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Wayne K. Lemieux
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HEADQUARTERS
4232 Las Virgenes Road
Calabasas, CA 91302
(818) 251-2100
Fax (818) 251-2109

WESTLAKE
FILTRATION PLANT
(818) 251-2370
Fax (818) 251-2379

TAPIA WATER
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(818) 251-2300
Fax (818) 251-2309

RANCHO LAS VIRGENES
COMPOSTING FACILITY
(818) 251-2340
Fax (818) 251-2349

www.LVMWD.com



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For More Information:
Jeff Reinhardt
818-251-2150

**Las Virgenes Municipal Water District Adopts
\$58.1 million Budget for FY 2010-11**

CALABASAS, CA June 10, 2010 – At its June 8 meeting, the Board of Directors of Las Virgenes Municipal Water District (LVMWD) adopted a \$58.1 million budget for the 2010-11 fiscal year (FY) that will take effect July 1, a reduction of \$2.2 million from the previous fiscal year. In a separate action, the Las Virgenes-Triunfo Joint Powers Authority, which is responsible for wastewater treatment, adopted a \$21.2 million budget at its meeting held on Monday, June 7.

In accepting the budget, the LVMWD Board also approved a \$3 per month increase in sanitation rates for single family residential customers, which will raise the bimonthly rate from \$102 to \$108. Last year the Board chose to forego an already-approved sanitation fee increase that was part of a comprehensive rate package revision adopted in 2007. Under that package, the authorized fee for 2010-11 would have been \$114 bimonthly. "In reducing the fee below what was adopted, the Board is making a statement that the District is doing its best to control expenses but there are escalating costs and capital needs that cannot be deferred," said John R. Mundy, LVMWD's General Manager.

The District's working capital is \$10.6 million lower than that of FY 2008-09 due primarily to the prepayment of debt necessary to gain a favorable refinancing of an outstanding bond that produced a net saving of \$4.8 million and because of

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reduced potable water revenues due to the water shortage that persisted into a third consecutive year. The FY 10-11 budget anticipates a further reduction of \$5.6 million in reserves, or working capital. Working capital is the difference between current assets and current liabilities.

Potable water rates have been driven largely by substantial increases from the Metropolitan Water District of Southern California over the last 2 years, with more scheduled to come in 2011. Other cost drivers for potable water include energy and capital projects. In response, the District will allow potable water increases adopted in 2009 to take effect as scheduled. The potable water and sanitation increases will take effect July 1. A sample bimonthly water bill for a single family residence using 70 billing units (hcf) will increase from \$152.69 to \$158.37, or, just less than \$3 per month.

“The annual budget process provides an opportunity for the Board and staff to evaluate what is required to fulfill the District’s core missions and the resources necessary to provide dependable service to the community,” said Mr. Mundy. “The District is mindful of the economy and of the pressures faced by many of our customers. Our actions over the last year, and the newly adopted budget reflect prudent decisions and expenditures that have been determined as necessary,” he said. “There are no frills. Staffing has been reduced by one position and four vacancies are currently unfilled.”

Mr. Mundy added that there are still many outstanding issues that can impact future costs, such as electrical power increases, further constraints on water supplied to southern California from the north and possible expenses associated with the renewal of the operating permit for the Tapia Water Reclamation Facility, which is due to be acted upon later this year by the Los Angeles Regional Water Quality Control Board.

As a result, the wastewater treatment enterprise is likely to require additional investment estimated at \$8 million to meet state and federal requirements.

LVMWD operates three distinct enterprises that include potable water treatment and distribution, wastewater treatment and providing recycled water for irrigation. Per state law, each enterprise must operate as an independent financial entity.

Las Virgenes Municipal Water District provides potable water, wastewater services, recycled water and biosolids composting for more than 65,000 residents in the cities of Agoura Hills, Calabasas, Westlake Village, and Hidden Hills, as well as unincorporated portions of western Los Angeles County.

Potable Water Commodity Rates		
Volume charge per unit	Current	Effective July 1, 2010
Tier 1 (First 16 HCF)	\$1.53	\$1.58
Tier 2 (Next 51 HCF)	\$1.86	\$1.93
Tier 3 (next 133 HCF)	\$2.67	\$2.77
Tier 4 (over 200 HCF)	\$3.90	\$4.05

Elevation charge per unit	Current	Effective July 1, 2010
Zone 2	\$0.34	\$0.35
Zone 3	\$0.58	\$0.60
Zone 4	\$1.01	\$1.05
Zone 5	\$2.03	\$2.11

Bimonthly Readiness to Serve Charge	Current	Effective July 1, 2010
¾ inch meter	\$25.34	\$26.35
1 inch meter	\$37.31	\$38.80
1 1/2 inch meter	\$67.22	\$69.91
2 inch meter	\$103	\$107
Charges applicable to larger meters available at www.LVMWD.com		

Residential Sewer Service (Bimonthly)	Current	Effective July 1, 2010
Single Family Residence	\$102	\$108