

MINUTES  
SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
LAS VIRGENES MUNICIPAL WATER DISTRICT

February 7, 2012

1 The Board of Directors of Las Virgenes Municipal Water District met in Special Meeting at 4232 Las Virgenes Road, in Calabasas, California, at 9:00 AM on Tuesday, February 7, 2012.

President Renger called the meeting to order at 9:06 AM.

At the request of President Renger, the Pledge of Allegiance to the Flag was given by Director Caspary.

Assistant Deputy Secretary Conklin called the roll. Those answering present were Directors Bowman, Caspary, Peterson, and Renger. The Chair declared a quorum present.

Absent: Director Steinhardt.

2 Financial Planning Workshop: General Manager Mundy provided an overview of discussion items including focusing on the potable water fund; Metropolitan rate increases; financial policies; and stated in November 2011, Raftelis Financial Consultants provided their recommendations related to water, recycled water and sanitation rates over the next few years.

Financial Analyst Hamilton gave a presentation of, and discussed current financial conditions; income; operating expenses; Metropolitan rate increases; potential changes to financial policies and future rates.

Director Steinhardt arrived at 9:13 a.m.

Director of Finance and Administration Hicks discussed the working capital summary and potential financial policy changes including debt reserves and rate stabilization reserves (related to the water fund).

The meeting adjourned into break at 10:32 a.m.

The meeting reconvened into Open Session at 10:42 a.m.

The Board asked a numbers of questions throughout the presentation and requested staff to come back with additional information. Board comments included: disagrees adding one year of debt service to Policy 6 as debt service is covered elsewhere in the financial policies; trends in reserves versus replacement construction; what if the compost plant was closed; if the agency is facing considerable rate increases use reserves to offset a portion of the proposed increases; would like to see the fixed sewer charge on tax bills; water contracts with Metropolitan expire in 2013; and include as an option a policy for all tiers to be charged the Metropolitan rate. Staff was directed to provide a summary of changes made to CIP and statistics on leak alerts to customers.

General Manager Mundy would like to discuss additional options (1) reserves; (2) today's actual CIP; (3) rate stabilization fund; (4) eliminating one year of debt service; (5) water budgets (look at in two years); and (6) adopt two or three years of rate increases.

3 Staff was also directed to schedule another workshop once there was further clarification of the options and recommendations; and to have the Raftelis rate model available at the workshop. The Chair declared the Special Meeting - Financial Planning Workshop adjourned at 11:32 a.m.

*Lee Renger*

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Lee Renger, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:

*Charles Caspary*

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Charles Caspary, Secretary  
Board of Directors  
Las Virgenes Municipal Water District

(SEAL)