

CALL AND NOTICE OF REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY

May 16, 2018

A Regular Meeting of the Board of Directors of Calleguas – Las Virgenes Public Financing Authority is hereby called and notice of said Regular Meeting is hereby given for 4:30 p.m. on Wednesday, May 16, 2018 at Calleguas Municipal Water District, 2100 Olsen Rd., Thousand Oaks, California 91360 to consider the following:

CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY  
BOARD OF DIRECTORS MEETING AGENDA

- A. CALL TO ORDER PLEDGE OF ALLEGIANCE, AND ROLL CALL (4:30 p.m.)

BOARD OF DIRECTORS

Steve Blois  
Charles Caspary, Chair  
Jay Lewitt, Secretary  
Glen Peterson  
Leonard E. Polan  
Scott Quady, Treasurer  
Lee Renger  
Andres Santamaria, Vice Chair  
Thomas Slosson  
Andy Waters

- B. ORAL COMMUNICATION

**MEMBERS OF THE PUBLIC MAY ADDRESS THE BOARD ON ITEMS THAT DO NOT APPEAR ON THE AGENDA AND ON ITEMS WITHIN THE JURISDICTION OF THE BOARD. NO ACTION SHALL BE TAKEN ON ANY ITEM NOT APPEARING ON THE AGENDA UNLESS AUTHORIZED BY SUBDIVISION (B) OF GOVERNMENT CODE SECTION 54954.2. THE PRESIDENT OF THE BOARD MAY LIMIT THE TIME AVAILABLE FOR EACH SUBJECT AND EACH SPEAKER.**

- C. REGULAR BUSINESS

1. Minutes: July 25, 2017  
*Action: It is recommended that the Authority approve the meeting minutes of July 25, 2017 as presented.*

2. Reports on Status of Funds

*Action: It is recommended that the Authority receive and file the status reports from Calleguas MWD and Las Virgenes MWD.*

D. OTHER BUSINESS

E. ADJOURNMENT

PURSUANT TO SECTION 202 OF THE AMERICANS WITH DISABILITIES ACT OF 1990 (42 U.S.C. SEC. 12132), AND APPLICABLE FEDERAL RULES AND REGULATIONS REQUESTS FOR DISABILITY-RELATED MODIFICATION OR ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, IN ORDER TO ATTEND OR PARTICIPATE IN A MEETING, SHOULD BE MADE TO THE SECRETARY OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF THE REQUESTED SERVICE OR ACCOMMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN APPROPRIATE ALTERNATIVE FORMAT UPON REQUEST.

**CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY  
MINUTES – July 25, 2017**

The Regular Meeting of the Board of Directors of Calleguas – Las Virgenes Public Financing Authority (Authority) was held at Las Virgenes Municipal Water District, 4232 Las Virgenes Road, Calabasas, California 91302, on Tuesday, July 25, 2017 at 4:30 p.m.

A. CALL TO ORDER AND ROLL CALL

Chair Waters called the meeting to order at 4:30 p.m.

Director Peterson led the Pledge of Allegiance.

Josie Guzman, Clerk of the Board to Las Virgenes, called roll.

Board Members Present: Charles Caspary  
Glen Peterson, Vice Chair  
Leonard E. Polan  
Andres Santamaria, Treasurer  
Thomas Slosson  
Andy Waters, Chair

Board Members Absent: Steve Blois  
Jay Lewitt  
Lee Renger, Secretary  
Scott Quady

Legal Counsel Present: Walter Wendelstein, Cohen & Burge LLP, General Counsel  
to Calleguas and to the Authority  
Wayne Lemieux, Olivarez, Madruga, Lemieux & O’Neill LLP,  
General Counsel to Las Virgenes

Staff Present: Susan B. Mulligan, General Manager, Calleguas  
David W. Pedersen, General Manager, Las Virgenes  
Dan Smith, Manager of Finance and Human Resources,  
Calleguas  
Don Patterson, Director of Finance and Administration, Las  
Virgenes  
Angela Saccareccia, Finance Manager, Las Virgenes  
Josie Guzman, Clerk of the Board, Las Virgenes

B. ORAL COMMUNICATION

NONE

C. REGULAR BUSINESS

1. Minutes: July 20, 2016

On a motion by Director Caspary, seconded by Director Slosson, the Board of Directors voted 6-0 to approve the Minutes of July 20, 2016. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

2. Report on Status of Funds

Dan Smith, Calleguas' Manager of Finance and Human Resources, presented Calleguas' annual status report on bond financing and the ratio of net operating income to debt service expense.

On a motion by Director Caspary, seconded by Director Polan, the Board of Directors voted 6-0 to receive and file Calleguas' annual status report on bond financing. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

Angela Saccareccia, Las Virgenes' Finance Manager, presented Las Virgenes' annual report on bond financing and the ratio of net operating income to debt service expense.

On a motion by Director Peterson, seconded by Director Caspary, the Board of Directors voted 6-0 to receive and file Las Virgenes' annual status report on bond financing. Motion carried by the following vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

### 3. Election of Officers and Legal Counsel

On a motion by Director Peterson, seconded by Director Slosson, the Board of Directors voted 6-0 to elect Charles Caspary as Chair of the Authority. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

On a motion by Director Slosson, seconded by Director Polan, the Board of Directors voted 6-0 to elect Andres Santamaria as Vice Chair of the Authority. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

On a motion by Director Peterson, seconded by Director Caspary, the Board of Directors voted 6-0 to elect Jay Lewitt as Secretary of the Authority. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

On a motion by Director Slosson, seconded by Director Peterson, the Board of Directors voted 6-0 to elect Scott Quady as Treasurer of the Authority. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

On a motion by Director Slosson, seconded by Director Caspary, the Board of Directors voted 6-0 to appoint Robert Cohen as Legal Counsel of the Authority. Motion carried by the following roll call vote:

AYES: Directors Caspary, Peterson, Polan, Santamaria, Slosson, Waters

NOES: None

ABSENT: Directors Blois, Lewitt, Renger, Quady

D. OTHER BUSINESS

None

E. ADJOURNMENT

Chair Waters declared the meeting adjourned at 4:39 p.m.

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Jay Lewitt, Secretary

THOMAS L. SLOSSON, PRESIDENT  
DIVISION 1

ANDRES SANTAMARIA, VICE PRESIDENT  
DIVISION 4

ANDY WATERS, SECRETARY  
DIVISION 3

SCOTT H. QUADY, TREASURER  
DIVISION 2

STEVE BLOIS, DIRECTOR  
DIVISION 5

SUSAN B. MULLIGAN  
GENERAL MANAGER



web site: [www.calleguas.com](http://www.calleguas.com)

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**To:** Calleguas-Las Virgenes Public Financing Authority

**From:** Dan Smith, Manager of Finance & Human Resources  
Calleguas Municipal Water District

**Subject:** Annual Status Report on Bond Financing

**Date:** May 9, 2018

The following bonds were issued by the Calleguas-Las Virgenes Public Financing Authority and paid by Calleguas Municipal Water District.

2008 Series A Refunding Revenue Bonds

In April 2008, the Authority issued Series A Variable Rate Refunding Revenue Bonds in the principal amount of \$40,300,000 to refund the 2007 B Auction Rate Revenue Bonds, with the final payment due July 1, 2037. The Bonds are backed by a letter of credit from Wells Fargo in the amount \$40,909,469 originally expiring in April 2011. The letter of credit has been renewed with Wells Fargo and will expire in April 2018. The refunding of the 2007 B Bonds has resulted in an interest savings of approximately \$17.9 million as of April 30, 2019.

2010 Series A Tax- Exempt Revenue Bonds

In February 2010, the Authority issued Series A Revenue Bonds, in the principal amount of \$21,355,000 to fund capital improvements, with the final payment due on July 1, 2020. There is not a debt service reserve account requirement.

2010 Series B Build America Bonds

In February 2010, the Authority issued Series B Revenue Bonds, in the principal amount of \$77,400,000 to fund Capital Improvements, with the final payment due July 1, 2040. The District receives a cash subsidy from the U.S. Treasury equal to 35% of the interest paid bi-annually. There is not a debt service reserve account requirement.

## General Information

All bond covenants have been met, including principal and interest payments made on schedule. As of June 30, 2017<sup>[1]</sup>, the ratio of net operating income to debt service expense was 1.93<sup>[2]</sup> compared to 1.42 on June 30, 2016. The District anticipates issuing new bonds in the one to three years.

Principal balance as of year ending June 30, 2015, June 30, 2016 and April 30, 2018 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>April 30, 2018</u>
2007 Series A	\$ 1,315,000	\$ 0	\$ 0
2008 Series A	\$ 40,300,000	\$ 40,300,000	\$ 40,300,000
2010 Series A	\$ 11,665,000	\$ 9,500,000	\$ 7,265,000
<u>2010 Series B</u>	<u>\$ 77,400,000</u>	<u>\$ 77,400,000</u>	<u>\$ 77,400,000</u>
Total Principal:	\$130,680,000	\$127,200,000	\$124,965,000

[1] Source: Calleguas Municipal Water District Audited Financial Statements June 30, 2017.

[2] Calculation: Net Operating Revenues/Principal & Interest





DATE: May 16, 2018  
TO: Board of Directors  
Calleguas – Las Virgenes Public Financing Authority  
FROM: David Pedersen, General Manager  
Las Virgenes Municipal Water District

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Subject: Annual Status Report on Bond Financing

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Background:

On December 1, 2009, the Calleguas-Las Virgenes Public Financing Authority issued sanitation refunding revenue bonds (2009 bonds) totaling \$29,415,000. The purpose of the 2009 bonds was to advance refund the then outstanding 1998 Installment Purchase Refunding Revenue Bonds.

The 2009 bonds mature through November 1, 2023 (the same date as the refunded bonds) and bear interest at rates ranging from 1.00% to 5.00%, beginning May 1, 2010. Due to the 2009 bonds being refunded in 2009, the bond indenture and installment purchase contract do not support additional refunding at this time. However, the 2009 bonds are subject to optional early redemption provisions beginning on or after November 1, 2020.

Las Virgenes Municipal Water District (LVMWD) completed the refunding to reduce its debt service over the remaining 14 years by approximately \$7.6 million and to obtain an economic gain (i.e. the difference between the present values of the old and new debt service payments) of approximately \$4.796 million.

Current Status:

The interest and principal payment for November 2017 and the interest only payment for May 2018 were paid timely. The outstanding principal is \$14,670,000. Following is a table summarizing the annual principal and interest payments for the bonds through maturity.

Year Ending June 30th	Principal	Interest	Total
2019	2,210,000	541,225	2,751,225
2020	2,305,000	450,450	2,755,450
2021	2,400,000	353,825	2,753,825
2022	2,480,000	272,975	2,752,975
2023	2,580,000	174,075	2,754,075
2024	2,695,000	58,512.50	2,753,512.50
	<u>\$14,670,000</u>	<u>\$1,851,062.5</u>	<u>\$16,521,062.5</u>

All of the bond covenants have been met and all required regulatory reports have been filed. As of June 30, 2017, the date of the latest Comprehensive Annual Financial Report (CAFR), the ratio of net operating income to debt service expense was 2.91, that is, net operating income was 291% of debt service expense. The attached page from the comprehensive Annual Financial Statement for June 30, 2017, shows the bond coverage over the past ten years. Please note that the former bond issue included revenue from potable water, recycled water and sanitation funds. The new issue is based upon sanitation revenue only.

Standard & Poor’s Reaffirmation of Bond Rating:

On February 28, 2013, Standard and Poor’s (S&P) issued a report that reaffirmed the bond issue's AA/Stable rating. The analyst from S&P conducted an in-depth review of LVMWD and was pleased with his findings. The report indicated that the bonds were likely to have been given an improved rating if not for the proposed EPA regulations for Malibu Creek that could have major financial implications for LVMWD.

Prepared by: Angela Saccareccia, Finance Manager

Attachment: LVMWD Bond Coverage from Comprehensive Annual Financial Report for June 30, 2017

**Schedule 10**  
**Las Virgenes Municipal Water District**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(dollars in thousands except coverage)**

Fiscal Year	Refunding Revenue Bonds						Coverage
	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2008	53,052	37,014	16,038	1,710	2,113	4.20	
2009	49,230	38,079	11,151	1,785	2,036	2.92	
2010	16,581	10,984	5,597	2,025	731	2.03	
2011	17,369	10,902	6,467	1,650	1,103	2.35	
2012	17,845	10,077	7,768	1,690	1,065	2.82	
2013	18,243	10,209	8,034	1,725	1,031	2.92	
2014	18,149	10,692	7,457	1,765	987	2.71	
2015	17,429	10,653	6,776	1,840	903	2.47	
2016	17,398	10,260	7,138	1,925	814	2.61	
2017	18,613	10,584	8,029	2,025	731	2.91	

Note:

1. Gross revenues include operating, non-operating, and capacity fee revenues.
2. Operating expenses exclude depreciation and amortization.
3. On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds.  
From fiscal year 2010 and going forward, gross revenue and operating expenses are for sanitation operations only,  
and the debt service expense shown is maximum debt service for the Bond.