

Ventura County Grand Jury 2011 - 2012



Final Report

Port Hueneme Water Rates

June 18, 2012

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Port Hueneme Water Rates

Summary

The 2011-2012 Ventura Grand Jury (Grand Jury) opened an investigation in September 2011 of the City of Port Hueneme's (City) water rates, triggered by a public complaint. The Grand Jury investigated whether the water utility billing rose unlawfully when the "Utility Users Tax" increased after the City went through the Proposition 218 process, by mail, for increasing water rates in 2009. The report is silent as to wastewater charges as these charges were not an issue. Neither the voter-approved water rate increase, nor the percentage (4%) of the "Utility Users Tax," was investigated.

The sole issue of the investigation is the inclusion of a previously untaxed "water service charge" into the water service fixed rate. The "water service charge" is now being taxed, creating a new tax, intended or not, by the City.

The Grand Jury interviewed interested parties, as well as examined City water bills. The Grand Jury reviewed water rate information from the City, as well as from other cities and water districts in the County, for comparison. The Grand Jury consulted with Ventura County Counsel's office and Ventura County Elections Division and researched newspapers and the Internet for comparative issues regarding water rates in and around the County.

The Grand Jury found a failure of the "Notice to Property Owners of Public Hearing on Proposed Water Rate Adjustments" to advise voters of the tax increase. The Grand Jury recommends that the City seek an immediate third party administrative hearing to adjudicate whether the tax increase on the City's monthly utility billing is a new tax, and if the Proposition 218 election to raise water rates was valid.

Background

While water rates are the general subject, the issue here is the tax on water rates. This matter offers a window into the highly decentralized world of water operations in Ventura County (County). Numerous water agencies are involved in the purchase, sale, distribution, and delivery of water to County residents. Most of the water used within the County is imported from outside the County. A patchwork of water rates, usually receiving little public scrutiny, is the result.

The size and complexity of the water rates can make it difficult to match increases in the water bills to specific expenses charged by the water districts. In this case, City ratepayers' bills rose after the City's conversion to a new system of measuring water usage called "volumetrics." A previously untaxed "service charge" disappeared from City ratepayers' water bills in October 2009, while the total billing was not reduced by the amount of that "service charge." The old untaxed "service charge" is now part of the new total bill, all of which is taxed at the "Utility Users Tax" rate of 4%.

Proposition 218 requires voter approval prior to any imposition or increase of general taxes, assessments, and certain user fees, including water rates and taxes. The City's "Notice To Property Owners of Public Hearing on proposed Water Rate Adjustments," accompanied by a form for owners to oppose an increase in water charges, did not disclose a scheme to increase the tax on the bills. [Ref-01-07]

Methodology

The Grand Jury interviewed interested parties. The Grand Jury reviewed information regarding City water bills. The Grand Jury reviewed water rate information from the City, as well as from other cities and water districts, in the County for comparison. The Grand Jury reviewed Proposition 218 and its voter information packet. The Grand Jury consulted with County Counsel's office and the Ventura County Elections Division, as well as researched newspapers and the Internet for comparative issues regarding water rates in and around the County.

Facts

- FA-01.** In 2009 the City conducted a Proposition 218 election, where a "Notice to Property Owners of Public Hearing on Proposed Water Rate Adjustments" was mailed to water rate payers. It contained a form called a "mail protest ballot" allowing rate payers to oppose an increase in water rates. The notice and ballot were silent as to tax increases. (Att-03)
- FA-02.** In this election, not responding with the form represented a vote for the water rate increase. Ballots received represented votes against the water rate increase. The election required 3,253 "valid protest ballots," a simple majority of voters, to prevent the City from increasing water rates. The election was certified by the City on June 1, 2009 as follows: 429 invalid and not counted mail protest ballots cast (118 of which were duplicate printings caused by the City's printing vendor), 652 valid and counted protest ballots cast, and 443 returned "undeliverable." The City adopted an ordinance on June 15, 2009 for new rates commencing August 1, 2009. (Att-04)
- FA-03.** A City water bill dated October 6, 2009 contained a "Utility Users Tax" that increased the tax portion of the bill by almost 73% from the previous bill.
- FA-04.** A previously untaxed "service charge" line item disappeared from the City water bills in 2009 while total bills were not reduced by the amount of that "service charge." The old untaxed "service charge" is now part of the new total bill, all of which is taxed at the "Utility Users Tax" rate of 4%.
- FA-05.** City water users pay \$83.56 for 15 Hundred Cubic Feet (HCF), the highest amount in the County for water provided by a governmental agency. (Att-01)

- FA-06.** The City of Fillmore water users pay \$78.25 for 15 HCF for governmental supplied water. (Att-01)
- FA-07.** The City of Thousand Oaks water users pay \$61.13 for 15 HCF for governmental supplied water. (Att-01)
- FA-08.** The City of Santa Paula water users pay \$59.52 for 15 HCF for governmental supplied water. (Att-01)
- FA-09.** The City of Oxnard water users pay \$58.20 for 15 HCF for governmental supplied water. (Att-01)
- FA-10.** The City of Simi Valley water users pay \$56.86 for 15 HCF for governmental supplied water. (Att-01)
- FA-11.** The City of Camarillo water users pay \$44.79 for 15 HCF for governmental supplied water. (Att-01)
- FA-12.** The City of Ventura water users pay \$37.82 for 15 HCF for governmental supplied water. (Att-01)
- FA-13.** The City of Moorpark water users pay \$37.51 for 15 HCF for governmental supplied water. (Att-01)
- FA-14.** The City of Ojai water users of Casitas Municipal Water District pay \$34.47 for 15 HCF for governmental supplied water. (Att-01)
- FA-15.** The City of Ojai water users of Golden State Water Company pay \$99.80 for 15 HCF. Golden State Water, a privately-held company that operates to maximize profit for shareholders, charges the highest rates in Southern California. [Ref.-05]
- FA-16.** In the past the City refused to accept proof via meetings, telephonic contacts, and correspondence of the water ratepayers' tax increase.
- FA-17.** A neutral third party administrative hearing could resolve the tax and ballot issues.

Findings

- FI-01.** The City attracts scrutiny for having the highest water cost per 15 HCF of any governmental agency in the County and for the process in which the Proposition 218 election was conducted and certified. (FA-01-16) (Att-01, 04)
- FI-02.** There were multiple efforts from 2009-2010 to prove that the amount charged by the City for the "Utility Users Tax" is unsupportable. (FA-16) (Att-02)
- FI-03.** The City failed to make a good faith effort to resolve the tax issue following years of meetings, telephonic contacts, and correspondence. (FA-16)

- FI-04.** The tax calculation employed starting in October 2009 is not transparent because the old “water service charge” appears to remain as part of the bill without an identifying line item. (FA-03, 04)
- FI-05.** The 73% increase of the “Utility Users Tax” beginning on the City’s billings of October 2009 is evidence of a new tax. (FA-03, 04)
- FI-06.** The City’s inclusion of the amount of the old “water service charge” in calculating their 4% “Utility Users Tax” requires an administrative hearing to determine the validity of a new tax, as required by Proposition 218. (FA-03, 04, 17)
- FI-07.** The City’s Proposition 218 election was invalid, particularly by failing to notify owners of a new tax in City’s “Notice to Property Owners of Public Hearing on Proposed Water Rate Adjustments” and the subsequent certification of that vote. (FA-01, 02, 17) (Att-03, 04)

Recommendations

- R-01.** The City seek an immediate third party administrative hearing, to determine if the City’s Proposition 218 election and certification of results was valid in 2009. (FI-01–07)
- R-02.** The City seek an immediate third party administrative hearing to determine if the City’s monthly “Utility Services Tax” includes a new tax on ratepayers’ bills beginning in 2009. (FI-02–06)

Responses

Responses Required From:

City Council, City of Port Hueneme (FI-01–07) (R-01, 02)

References

- Ref-01.** Estrada, Roxanne, “Water Rates Take Another Hike,” *Camarillo Acorn*, November 11, 2011.
- Ref-02.** Knight, Michelle, “Council Rejects Committee’s Request for Flat Water Rate,” *Thousand Oaks Acorn*, July 21, 2011.
- Ref-03.** Rochester, Teresa, “Plan Changes Water Rates,” *Conejo Valley Extra (Ventura County Star)*, December 8, 2011.
- Ref-04.** Rochester, Teresa, “Lush T.O. yards raise water bills,” *Conejo Valley Extra (Ventura County Star)*, January 19, 2012.
- Ref-05.** Kallas, Anne, “Ojai Residents Oppose Water Rates Hike,” *Ventura County Star*, March 1, 2012.
- Ref-06.** Allen, Sam, “Water Rate Hikes Prompt Inquiry,” *Los Angeles Times*, March 4, 2012.

Ref-07. Allen, Sam, "Consumers Pay for Water Feud," *Los Angeles Times*, April 25, 2012.
<http://www.latimes.com/news/local/la-me-water-wars-20120425-106,0,2187837.story> (accessed May 22, 2012)

Attachments

- Att-01.** Water Cost for 15 HCF Usage Billed by City
- Att-02.** City 2006/2009 Utility Bill Charges/Definitions/Calculation Methods/Legal Authorities
- Att-03.** 2009 Proposition 218 ballot for the water rate increase in the City
- Att-04.** City's certification and City Clerk's certificate of canvass

Bibliography

County of Ventura. Clerk Recorder/Registrar of Voters, Ventura County Elections Division. Proposition 218 The Right to Vote on Assessment Election Information. Mark A. Lunn. Ventura: 2012

Glossary

TERM

DEFINITION

City	City of Port Hueneme
County	County of Ventura
County Counsel	Ventura County Counsel's Office
Grand Jury	2011-2012 Ventura County Grand Jury
HCF	Hundred Cubic Feet
Proposition 218	An amendment to the California Constitution that requires local governments to have a vote of the affected property owners for any proposed new or increased assessment before it becomes law. Proposition 218 subjects water rates to the procedural and substantive requirements of the law
Service Charge	Until 2009, the definition was: A flat rate that was based on the infrastructure cost of providing water to residences and dwelling units. Since 2009, the definition is: A fixed monthly charge for water services provided and charged per residential or dwelling unit
Undeliverable	U.S. Postal Service designation as mail undeliverable: "as addressed," "insufficient address," "moved, left no order," or "deceased"
Utility Users Tax	A 4% tax imposed upon every customer in the City using water which is delivered through mains and pipes
Volumetrics	A volume charge for residential customers based on the water used during a billing cycle

Attachment 01

Water Cost for 15 HCF Usage Billed by City

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Water Cost For 15 HCF Usage Billed By City

* as of 11/1/11

* 3/4" meter

	HCF Used	No. of Tiers	Cost Per HCF	Cells used in water calculations		Cost at Each Tier Rate	Cells used in wastewater calculations		Wastewater Per HCF	Total Monthly WW Billing	Water/Wastewater Total
				Total Water Cost	Fixed Cost Per Month		Total Monthly Water Billing	Fixed Wastewater			
City of Fillmore	15	N/A	\$ 3.13	\$ 46.95	\$ 31.30		\$ 78.25	\$ 84.95		\$ 84.95	\$ 162.71
City of Santa Paula	15	N/A	\$ 1.97	\$ 29.55	\$ 29.97		\$ 59.52	\$ 77.05	\$ 6.49	\$ 83.54	\$ 143.43
City of Port Hueneme	15	N/A	\$ 2.76	\$ 41.40	\$ 42.16		\$ 83.56	\$ 51.00		\$ 51.00	\$ 114.56
City of Oxnard	6	1	\$ 2.48	\$ 14.88	\$ 15.18	\$ 14.88	\$ 58.20	\$ 18.12	\$ 3.22	\$ 21.34	\$ 92.67
	6	2	\$ 2.76	\$ 16.56		\$ 16.56			\$ 4.04		
	3	3	\$ 3.86	\$ 11.58		\$ 11.58					
City of Thousand Oaks	15	1	\$ 3.04	\$ 45.60	\$ 15.53	\$ 45.60	\$ 61.13			\$ 24.46	\$ 86.59
		2	\$ 3.72	\$ -							
		3	\$ 4.63	\$ -							
City of Simi Valley	13	1	\$ 2.87	\$ 37.31	\$ 12.95	\$ 37.31	\$ 50.26			\$ 20.98	\$ 82.94
	2	2	\$ 3.30	\$ 6.60		\$ 6.60					
	3	3	\$ 3.79	\$ -							
City of Ventura	15	1	\$ 2.02	\$ 30.30	\$ 7.52	\$ 30.30	\$ 37.82			\$ 55.64	\$ 74.46
		2	\$ 2.68	\$ -							
		3	\$ 4.27	\$ -							
City of Camarillo	9	1	\$ 1.55	\$ 13.95	\$ 14.38	\$ 13.95	\$ 41.83	\$ 35.45		\$ 35.45	\$ 73.76
	6	2	\$ 2.25	\$ 13.50		\$ 13.50					
		3	\$ 3.75	\$ -							
		4	\$ 5.00	\$ -							
City of Moorpark	14	1	\$ 2.42	\$ 33.88	\$ -	\$ 33.88	\$ 37.51			\$ 24.00	\$ 61.51
	1	2	\$ 3.63	\$ 3.63		\$ 3.63					
		3	\$ 6.05	\$ -							
Ojai Area (Golden State Water)	5	1	\$ 3.41	\$ 17.05	\$ 46.05	\$ 17.05	\$ 99.80			\$ 52.00	\$ 151.87
	10	2	\$ 3.67	\$ 36.70		\$ 36.70					
		3	\$ 4.29								
Ojai Area (Casitas Water Pumped)	15	1	\$ 0.83	\$ 12.45	\$ 22.02	\$ 12.45	\$ 34.47			\$ 52.07	\$ 86.54

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Attachment 02

City 2006/2009 Utility Bill Charges/Definitions/Calculation Methods/Legal Authorities

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City of Port Hueneme			
2006 Utility Bill Charges	Definitions	Calculation Methods	Legal Authorities
Water Service Charge	A flat rate charge that was based on the City's wholesale cost of water.	Based on Water Rate Studies conducted in 2003 and 2006.	City of Port Hueneme Municipal Code Section 7101 and 7102. In 2006 the City of Port Hueneme conducted a Proposition 218 election, which did not result in a majority of ballots protesting the rate increase, and as a result, City Council approved the new rates by Ordinance.
Sewer	User fee for all persons connected to the City's sewer system for sewer service.	Based on Waste Water Study conducted in 2006.	City of Port Hueneme Municipal Code Section 7160.
Utility Tax	A 4% tax imposed upon every person in the City using water which is delivered through mains and pipes.	Based on the rate of 4% of all charges made for water that is delivered through mains and pipes.	Utility Users Tax of 4% for water users, effective November 5, 1996 following successful passage of the tax by voters. City of Port Hueneme Municipal Code Section 5409.
Refuse	Charges and fees for collecting, inspecting, auditing, recycling, transferring and disposing of solid waste and planning for and response to hazardous materials releases and spills.	Based on Solid Waste Rate Study conducted in 2003.	City of Port Hueneme Municipal Code Section 7217.
Service Charge	A flat rate charge that was based on the infrastructure cost of providing water to residences and dwelling units.	Based on Water Rate Studies conducted in 2003 and 2006.	City of Port Hueneme Municipal Code Section 7101 and 7102. In 2006 the City of Port Hueneme conducted a Proposition 218 election, which did not result in a majority of ballots protesting the rate increase, and as a result, City Council approved the new rates by Ordinance.
2009 Utility Bill Charges			
Service Charge	A fixed bimonthly charge for water services provided and charged per residential or dwelling unit.	Based on Water Rate Study conducted in 2009.	City of Port Hueneme Municipal Code Section 7101 and 7102. In 2009 the City of Port Hueneme conducted a Proposition 218 election, which did not result in a majority of ballots protesting the rate increase, and as a result, City Council approved the new rates by Ordinance.
Water-MU	A volume charge for Multi-Unit (MU) residential customers based on water used during a billing cycle.	Based on Water Rate Study conducted in 2009.	City of Port Hueneme Municipal Code Section 7101 and 7102. In 2006 and 2009 the City of Port Hueneme conducted a Proposition 218 election, which did not result in a majority of ballots protesting the rate increase, and as a result, City Council approved the new rates by Ordinance.
Sewer	User fee for all persons connected to the City's sewer system for sewer service.	Based on Waste Water Study conducted in 2006.	City of Port Hueneme Municipal Code Section 7160.
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Attachment 03

2009 Proposition 218 ballot for the water rate increase in the City

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City of Port Hueneme
City Clerk
250 N. Ventura Rd.
Port Hueneme, CA 93041

**NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON PROPOSED WATER RATE ADJUSTMENTS**

Property Address:

INSERT ADDRESS HERE
(APN # TOO IF EASY)
or print on envelope

The City of Port Hueneme provides water service to approximately 6,800 homes, apartments, and businesses. Due to an overdraft of the regional groundwater aquifers, the City relies on imported water for 100% of its water supply. Over the past year and a half, the City has been installing water meters on all of its accounts so that it can begin billing customers based on metered water use starting this summer.

The City's water utility relies primarily on water service charges to fund the costs of operations, maintenance, and wholesale water purchases. However, the City's water fund has experienced budget deficits in recent years and needs to increase rates in order to restore financial stability. Current water rates are not adequate to fund the City's costs of providing water service.

The City is proposing to phase in a series of water rate adjustments over the next four years. These adjustments include: a) rate increases needed to restore balanced budgets, and b) the inclusion of a new usage-based component for all water rates. The proposed rates are designed to comply with state laws, improve rate equity and fairness, and fund the City's costs of providing water service.

The proposed water rates are based on a study conducted by a utility rate consultant and incorporate input from the City's *Water Rate Advisory Committee*, a group of two City Council members, two business members, two local citizens and City Staff. This study is available for review in the Office of the City Clerk.

Due to the transition from fixed rates to a new variable rate structure, customers who use less water will experience lower water bills than those who use more water. All customers are encouraged to conserve water and help reduce their water bills.

Why Rate Adjustments Are Needed

Regulatory Requirements & Fairness

Historically, residential customers and some small businesses have paid a flat rate charge for water service regardless of the amount of water actually used. In order to comply with state regulations and to make water rates more equitable, the City plans to begin charging customers on a variable rate basis starting in August 2009.

Restore Balanced Budgets

The City's water fund has experienced budget deficits in recent years. Rate increases are needed to restore the financial stability of the water utility and fund the cost of providing service.

Fund Wholesale Water Rate Increases

The City is anticipating that it will have to pay more for each unit of water it purchases to meet the needs of City customers. Both United Water Conservation District and Calleguas Municipal Water District, from whom the City purchases water, are anticipating passing through wholesale water rate increases to the Port Hueneme Water Agency and its customers.

Repair & Replace Aging Pipelines

The City maintains over 100 miles of water distribution pipelines, many of which were constructed in the 1940's and 1950's. These pipelines will need to be repaired or replaced in upcoming years as they reach the end of their useful lives. This will help ensure that the City can continue providing high-quality water to its customers 24 hours a day. The rates included in this notice will enable the City to begin addressing its most urgent infrastructure needs over the next four years.

Proposed Water Rates

The City proposes to adopt the rates as shown on the following table for the next four years. The proposed rate structure for all customers includes two components: 1) a fixed monthly charge that is billed regardless of water use, and 2) a volume charge billed for each unit of metered water consumption. The volume rate applies to each hundred cubic feet (hcf) of water use; one hundred cubic feet (hcf) equals 748 gallons.

Example: Starting August 1, 2009 a typical home using 12 units of water (current median usage in Port Hueneme) will pay \$56.88 per month. This includes a fixed monthly charge of \$45.12 plus a volume charge of \$11.76 (12 units x \$0.98) per month resulting in a rate increase of about 15% or about \$7.40 per month.

	Current Rates	Proposed Water Rates				
		07/01/09	07/01/10	07/01/11	07/01/12	
RESIDENTIAL/SMALL BUSINESS RATES						
Fixed Monthly Charge Per Unit						
Single Unit Residential	\$49.48	\$45.12	\$44.45	\$42.16	\$37.62	
Multi-Unit Residential (Per Dwelling Unit)	42.82	40.56	41.46	40.74	37.62	
Small Business & Auxiliary Usage	55.20	49.03	47.02	43.38	37.62	
Volume Charge (per hundred cubic feet)*	0.00	0.98	1.75	2.76	3.80	
COMMERCIAL/IRRIGATION METERED WATER RATES						
Fixed Monthly Meter Charge						
Meter Size	Meter Ratio					
5/8 or 3/4-inch	1.0	17.06	21.82	25.24	28.68	31.13
1-inch	2.5	42.67	54.55	63.09	71.70	77.82
1.5-inch	5.0	85.35	109.10	126.19	143.41	155.63
2-inch	8.0	136.56	174.55	201.90	229.45	249.01
3-inch	15.0	256.05	327.29	378.56	430.22	466.89
4-inch	25.0	426.73	545.48	630.93	717.04	778.16
6-inch	50.0	853.48	1,090.95	1,261.85	1,434.07	1,556.31
8-inch	80.0	1,365.56	1,745.53	2,018.97	2,294.52	2,490.10
10-inch	115.0	1,962.99	2,509.19	2,902.26	3,298.37	3,579.52
Volume Charge (per hundred cubic feet)*		1.90	2.96	3.51	4.09	4.48
* Volume charges are subject to additional increases due to passthrough of wholesale water costs.						

* Volume charges are subject to additional increases due to passthrough of wholesale water costs.

Passthrough for Wholesale Water Rate Increases

Any increases in the City's wholesale cost of water, as calculated per hundred cubic feet of water (hcf), may be passed through on the City's water Charges. For example, if the City's cost of wholesale water increases by \$0.10 per hcf, then the City's Volume Charges would also increase by \$0.10 per hcf. The City will provide written notice to all customers prior to passing through any wholesale water rate increases. However, under no circumstance will the City's water rates exceed the cost of service.

Notice of a Public Hearing on Proposed Water Rate Adjustments

Pursuant to Article 13D of the California Constitution, the City Council will hold a Public Hearing on the proposed water rates on **Monday, June 1, 2009 beginning at 6:30 p.m.** in the City of Port Hueneme City Council Chamber located at 250 N. Ventura Rd. Port Hueneme, CA 93041. Please check the City's website (www.ci.port-hueneme.ca.us) for information regarding the City Council meeting and the proposed water cost increase.

IMPORTANT INFORMATION:

If you oppose an increase to your water rate charge and wish to protest this action, you must do the following:

- 1) Check the box on the form below indicating you protest the proposed water rate charge increase;
- 2) Print and sign your name on the lines provided;
- 3) Cut or tear off the form where indicated;
- 4) Deliver the signed form to the City Clerk prior to the close of the public hearing that is scheduled for 6:30 p.m. on June 1, 2009 by one of the following methods: U.S. mail addressed to City Clerk/Water Rates, City of Port Hueneme, 250 N. Ventura Road, Port Hueneme, CA 93041 – or – hand deliver to the City Clerk's office at the same address – or – bring the form to the June 1, 2009 City Council meeting and deposit it in the box provided for this purpose prior to the close of the public hearing. You may also address the City Council regarding the proposed rate increase during the public hearing. **The enclosed form must be properly filled out and received by the City prior to the close of the public hearing to be counted. If protests are filed on behalf of a majority of the parcels in the City prior to the close of the June 1, 2009 public hearing, the City cannot adopt the proposed water rate increase. If a majority of the parcels do not protest the proposed increase, the City has the authority to adopt the proposed water rate increase. Any rate increase, if enacted, will take effect no earlier than August 1, 2009.**

If you need more information, please contact the City's Water Division at (805) 986-6563.

✂-----✂-----✂-----✂-----✂-----

- ☐ I protest the proposed water rate increase
☐ Me opongo al aumento de cargos por servicio de desagüe

Print Legibly – Full Name
Nombre completo (letra de molde)

Signature
Firma

Return to: City Clerk/Water Rates, City of Port Hueneme, 250 N. Ventura Road, Port Hueneme CA 93041 Prior to close of public hearing on June 1, 2009

Envíar a: City Clerk/Water Rates, City of Port Hueneme, 250 N. Ventura Rd., Port Hueneme, CA 93041 antes del cierre de la audiencia pública preliminar del 1 de Junio del 2009.

APN
NAME
PROPERTY ADDRESS

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Attachment 04

City's certification and City Clerk's certificate of canvass

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City of Port Hueneme

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF VENTURA) SS:
CITY OF PORT HUENEME)

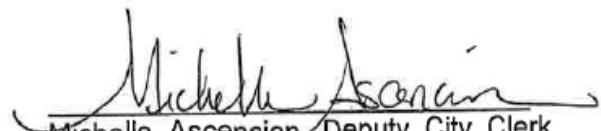
I, MICHELLE ASCENCION, duly appointed and qualified Deputy City Clerk of the City of Port Hueneme, do hereby certify that the foregoing **Ordinance No. 690** is a true and correct copy passed and adopted at the Regular City Council Meeting of June 15, 2009 by the City Council of the City of Port Hueneme by the following vote:

AYES: Council Members Douglas A. Breeze, Maricela P. Morales,
 Sylvia Muñoz Schnopp, Mayor Pro Tem Norman E. Griffaw,
 Mayor Jonathan Sharkey

NOES: None

ABSTAINING: None

ABSENT: None


Michelle Ascencion, Deputy City Clerk
of the City of Port Hueneme and ex-
officio Clerk of the Council

Dated: June 16, 2009

**EXHIBIT NO. 1
CITY CLERK'S CERTIFICATE OF CANVASS**

I, Michelle Ascencion, Deputy City Clerk of the City of Port Hueneme, do certify that I have canvassed the returns of the Mail Protest Ballot held from March 18, 2009 through the close of the Public Hearing on June 1, 2009, and find that the number of votes given to the City for the Proposed Water Service Charge increase were as follows:

Invalid and not counted mail protest ballots cast within the City of Port Hueneme	429*
Valid and counted mail protest ballots cast within the City of Port Hueneme	652
Returned Undeliverable mail protest ballots received by the City of Port Hueneme	443

**The 429 invalid protests include 266 duplicate protests for various parcels, of which 148 were subsequent protests received after the first valid vote for a parcel, and 118 were protests received as a result of duplicate printings by the printing company.*


Michelle Ascencion
Deputy City Clerk

Dated: June 1, 2009