernando, CA 91340. For your convenience, please see the attached Protest Form.

To be counted, the Protest Form must include:

- The Parcel APN
- The Parcel Address
- That you protest the proposed Water rate increase to fund operation, maintenance and replacement costs related to providing Water service to properties within the City of San Fernando Service Area.
- That you protest the proposed Sewer rate increase to fund operation, maintenance and replacement costs related to providing Sewer service to properties within the City of San Fernando Service Area.

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- That you declare under penalty of perjury that you are the owner of the above-listed property or the authorized representative of the owner of the above listed property.
- The property owner name(s).
- The property owner signature(s).
- Any additional comments.

The City must receive a mailed written protest no later than 6:00 pm on October 6, 2025. Protests may be hand-delivered up until the end of the Public Hearing. Only one protest is allowed per property.

PROTEST FORM	FORMULARIO DE PROTESTA
Proposed Water and Sewer Rate Adjustments and Changes to the City of San Fernando's Water and Sewer Rate Calculation Methodology	Ajustes Propuestos a las Tarifas de Agua y Alcantarillado y Cambios en la Metodología de Cálculo de Tarifas de Agua y Alcantarillado de la Ciudad de San Fernando
PARCEL APN NÚMERO DE PARCELA (APN): _____	
PARCEL ADDRESS DIRECCIÓN DE LA PARCELA: _____	
☐ I protest the proposed Water rate increase to fund operation, maintenance and replacement costs relating to providing Water service to properties within the City of San Fernando Service Area. <i>Protesto contra el aumento propuesto a la tarifa de Agua para financiar los costos de operación, mantenimiento y reemplazo relacionados con la prestación del servicio de Agua a las propiedades dentro del Área de Servicio de la Ciudad de San Fernando.</i>	
☐ I protest the proposed Sewer rate increase to fund operation, maintenance and replacement costs related to providing Sewer service to properties within the City of San Fernando Service Area. <i>Protesto contra el aumento propuesto a la tarifa de Alcantarillado para financiar los costos de operación, mantenimiento y reemplazo relacionados con la prestación del servicio de Alcantarillado a las propiedades dentro del Área de Servicio de la Ciudad de San Fernando.</i>	
☐ I hereby declare under penalty of perjury that I am the owner of the above-listed property or the authorized representative of the owner of the above-listed property. <i>Declaro bajo pena de perjurio que soy el propietario de la propiedad mencionada anteriormente o el representante autorizado del propietario de dicha propiedad.</i>	
_____ Property Owner(s) Signature / <i>Firma(s) del Propietario(s)</i>	Additional Comments / <i>Comentarios Adicionales</i>
_____ Property Owner(s) Name (Print) / <i>Nombre(s) del Propietario(s)</i> (en letra de molde)	

	Place Stamp Here Coloque el Sello Aquí
WATER AND SEWER RATE ADJUSTMENT PROTEST FORM FORMULARIO DE PROTESTA CONTRA EL AJUSTE DE TARIFAS DE AGUA Y ALCANTARILLADO City of San Fernando 117 Macneil Street San Fernando, CA 91340 Attention: City Clerk Department	



NOTICE OF PUBLIC HEARING

Monday
October 6, 2025
6:00 pm

Council Chambers
117 Macneil Street
San Fernando, CA
91340

WATER & SEWER RATE ADJUSTMENTS

Notice of Proposed Adjustments and Changes to the City's Water and Sewer Rate Calculation Methodology

Why am I receiving this notice?

The City of San Fernando is proposing adjustments to water and sewer rates starting in 2026. A public hearing will be held on Monday, October 6, 2025, beginning at 6 pm, in the Council Chambers located at 117 Macneil Street, San Fernando.

Why are rates going up?

The City hasn't raised rates since 2019. Costs have increased and new state regulations require upgrades. The rate increases will help:

- Maintain safe and clean drinking water.
- Upgrade aging water and sewer pipes, pumps, and other infrastructure.
- Ensure reliable service now and into the future.
- Comply with state environmental and health laws.

What will change?

- Water bills will increase based on your meter size and water usage.
- A pass-through charge may be added if the City needs to buy water from an outside agency.
- Sewer rates will also be updated, especially for businesses and schools.
- Affected properties will see changes gradually each year from 2026 to 2030.

Can I say no?

Yes. If you are a property owner and oppose the increases, you can submit a written protest. Here's how:



Mail or hand-deliver a signed protest (see Protest Form included in this notice) to:
City Clerk, 117 Macneil Street, San Fernando, CA 91340



Deadline: By the end of the public hearing on October 6, 2025.



See full notice for guidelines on completing your written protest.
Only one protest per property will be counted.

Public Outreach Workshops - Join the Conversation!

As part of its commitment to transparency and community engagement, the City will host two public engagement workshops to provide residents with the opportunity to learn more and help shape the future of the community.

PUBLIC ENGAGEMENT MEETING #1

WEDNESDAY, AUGUST 20, 2025

6 PM - 7 PM

LAS PALMAS PARK

505 S. Huntington St, San Fernando

PUBLIC ENGAGEMENT MEETING #2

WEDNESDAY, SEPTEMBER 17, 2025

6 PM - 7 PM

LAS PALMAS PARK

505 S. Huntington St, San Fernando