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For Immediate Release

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Department of Water Resources Raises Allocations; LVMWD Board Suspends Over-Budget Penalty Charges

CALABASAS, CA January 26, 2011 – Citing the greatly improved water supply situation statewide, the Las Virgenes Municipal Water District (LVMWD) Board of Directors unanimously voted to suspend penalty surcharges for over-budget water use at its January 25 meeting. The suspension of the penalty surcharge takes effect with billings issued at the beginning of February.

On Friday January 21, the California Department of Water Resources announced it was increasing its allocation to the State Water Project to 60 percent of "normal" deliveries, with further adjustments to be considered as winter progresses. Lake Oroville in northern California, the source of water supplied to LVMWD, is currently above "normal" for this time of year, with a substantial snowpack already in place in the Sierras.

"While this year's early rains have helped replenish stored supplies, we urge customers to continue their adopted practices of conservation and water-use efficiency," said John R. Mundy, LVMWD's General Manager. "We do not know what the final supply situation will be at the end of the winter but we do have adequate resources through the current 'water year' that will end June 30."

Before a new water year begins in July, the District will evaluate its anticipated available supplies against projected customer demand to determine if the budget program will remain in place.

LVMWD adopted its water budget plan in response to the prolonged state water shortage that began in 2006. Customers who stayed at or below their budgeted levels paid no penalties; those who exceeded their budget paid an additional \$3.00 per billing unit over their budgeted amount (1 billing unit = 748 gallons or 100 cubic feet) in addition to normal charges. Customer response to the conservation program was excellent; overall water use in the LVMWD service area decreased by more than 20 percent.

During the first half of the current water year, sustained conservation practices combined with cool and wet weather to place the District's system-wide water use under the forecast, allowing LVMWD's water managers to project finishing the water year at or below the annual allocation from the Metropolitan Water District, its sole supplier of potable water.

"There are many variables that must still be considered as we look ahead," Mr. Mundy said. "While there is currently an adequate supply of water up north, we still face pumping restrictions to protect threatened species in the Sacramento-San Joaquin River Delta. We have also had a very dry January due to a La Niña weather condition, which could persist. So while our current supplies are sufficient, it would be a mistake for anyone to assume that all the state's water issues have been resolved. Instead, I would consider this a respite."

In suspending the collection of penalty fees, the board did not make a determination of what would be done with funds collected to date; that issue will be taken up at a future meeting but a date for that discussion has not yet been set.

"We appreciate the excellent conservation efforts of our customers," Mr. Mundy added.

"I believe the board's action reflects this District's partnership with the community in that
we only ask for sacrifice when it is necessary. Their response to our call for conservation
has saved substantial amounts of water – and money."