



LAS VIRGENES MUNICIPAL WATER DISTRICT
 4232 Las Virgenes Road, Calabasas CA 91302

AGENDA
REGULAR MEETING

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols and MUST complete a speakers' card and hand it to the Clerk of the Board. Speakers will be recognized in the order cards are received.

The Public Comments agenda item is presented to allow the public to address the Board on matters not on the agenda. The public may present comments on any agenda item at the time the item is called upon for discussion.

Materials prepared by the District in connection with subject matter on the agenda are available for public inspection at 4232 Las Virgenes Road, Calabasas, CA 91302. Materials prepared by the District and distributed to the Board during this meeting are available for public inspection at the meeting or as soon thereafter as possible. Materials presented to the Board by the public will be maintained as part of the records of these proceedings and are available upon written request to the Clerk of the Board.

5:00 PM

December 9, 2014

PLEDGE OF ALLEGIANCE

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF AGENDA
3. PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

4. CONSENT CALENDAR

A Official Canvass Certificate and Statement of Votes Cast: Divisions 2, 3 and 5 (Pg.

5) Receive and File
Receive and File

- B Directors' Per Diem: November 2014 (Pg. 13) Ratify**
- C List of Demands: December 9, 2014 (Pg. 20) Approve**
- D Minutes: Regular Meetings of November 11, 2014 (Pg. 47) Approve**

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

- A Proclamations in Recognition of Employees' Service and Upcoming Retirements: Dion Agnew, Ed Cuaresma, Deborah Low and Jim Olney**
- B Oath of Office for Jay Lewitt, Glen Peterson and Lee Renger**
- C Comprehensive Annual Financial Report for Fiscal Year 2013-14 (Pg. 54)**

Receive and file the Comprehensive Annual Financial Report for Fiscal Year 2013-14.

- D Legislative and Regulatory Updates**
- E Budget-Based Water Rates: Proposal for Expedited Implementation**

6. TREASURER

7. BOARD OF DIRECTORS

- A Election of Officers: President, Vice-President, Secretary and Treasurer**

Nominate and elect Directors to serve two-year terms as President, Vice-President, Secretary and Treasurer of the Board of Directors.

- B Appointment of Deputy Secretaries and Deputy Treasurer (Pg. 57)**

Appoint David W. Pedersen, General Manager, and Daryl A. Betancur, Executive Assistant/Clerk of the Board, as Deputy Secretaries and Donald Patterson, Director of Finance and Administration, as Deputy Treasurer.

8. FACILITIES AND OPERATIONS

- A Calleguas Municipal Water District-Las Virgenes Municipal Water District Interconnection: Approval of Term Sheet (Pg. 58)**

Approve the term sheet for a proposed interconnection between the District and Calleguas Municipal Water District, and authorize staff to develop a draft cooperative agreement for preparation of the preliminary design and environmental documentation for the project.

- B 30-inch Potable Water Main Break: Continuation of Emergency Declaration (Pg. 65)**

Continue the emergency declaration for the 30-inch potable water main break on Valley Circle Boulevard in West Hills.

- C Purchase Order for Metropolitan Water District System Water: Approval Authorization (Pg. 68)**

Authorize the General Manager to execute a 10-year "purchase order" agreement with the Metropolitan Water District of Southern California for the purchase of imported water.

D Lease of Vacant Office Space in Buildings Nos. 1 and 8 (Pg. 89)

Authorize the General Manager to negotiate and execute a lease agreement, in a form approved by the District's Legal Counsel, for the vacant suite in Building No. 8, provided that the terms result in a minimum net effective rate of \$1.22 per square foot without an allowance for tenant improvements.

E Backbone Improvements Program 5-Million-Gallon Tank: Change Order No. 4 and Additional Scope of Work for Materials Testing (Pg. 91)

Authorize the General Manager to execute a Change in Scope Agreement with Geolabs-Westlake Village in the amount of \$29,845.75 for additional geotechnical and materials testing services required for construction of the 5-Million-Gallon Tank Project.

F Tapia Channel Mixing Improvements: Call for Bids (Pg. 93)

Authorize a Call for Bids in accordance with the project specifications and bid schedule.

9. FINANCE AND ADMINISTRATION**A Claim from Moshe Porat (Pg. 96)**

Deny the claim from Moshe Porat.

10. INFORMATION ITEMS**A Reportable Expense Reimbursements for Fiscal Year 2013-14 (Pg. 105)****11. NON-ACTION ITEMS****A Organization Reports**

(1) MWD Representative Report/Agenda(s) (Pg. 110)

(2) Other

B Director's Reports on Outside Meetings**C General Manager Reports**

(1) General Business

(2) Follow-Up Items

D Director's Comments**12. FUTURE AGENDA ITEMS****13. PUBLIC COMMENTS**

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

14. CLOSED SESSION

A Conference with Labor Negotiator (Government Code Section 54957.6):

Agency Designated Representative: David W. Pedersen, General Manager; Donald Patterson, Director of Finance and Administration; Sherri Paniagua, Human Resources Manager; Peter Brown, Liebert Cassidy Whitmore.

Employee Organization(s): General and Office Units represented by Service Employees International Union (SEIU), Local 721.

B Conference with District Counsel – Anticipated Litigation (Government Code Section 54956.9(b)):

Number of Cases: 1

C Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

1. San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.
2. Las Virgenes - Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson

15. OPEN SESSION AND ADJOURNMENT



Los Angeles County Registrar-Recorder/County Clerk

Dean C. Logan
Registrar-Recorder/County Clerk

November 28, 2014

Mr. David W. Pedersen, General Manager
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, California 91302

Dear Mr. Pedersen:

Enclosed are the Official Canvass Certificate and the Official Statement of Votes Cast by precinct for the Las Virgenes Municipal Water District Election consolidated with the General Election held on November 4, 2014.

Please call the Election Planning Section at (562) 462-2317, if you have any questions.

Sincerely,

DEAN C. LOGAN
Registrar-Recorder/County Clerk

FRANCIS GUIJARO, Head
Election Planning Section

Enclosures
Official Canvass Certificate
Official Statement of Votes Cast

Los Angeles County
Registrar-Recorder/County Clerk

Certificate of the Canvass of the Election Returns

I, *DEAN C. LOGAN*, Registrar-Recorder/County Clerk of the County of Los Angeles, of the State of California, DO HEREBY CERTIFY that pursuant to the provisions of Section 15300 et seq. of the California Elections Code, I did canvass the returns of the votes cast for each elective office and/or measure(s) for

Las Virgenes Municipal Water District

at the General Election, held on the 4th day of November 2014.

I FURTHER CERTIFY that the Statement of Votes Cast, to which this certificate is attached, shows the total number of ballots cast in said jurisdiction, and that the whole number of votes cast for each candidate and/or measure(s) in said jurisdiction in each of the respective precincts therein, and the totals of the respective columns and the totals as shown for each candidate and/or measure(s) are full, true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 28th day of November 2014.



Dean C. Logan

DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

LAS VIRGENES MUNI WATER BOARD OF DIRECTORS DIV 2

GLEN D PETERSON
HUGH WAHLER

FINAL OFFICIAL STATEMENT OF VOTES CAST BY PRECINCT

LOCATION	REGIST-RATION	BALLOTS CAST																		
PRECINCT TOTAL	7538	1694	833	581																
VBM TOTAL	0	1306	624	415																
GROUP TOTAL	0	0	0	0																
GRAND TOTAL	7538	3000	1457	996																

FINAL OFFICIAL STATEMENT OF VOTES CAST BY PRECINCT		LAS VIRGENES MUNI WATER BOARD OF DIRECTORS DIV 3	
LOCATION	REGISTRATION	BALLOTS CAST	MICHAEL B WILK
AGOURA - 0070004C	369	164	80
VOTE BY MAIL	0	65	33
TOTAL	369	229	113
AGOURA - 0070006A	1083	334	207
VOTE BY MAIL	0	203	130
TOTAL	1083	537	337
CALABASAS - 1000006A	1322	276	96
VOTE BY MAIL	0	353	151
TOTAL	1322	629	247
CALABASAS - 1000008A	1064	281	127
VOTE BY MAIL	0	258	123
TOTAL	1064	539	250
CALABASAS - 1000016A	1161	349	168
VOTE BY MAIL	0	274	103
TOTAL	1161	623	271
CALABASAS - 1000075A	901	205	96
VOTE BY MAIL	0	169	85
TOTAL	901	374	182
CALABASAS - 1000076A	1248	318	121
VOTE BY MAIL	0	263	127
TOTAL	1248	581	248
CALABASAS - 1000077A	887	260	113
VOTE BY MAIL	0	166	67
TOTAL	887	426	180
MALIBU HEIGHTS - 4060001A	324	114	43
VOTE BY MAIL	0	73	21
TOTAL	324	187	64
MALIBU HEIGHTS - 4060003B*	101	0	0
VOTE BY MAIL	0	45	14
TOTAL	101	45	14
MALIBU HEIGHTS - 4060004A	383	62	31
VOTE BY MAIL	0	109	39
TOTAL	383	171	70
TOPANGA - 7100007A	195	28	10
VOTE BY MAIL	0	51	26
TOTAL	195	79	36


LOCATION	REGISTRATION	BALLOTS CAST	LEE RENGER		MICHAEL B WILK	
			1092	757	920	628
PRECINCT TOTAL	9038	2391	1092	757	920	628
VBM TOTAL	0	2029	920	628	0	0
GROUP TOTAL	0	0	0	0	0	0
GRAND TOTAL	9038	4420	2012	1385		

LAS VIRGENES MUNI WATER BOARD OF DIRECTORS DIV 3

LEE RENGER
MICHAEL B WILK

FINAL OFFICIAL STATEMENT OF VOTES CAST BY PRECINCT

To: Payroll

From: Daryl A. Betancur, Clerk of the Board 

Subject: Per Diem Request for November, 2014

Date: December 9, 2014 Meeting

Attached are the director statements of attendance for meetings, conferences and miscellaneous functions, which are summarized in the table below. If you have any questions please contact Daryl Betancur, Clerk of the Board.

At the meeting of 02/26/2008 the Board voted 5-0 to amend the daily per diem to:

- \$200.00 effective February 27, 2008
- January 26, 2010 during the annual review of compensation, the Board opted for the per diem to remain at \$200 and requested a per diem survey be completed along with the next employee compensation study.

Name	Meeting Attendance	Rate	Total
Charles Caspary	4	200.00	800.00
Glen Peterson* LVMWD – 4 MWD – 8	12	200.00	2,400.00
Leonard Polan	4	200.00	800.00
Lee Renger	4	200.00	800.00
Barry Steinhardt	4	200.00	800.00

Thank you.

Article 4, 2-2.401(a) "not exceeding a total of ten (10) days in any calendar month"

*Article 4, 2-2.401(b) MWD director "not exceeding a total of (10) days in any calendar month."

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outside of LA, Ventura and Orange Counties may be paid in accordance with Board
Policy. 2. Attach completed Statement of Account and Claim for Personally Incurred
Expenses form.

Director Signature:

Charles Caspary via email

ITEM 4B

LAS VIRGENES MUNICIPAL WATER DISTRICT

To: LEONARD POLAN, TREASURER

Payments for Board Meeting of: December 9, 2014

Upon certification by the Treasurer the checks and wire transfers were correct and supporting documents available, it is recommended the following demands on the various funds be approved and payments authorized.

Wells Fargo Bank A/C No. 4806-994448

Checks Nos. 67669 through 67793 were issued in the total amount of \$ 653,459.86

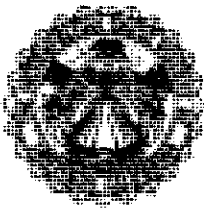
Payments through wire transfers as follows:

11/26/2014 Metropolitan Water Dist. Payment for water deliveries in the month of September 2014 \$ 2,003,016.08

Total wires \$ 2,003,016.08

Total payments \$ 2,656,475.94

(Reference is hereby to these demands on file in the District's Check Register and by this reference the same is incorporated herein and made a part hereof.)



INVOICE

Billed To:

Las Virgenes Municipal Water District



Service Address

4232 Las Virgenes Road
 Calabasas, CA 91302

September 2014	Page No. 1 of 1
Mailed: 10/10/2014	Due Date: 11/26/2014
Invoice Number: 8147	Revision: 0

NOTICE

The MWD Administrative Code Section 4507 and 4508 require that payment must be made in "Good Funds" by the due date or the payment will be considered delinquent and an additional charge shall be assessed.

DELIVERIES

	Volume (AF)
Total Water Treated Delivered	1,554.7

SALES

Type	Volume (AF)	Rate (\$ /AF)	Total (\$)
Full Service			
Tier 1 Supply Rate	2,060.1	\$148.00	\$304,894.80
System Access Rate	2,060.1	\$243.00	\$500,604.30
Water Stewardship Rate	2,060.1	\$41.00	\$84,464.10
System Power Rate	2,060.1	\$161.00	\$331,676.10
Treatment Surcharge	2,060.1	\$297.00	\$611,849.70
SUBTOTAL			\$1,833,489.00

OTHER CHARGES AND CREDITS

	Rate (\$ /AF)
Readiness To Serve Charge(Payment Schedule: M)	\$140,670.50
Capacity Charge(Payment Schedule: M)	\$31,461.67
Miscellaneous Deb/Credit (See Detail)	(\$2,805.08)
SUBTOTAL	\$168,527.08

ADDITIONAL INFORMATION

	Volume (AF)	Tier1 %	Peak Day	Flow (CFS)
Purchase Order Commitment (Jan 2003 to Dec 2014)	164,524.0			
Purchase Order Firm Delivery To Date (Jan 2003 to Dec 2014)	268,249.7			
Tier 1 Annual Limit (For Current Calendar Year)	20,699.0			
Tier 1 YTD Deliveries (For Current Calendar Year)	18,667.1	90.2		
Tier 1 Current Month Deliveries	2,060.1			
Capacity Charge			8/27/2010	43.9

INVOICE TOTAL

Volume AF
2,060.1

Amount Now Due
\$2,003,016.08

Note: Amount Due is based on highlighted fields

PAID

Wired @ 11/26/14

Approved for Payment

David W. Pedersen
 David W. Pedersen, P.E.

Approved for Payment

David R. Lippman
 David R. Lippman

Batch Number - 234659

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Sub Message	Document Ty	Document Number	Key Item Co	Amount	Invoice Number
67669	11/25/14	3077	AIRGAS USA, LLC	10/14 CYLINDER RENT	PV	135999	001 00701	716.43	9922558309
All Payee AIRGAS USA, LLC									
6658 AIRGAS USA, LLC									
P. O. BOX 7423									
PASADENA CA 91109-7423									
67670	11/25/14	2669	AT&T	SRV	PV	136038	001 00751	61.03	4860/111414
Payment Amount 716.43									
11/14--12/13/1									
4									
67671	11/25/14	7965	B&B PALLET CO.	SRV	PV	136039	001 00701	61.03	4639/111414
Payment Amount 122.06									
11/14--12/13/1									
4									
67672	11/25/14	19081	CINTAS FIRE PROTECTION	ANLN FIRE	PV	135998	001 00701	518.00	022D008028
Payment Amount 1,914.00									
ALRM INSPCTN									
ANLN FIRE									
ALRM INSPCTN									
ANLN FIRE									
ALRM INSPCTN									
ANLN FIRE									
ALRM INSPCTN									
Payment Amount 1,480.00									
67673	11/25/14	2547	COUNTY SANITATION DISTRICTS OF LA COUNTY	10/14 RAGS/GRIT HAULING	PV	136006	001 00701	564.96	48892/103114
Payment Amount 564.96									
67674	11/25/14	8173	EXCEL PRINT RESOURCES	BUSINESS CARDS-DP&SB	PV	136027	001 00701	63.22	2303
Payment Amount 63.22									
67675	11/25/14	2659	FENCE FACTORY	SFTY	PV	136004	001 00701	5,510.00	176324
Payment Amount 5,510.00									
RAIL-AMMONIA									
TNKS/PMPs									

ITEM 4C

Batch Number - 234659

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Sub Message	Document Ty	Document Number	Key ltr Co	Amount	Invoice Number
67676	11/25/14	2655	FERGUSON ENTERPRISES	24 BADGER METERS	PV	136007	001 00701	3,213.29	0728466
			Alt Payee	FERGUSON ENTERPRISES, INC. #1083 FILE 56809 LOS ANGELES CA 90074-6809				5,510.00	
67677	11/25/14	2736	IRON MOUNTAIN RECORDS MANAGEMENT	11/14 RECORDS STORAGE	PV	136000	001 00701	639.02	KXF5811
67678	11/25/14	2611	LA DWP	RECTIFIER	PV	136028	001 00101	36.42	503850/111414
67679	11/25/14	5698	LOST HILLS/MALIBU SHERIFF'S STATION	10/15-11/13/14	PV	136026	001 00101	25.00	914-05951-224 8-472
67680	11/25/14	2365	MSO TECHNOLOGIES	WLK BODY FD	PV	136029	001 00101	1,400.00	4741
67681	11/25/14	16754	NATURAL SURROUNDINGS	P/E 8/31/14	PV	136030	001 00101	720.00	4759
67682	11/25/14	10821	LEONARD POLAN	ELEC DWGS	PV	136033	001 00701	235.00	6111
67683	11/25/14	2585	PURETEC	Payment Amount NOV14 FLORAL MAINT@HQ	PV	136051	001 00701	47.54	102314
67684	11/25/14	6765	SAWYER PETROLEUM	Payment Amount MILEAGE/PKG-W TR COMT MTG	PV	136050	001 00701	1,747.39	V65435
67685	11/25/14	6940	SECTRAN	10/23 Payment Amount OCT14- 14" SOD RNTL	PV	136005	001 00701	300.30	14110617
				Payment Amount 567 GAL RED DYE DIESEL@RLV	PV	136050	001 00701	1,747.39	V65435
				Payment Amount NOV14	PV	136005	001 00701	300.30	14110617

ITEM 40

Batch Number - 234659

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Lim	Key Co	Amount	Invoice Number
			SECURITY, INC.	COURIER SRV						
67686	11/25/14	19241	STARNET DATA DESIGN, INC.	Payment Amount PALO ALTO FIREWALL	PV	136032	001	00701	300.30 4,750.00	37002
67687	11/25/14	2964	STATE BOARD OF EQUALIZATION	Payment Amount WTR RIGHTS 7/1/14-6/30/15	PV	136034	001	00101	4,750.00 209.16	00019728741
67688	11/25/14	18788	TRIDENT INSURANCE SERVICES LLC	Payment Amount CLAIM-WOODMAN MELODY 9/23/13	PV	136031	001	00101	209.16 188.72	7229
67689	11/25/14	3047	WESCO DISTRIBUTION, INC.	Payment Amount ALUM COND BODY,CVR,GSKT &BSHNG	PV	136037	001	00701	188.72 181.72	377869
			All Payee	WESCO DISTRIBUTION, INC PO BOX 31001-0465 PASADENA CA 91110-0465						
67690	11/25/14	3049	WEST COAST WATER SERVICE, INC	Payment Amount NOV14 BOILER WTR TRMT	PV	136036	001	00701	181.72 322.00	23449
				Payment Amount						
				Total Amount of Payments Written					24,768.31	
				Total Number of Payments Written					22	

Batch Number - 234804

Bank Account - 00146807 Cash-General

Payment Number Date	Address Number	Name	Payment Stub Message	Document Ty Number	Key lim Co	Amount	Invoice Number
VISA			CHG-OPS-OCT*1	PV 136080	003 00701	24.61	8418/110714
4							
VISA			CHG-OPS-OCT*1	PV 136080	004 00701	224.93	8418/110714
4							
VISA			CHG-OPS-OCT*1	PV 136080	005 00701	63.07	8418/110714
4							
VISA			CHG-ENG-OCT*1	PV 136081	001 00701	159.28	6262/110714
4							
VISA CHG-ENG				PV 136082	001 00101	47.34	2504/110714
DEP1-OCT*14							
VISA CHG-ENG				PV 136082	002 00101	65.29	2504/110714
DEP1-OCT*14							
VISA CHG-ENG				PV 136082	003 00101	344.79	2504/110714
DEP1-OCT*14							
VISA CHG-ENG				PV 136082	004 00101	132.30	2504/110714
DEP1-OCT*14							
VISA			CHG-LIPPMAN-O	PV 136083	001 00701	357.20	8243/110714
CT*14							
VISA			CHG-RANCHO-OC	PV 136084	001 00751	311.67	8037/110714
T*14							
VISA			CHG-TAPIA-OCT	PV 136085	001 00701	57.59	6228/110714
'14							
VISA			CHG-TAPIA-OCT	PV 136085	002 00701	226.89	6228/110714
'14							
VISA			CHG-TAPIA-OCT	PV 136085	003 00701	59.24	6228/110714
'14							
VISA			CHG-TAPIA-OCT	PV 136085	004 00701	16.83	6228/110714
'14							
VISA CHG-WTR				PV 136086	001 00101	155.00	3713/110714
DIST							
N1-OCT*14							

Batch Number - 234804

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key lrm Co	Amount	Invoice Number
				VISA CHG-WTR DIST	PV	136086	002 00101	155.00	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136086	003 00101	117.27	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136086	004 00101	92.49	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136086	005 00101	92.49	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136086	006 00101	94.72	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136086	007 00101	254.84	3713/110714
				N1-OCT14					
				VISA CHG-WTR DIST	PV	136087	001 00701	59.94	8102/110714
				N2-OCT14					
				VISA CHG-WTR DIST	PV	136087	002 00701	117.27	8102/110714
				N2-OCT14					
				VISA CHG-WTR DIST	PV	136087	003 00701	104.91	8102/110714
				N2-OCT14					
				VISA CHG-WTR DIST	PV	136087	004 00701	104.91	8102/110714
				N2-OCT14					
				VISA CHG-WTR DIST	PV	136087	005 00701	44.17	8102/110714
				N2-OCT14					
				VISA CHG-PATTERSON	PV	136088	001 00701	48.44	0212/110714
				-OCT14					
				VISA CHG-RENGER-OC	PV	136089	001 00701	695.00	6305/110714
				T14					
				VISA CHG-OPS ADMIN-OCT14	PV	136119	001 00751	238.56	2248/110714

Batch Number - 234804

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Tr Number	Document . . .	Key Item Co	Amount	Invoice Number
				VISA CHG-OPS ADMIN-OCT'14	PV	136119	002 00751	879.19	2248/110714
				VISA CHG-OPS ADMIN-OCT'14	PV	136119	003 00751	199.22	2248/110714
				VISA CHG-OPS ADMIN-OCT'14	PV	136119	004 00751	140.61	2248/110714
				VISA CHG-MAINT-OCT '14	PV	136120	001 00751	58.21-	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	002 00751	154.63	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	003 00751	139.16	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	004 00751	179.00	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	005 00751	123.21	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	006 00751	214.82	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	007 00751	147.81	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	008 00751	198.76	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	009 00751	181.76	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	010 00751	24.98	1302/110714
				VISA CHG-MAINT-OCT '14	PV	136120	011 00751	86.00	1302/110714
				VISA CHG-BETANCUR-	PV	136160	001 00701	66.58	8422/110714

Batch Number - 234804

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty Number	Key Item Co	Amount	Invoice Number
				OCT14				
				VISA CHG-R	PV 136161	001 00701	20.00	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	002 00701	216.04	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	003 00701	60.39	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	004 00701	246.25	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	005 00701	45.00	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	006 00701	45.00	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	007 00701	34.55	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	008 00701	27.01	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	009 00701	223.09	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	010 00701	92.60	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	011 00701	20.66	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	012 00701	375.00	1270/110714
				CNSV-OCT14				
				VISA CHG-R	PV 136161	013 00701	174.69	1270/110714
				CNSV-OCT14				
				VISA	PV 136173	001 00101	100.51	7431/110714
				CHG-WSTLK-OCT				
				'14				
				VISA	PV 136173	002 00101	400.51	7431/110714
				CHG-WSTLK-OCT				
				'14				
				VISA	PV 136173	003 00101	52.79	7431/110714
				CHG-WSTLK-OCT				
				'14				
				VISA	PV 136173	004 00101	239.95	7431/110714
				CHG-WSTLK-OCT				
				'14				
				VISA	PV 136174	001 00701	30.11	2808/110714
				CHG-PEDERSEN-				

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Item	Co	Amount	Invoice Number
				OCT'14							
				VISA	PV	136174	002	00701		34.35	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	003	00701		24.91	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	004	00701		11.00	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	005	00701		695.00	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	006	00701		695.00	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	007	00701		4.99	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136174	008	00701		35.00	2808/110714
				CHG-PEDERSEN-							
				OCT'14							
				VISA	PV	136184	001	00701		21.48	0663/110714
				CHG-PETERSON-							
				OCT'14							
				VISA	PV	136185	001	00701		940.00	7961/110714
				CHG-POLAN-OCT							
				'14							
				VISA	PV	136186	001	00701		237.00	1020/110714
				CHG-STEINHARD							
				T-OCT'14							
				Payment Amount					17,505.71		
67695	12/02/14	19010	CDW	MS SURFACE-GM	PV	136017	001	00701		1,651.35	QR83220
			GOVERNMENT								
				MS SURFACE-GM	PV	136017	004	00701		23.84	QR83220
				Payment Amount					1,675.19		
67695	12/02/14	12559	DATASTREAM BUSINESS SOLUTIONS, INC.	10/14 CNSLGTG SVC&SPPT	PV	136020	001	00701		680.00	14347
				Payment Amount						680.00	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key	Amount	Invoice Number
67697	12/02/14	2601	DELL COMPUTER CORP	LAPTP	PV	136192	001 00101	127.52	XJKF7D4N2
			BTRY-WLK						
			STNDBY						
			All Payee						
			7819 DELL MARKETING LP						
			C/O DELL USA L.P.						
			P.O. BOX 910916						
			PASADENA CA 91110-0916						
67698	12/02/14	19367	ECO-FRIENDLY PLUMBING, INC.	RPLC BSMT PIPE&RELINE	PV	136022	001 00701	12,830.00	1947
				Payment Amount				127.52	
67699	12/02/14	17205	ELLIS PAINT COMPANY	4 GAL SFTY YELLOW PAINT	PV	136097	001 00701	550.74	981343
				Payment Amount				12,830.00	
67700	12/02/14	14591	EMISSION COMPLIANT CONTROLS CORP.	(3) 5" RAIN CAPS-WLK	PV	136018	001 00701	112.47	PS02936
				Payment Amount				550.74	
			All Payee						
			15750 EMISSION COMPLIANT CONTROLS CORP.						
			C/O PRE-BANC BUSINESS CREDIT, INC.						
			P. O. BOX 16727						
			IRVINE CA 92623-6727						
67701	12/02/14	2658	FEDERAL EXPRESS CORP	2 PKG DEL 11/13&11/14/14	PV	136091	001 00701	109.14	2-853-02201
				Payment Amount				112.47	
67702	12/02/14	17199	GOVERNMENT STAFFING SERVICES, INC.	11/13-11/14/14 AUMALI	PV	136096	001 00701	2,925.00	125096
				Payment Amount				109.14	
67703	12/02/14	4594	GRIZZLY INDUSTRIAL	RLV DRILL PRESS	PV	136094	001 00701	1,738.90	7704857-07
				Payment Amount				2,925.00	
67704	12/02/14	3083	JCI JONES CHEMICALS, INC	4,966 GAL HYPOCHLORITE	PV	136008	001 00701	2,890.06	638171
				Payment Amount				1,738.90	
				5,040 GAL	PV	136009	001 00701	2,933.13	638426

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
							Item Co		
				HYPOCHLORITE					
				4,233 GAL	PV	136010	001 00701	5,629.89	638186
				SODIUM					
				BISULFITE					
			Alt Payee	JCI JONES CHEMICALS, INC					
				P.O. BOX 636877					
				CINCINNATI OH 45263-6877					
				Payment Amount				11,453.08	
67705	12/02/14	17447	KONECRANES INC.	TAPIA HOIST	PV	136095	001 00701	1,252.00	SFS00944416
				CONTRACTOR					
				TAX	PV	136095	002 00701	49.51	SFS00944416
				Payment Amount				1,301.51	
67706	12/02/14	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	TAPIA	PV	135982	001 00751	574.83	1760/111214
				9/8-11/6/14					
				RLV	PV	135983	001 00751	1,240.73	2090/111214
				9/8-11/6/14					
				BLDG#1	PV	135984	001 00101	415.09	2620/111214
				9/8-11/6/14					
				BLDG#8	PV	135985	001 00701	432.61	2647/111214
				9/8-11/6/14					
				FIRE	PV	135986	001 00701	15.00	2650/111214
				PROCTN#8					
				9/8-11/6/14					
				FIRE	PV	135987	001 00701	15.00	2654/111214
				PROCTN#7					
				9/8-11/6/14					
				BLDG#7	PV	135988	001 00701	846.91	2656/111214
				9/8-11/6/14					
				BLDG#2	PV	135989	001 00701	875.29	2658/111214
				9/8-11/6/14					
				RLV FARM	PV	135990	001 00751	123.48	2080/111214
				9/8-11/6/14					
				Payment Amount				4,538.94	
67707	12/02/14	2590	LOS ANGELES DAILY NEWS	LEGAL ADS	PV	136093	001 00701	2,529.20	199490
				9/29-10/27/14					
				Payment Amount				2,529.20	
67708	12/02/14	19164	DONALD PATTERSON	REIMB PHONE EXP	PV	136090	001 00701	545.25	CELL/MAR-OCT14

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Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Item	Key Co	Amount	Invoice Number
67709	12/02/14	17174	ROTH STAFFING COMPANIES, LP	Payment Amount TEMP SRV W/E 11/2/14 ST	PV	136098	001	00701	545.25 669.78	13058678
				TEMP SRV W/E 11/9/14 ST	PV	136099	001	00701	734.00	13061433
67710	12/02/14	2948	SMITH PIPE & SUPPLY	Payment Amount LANDSCAPE EQUIPMT	PV	136131	001	00751	100.37	2768395
				LANDSCAPE EQUIPMT	PV	136132	001	00751	93.48	2768932
67711	12/02/14	2969	STATE WATER RESOURCES CONTROL BOARD	Payment Amount PERMIT-LV&JPA SWR FY14-15	PV	136157	001	00130	1,679.52	WD-0105061
				PERMIT-LV&JPA SWR FY14-15	PV	136157	002	00130	9,515.48	WD-0105061
				PERMIT-TAPIA FY14-15	PV	136158	001	00751	68,819.00	WD-0104497
				PERMIT-RLV FARM FY14-15	PV	136159	001	00751	68,901.00	WD-0101253
				PERMIT-TAPIA FY14-15	PV	136163	001	00751	6,947.00	WD-0106185
67712	12/02/14	18651	TOYOTA-LIFT OF LOS ANGELES	Payment Amount SRV VEH#700	PV	136100	001	00701	83.01	272860
				SRV VEH#302	PV	136101	001	00701	75.00	271906
				SRV VEH#303	PV	136102	001	00701	75.00	271905
				SRV VEH#305	PV	136103	001	00701	112.01	271904
				SRV VEH#202	PV	136104	001	00701	112.01	271903
				SRV VEH#134	PV	136105	001	00701	104.00	271902
				SRV VEH#702	PV	136106	001	00701	85.82	271901
				SRV VEH#723	PV	136107	001	00701	116.28	271900
				SRV VEH#723	PV	136108	001	00701	487.97	274376
67713	12/02/14	18604	VENTURA PEST CONTROL	Payment Amount NOV'14 PEST CNTRL	PV	136023	001	00701	110.00	441572
				NOV'14 PEST CNTRL	PV	136023	003	00701	380.00	441572
				NOV'14 PEST CNTRL	PV	136023	010	00701	195.00	441572

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
						Number	Item Co		
				CNTRL					
				QTYL	PV	136024	001 00701	50.00	441573
				MAINT-SHOCK					
				TRACK@HQ&WLK					
				QTYL	PV	136024	002 00701	100.00	441573
				MAINT-SHOCK					
				TRACK@HQ&WLK					
				Payment Amount				835.00	
67714	12/02/14	18137	WALTER SURFACE TECHNOLOGIES	BIO CIRCLE PARTS WSHRS	PV	136133	001 00701	200.00	1083811
				SRV					
				BIO CIRCLE PARTS WSHRS	PV	136133	003 00701	100.00	1083811
				SRV					
				BIO CIRCLE PARTS WSHRS	PV	136133	004 00701	100.00	1083811
				SRV					
				BIO CIRCLE PARTS WSHRS	PV	136134	001 00701	100.00	1101264
				SRV					
				BIO CIRCLE PARTS WSHRS	PV	136134	002 00701	200.00	1101264
				SRV					
				BIO CIRCLE PARTS WSHRS	PV	136134	004 00701	100.00	1101264
				SRV					
				Payment Amount				800.00	
67715	12/02/14	8060	WIL-POWER BATTERY DISTRIBUTORS	VEH#825-(2) 12V BATTERYS	PV	136025	001 00701	413.98	171605
				Payment Amount				413.98	
				Total Amount of Payments Written				224,821.75	
				Total Number of Payments Written				25	

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Ty	Document Number	Key	Amount	Invoice Number
67716	12/09/14	1845	AAA BACKFLOW DEVICE TESTING, INC.	MAR*14 TESTING	PV	136076	001 00701	1,050.00	B14-041714
67717	12/09/14	19324	ACTION DUCT CLEANING CO., INC.	MAR*14 TESTING Payment Amount LS#1&2 DUCT SYS CLNG	PV	136210	001 00701	2,700.00 3,750.00 3,030.00	B14-041714 LA26088
67718	12/09/14	8560	ADVANCED UTILITY SYSTEMS	Payment Amount CIS SUPPORT-2015	PV	136110	001 00701	3,030.00 67,340.84	MN00079885
67719	12/09/14	17077	AECOM USA, INC.	Payment Amount 10/11-11/7/14 5 MG TNK SVC	PV	136072	001 00701	67,340.84 50,402.41	37488356
67720	12/09/14	19077	AGOURA LUBE & SMOG	Payment Amount 9/27-10/31/14 LST HILLS DSGN 10/11-11/7/14 5 MG TNK SVC	PV	136073	001 00701	8,372.40 3,343.43	37487582 37488442
67721	12/09/14	2367	ALL SAFE ELECTRIC, INC.	Payment Amount VEH#801 RPR RLV PUMP RPR	PV	136195	001 00701	62,118.24 464.92 1,240.45	13178 13217 13234 13269 13315 45195
67722	12/09/14	19392	BARBARA ANIK	Payment Amount TURF RMVL REBATE	PV	135995	001 00101	1,240.45 2,494.00	260514
67723	12/09/14	2526	APPLIED INDUSTRIAL TECHNOLOGIES	Payment Amount INGR PULLER WIRE RTCH	PV	136070	001 00701	2,494.00 1,193.96	7003784460

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Alt Payee 3180 APPLIED INDUSTRIAL TECHNOLOGIES
P. O. BOX 100538

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Lim	Key Co	Amount	Invoice Number
PASADENA CA 91189-0538										
67724	12/09/14	18503	AUTOMATION CONTROL PRODUCTS	Payment Amount 11/14--11/15 THINMGR MNT	PV	136126	001	00701	1,193.95 1,254.00	9840
67725	12/09/14	7965	B&B PALLET CO.	Payment Amount 55 YDS WOOD CHIPS	PV	136122	001	00701	3,135.00 638.00	112580
				55 YDS WOOD CHIPS	PV	136123	001	00701	638.00	112581
				55 YDS WOOD CHIPS	PV	136124	001	00701	638.00	112582
				55 YDS WOOD CHIPS	PV	136125	001	00701	638.00	112583
67726	12/09/14	18071	BLUE DIAMOND MATERIALS	Payment Amount 2.01 TN PAVING MATL	PV	136213	001	00701	2,552.00 180.73	403674 RI
67727	12/09/14	6724	MORTON/HELEN BRAUNSTEIN	Payment Amount TURF RMVL REBATE	PV	135993	001	00101	1,362.00	150066
67728	12/09/14	16651	MICHAEL BROCKMAN	Payment Amount TURF RMVL REBATE	PV	136044	001	00101	1,362.00	2120372
67729	12/09/14	19405	TIM BROWN	Payment Amount TURF RMVL REBATE	PV	136118	001	00101	1,028.00 612.00	790300
67730	12/09/14	19010	CDW GOVERNMENT	Payment Amount MS SURFACE-GM ACCESSORIES	PV	136069	001	00701	612.00 239.81	QV70375
				FREIGHT	PV	136069	004	00701	11.13	QV70375
67731	12/09/14	2786	CEDAR VALLEY PLUMBING SUPPLY	Payment Amount SOLDR,FLUX&MA P GAS	PV	136216	001	00751	250.94 129.30	551476
67732	12/09/14	19081	CINTAS FIRE PROTECTION	Payment Amount BLDG#7&8 FIRE FLW	PV	136194	001	00701	129.30 400.00	022D008434
				TSTG&INSPCTN					400.00	

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Payment Number	Payment Date	Address Number	Name	Payment Sub Message	Document Ty	Document Number	Key Item Co	Amount	Invoice Number
67733	12/09/14	2565	CONEJO AWARDS	PLAQUE/TAG-J.	PV	136142	001 00701	45.69	84355
67734	12/09/14	4566	CONSOLIDATED ELECTRICAL DISTRIBUTORS	Payment Amount CHAINFLX CBL AGT#2	PV	136204	001 00701	4,832.20	9009-706474
67735	12/09/14	19406	SUSAN COUNTESS	Payment Amount TURF RMVL REBATE	PV	136112	001 00101	824.00	1110464
67736	12/09/14	6966	CS-AMSCO	Payment Amount 2 LV RD AIR VAC	PV	136212	001 00701	4,881.02	9616
67737	12/09/14	19407	PAIGE DANIELS	SHIPPING&HAND LING Payment Amount TURF RMVL REBATE	PV	136212	002 00701	77.48	9616
67738	12/09/14	17281	DOCTOR DIESEL	Payment Amount DIESEL FUEL MNT SVC	PV	136113	001 00101	4,096.00	1130604
67739	12/09/14	17251	EAGLE AERIAL IMAGING	Payment Amount DIESEL FUEL MNT SVC	PV	136071	001 00701	973.00	14-360
67740	12/09/14	19408	ARTHUR ESTRADA	Payment Amount DIESEL FUEL MNT SVC	PV	136071	002 00701	973.00	14-360
67741	12/09/14	15353	JEFFREY FRIEDMAN	Payment Amount DIESEL FUEL MNT SVC	PV	136071	003 00701	1,946.00	14-360
67742	12/09/14	6770	G.I. INDUSTRIES	Payment Amount DIESEL FUEL MNT SVC	PV	136071	006 00701	973.00	14-360
				Payment Amount AERIAL IMAGERY-FINAL	PV	136074	001 00701	4,865.00	19528
				Payment Amount TURF RMVL REBATE	PV	136114	001 00101	24,610.00	720526
				Payment Amount TURF RMVL REBATE	PV	136043	001 00101	3,332.00	1170440
				Payment Amount 11/1-11/15 SHOP BLDG DISP	PV	136217	001 00701	1,706.00	2713605-0283-2
				Payment Amount 11/1-11/15	PV	136218	001 00701	398.51	2713610-0283-

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Payment Number	Payment Date	Address Number	Name	Payment Slub Message	Document Ty	Document Number	Key Lim	Key Co	Amount	Invoice Number
				RLV DISP						2
67743	12/09/14	2688	6771 G.I. INDUSTRIES P. O. BOX 541065 LOS ANGELES CA 90054-1065	Payment Amount 10/14 CONCRETE/FLD OBSV	PV	136209	001	00701	380.00 660.71	21411026
67744	12/09/14	2701	GRAINGER, INC.	Payment Amount (2) DIAL CALIPERS	PV	136052	001	00701	456.17 380.00	9589497396
			All Payee 5453 GRAINGER, INC. DEPT 805178142 PALATINE IL 60038-0001	Payment Amount 9/14-9/15 OP CTL,SNSR&PRB SVC WIMS SFTWR IMPL	PV	136202	001	00701	6,460.00 456.17	9116179 9129309
67745	12/09/14	2705	HACH COMPANY	Payment Amount 2207 COLLECTIONS CENTER DR CHICAGO IL 60693	PV	136206	001	00701	484.51 14,710.00	20733886
67746	12/09/14	8304	6442 HACH COMPANY IFM EFECTOR INC.	Payment Amount 2 PRESSURE TRANSMITTRS PRSSR TRANS&ADPTR 1 PRSSR TRANSMITTER	PV	136207	001	00701	1,049.02 529.20	20733885 20735674
67747	12/09/14	3083	JCI JONES CHEMICALS, INC	Payment Amount 5,008 GAL HYPOCHLORITE 5,034 GAL HYPOCHLORITE 4,891 GAL HYPOCHLORITE 4,267 GAL SODIUM	PV	136143	001	00701	2,914.51 2,062.73 2,929.64 2,846.42 5,675.11	638755 638951 639338 639438

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Bank Account - 00146907 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Sub Message	Document Ty	Number	Key Lim	Co	Amount	Invoice Number
BISULFITE										
All Payee										
		13647	JCI JONES CHEMICALS, INC P.O. BOX 636877 CINCINNATI OH 45263-6877							
67748	12/09/14	16710	MARCINICOLE KAPLAN	TURF RMVL REBATE	PV	136045	001	00101	5,200.00	820144
67749	12/09/14	16535	KEMIRA WATER SOLUTIONS, INC.	TURF RMVL REBATE	PV	136127	001	00751	5,200.00	9017421703
Alt Payee										
		18536	KEMIRA WATER SOLUTIONS MAIL CODE 5581, P. O. BOX 105046 ATLANTA GA 30348-5046							
67750	12/09/14	18985	KIMLEY-HORN & ASSOCIATES, INC.	TURF RMVL REBATE	PV	136075	001	00701	7,215.00	6259270
67751	12/09/14	8822	KAREN KINFORD	TURF RMVL REBATE	PV	136042	001	00101	1,748.00	710672
67752	12/09/14	17447	KONECRANES INC.	TURF RMVL REBATE	PV	136200	001	00701	1,013.00	SFS00856164
67753	12/09/14	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	TURF RMVL REBATE	PV	136200	003	00701	1,013.00	SFS00856164
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67754	12/09/14	19409	VARDA LIFSHITZ	TURF RMVL REBATE	PV	135991	001	00130	44.49	1775/111914
67755	12/09/14	19399	ALISON LOCKE	TURF RMVL REBATE	PV	135992	001	00130	46.88	0570/111914

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document	Key	Amount	Invoice Number
67756	12/09/14	2610	LOS ANGELES COUNTY DEPT. OF PUBLIC WORKS	9/17:L2014035 38-8" SWR MIN PRMT	PV 136215	001 00751	908.00	RE-PW-1411060 2934
67757	12/09/14	4591	LOS ANGELES COUNTY FIRE DEPT.	Payment Amount CUPA#AR000963 4 FY14-15	PV 136130	001 00130	363.00	IN0207532
				CUPA#AR002645 3 FY14-15	PV 136135	001 00101	1,939.00	IN0208296
				CUPA#AR002635 3 FY14-15	PV 136136	001 00101	1,901.00	IN0208291
				CUPA#AR001582 6 FY14-15	PV 136137	001 00701	3,024.00	IN0207810
				CUPA#AR001583 6 FY14-15	PV 136138	001 00751	363.00	IN0207811
				CUPA#AR001583 8 FY14-15	PV 136139	001 00751	1,206.00	IN0207812
				CUPA#AR001728 2 FY14-15	PV 136140	001 00751	2,357.00	IN0207858
				CUPA#AR000625 8 FY14-15	PV 136141	001 00130	363.00	IN0207373
67758	12/09/14	19410	LUBOMIR LUBOMIROV	Payment Amount TURF RMVL REBATE	PV 136116	001 00101	1,188.00	680554
67759	12/09/14	2812	MCCROMETER, INC	Payment Amount 6" RW METER RPR&CALIB	PV 136169	001 00701	939.96	448240 RI
			Alt Payee	6471 McCROMETER INC 96894 COLLECTIONS CENTER DRIVE CHICAGO IL 60693				
67760	12/09/14	19403	DAVID R. MICHAEL	Payment Amount 10 NEW JRNL W/S LICNS	PV 136191	001 00701	499.50	20141125-001
67761	12/09/14	18293	MIDSTATE SHEETMETAL, INC.	Payment Amount MAINT BLDG ROOF RPR	PV 136053	001 00701	14,915.00	1567
67762	12/09/14	2839	MOTION	Payment Amount OIL SEALS	PV 136175	001 00701	46.70	CA22-584996

Batch Number - 234810

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Doc Number	Key Item	Co	Amount	Invoice Number
			INDUSTRIES, INC.						
		10317	MOTON INDUSTRIES INC. FILE 749376 LOS ANGELES CA 90074						
								528.51	
67763	12/09/14	2365	MSO TECHNOLOGIES		136170	001	00701	1,540.00	4791
								1,540.00	4791
67764	12/09/14	2846	NATIONAL PLANT SERVICES INC		136190	001	00701	2,500.00	11796
								2,500.00	
67765	12/09/14	19400	MEREDITH O'DONNELL		136047	001	00101	1,404.00	1130342
								1,404.00	
67766	12/09/14	2302	OFFICE DEPOT		136057	001	00701	352.51	739242519001
								261.89	739246046001
								130.69	739247966001
								50.13	739247967001
								31.05	739247968001
								23.01	739247969001
								683.92	739250376001
								56.24	739253120001
								68.16	739253548001

ITEM 4C

Batch Number - 234810

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Lim	Key Co	Amount	Invoice Number
SUPPLIES										
				MISC OFFICE	PV	136066	001	00701	132.72	739255531001
				SUPPLIES						
				PLOTTER INK	PV	136067	001	00701	87.53	736762228001
				CARTRIDGES						
				RETURN-PLOTTE	PD	136068	001	00701	87.53-	739264348001
				R INK						
				CARTRIDGES						
				Payment Amount					1,792.32	
67767	12/09/14	13586	ORACLE AMERICA, INC.	JDE MAINT	PV	136203	001	00701	15,942.11	42468775
				8/23-11/22/14						
				TAX	PV	136203	002	00701	717.40	42468775
				Payment Amount					16,659.51	
67768	12/09/14	16946	PACIFIC ADVANCED CIVIL ENGINEERING, INC.	OCT14 RES#2 IMPRVMTS	PV	136056	001	00701	570.00	96163
SUPPLIES										
				Payment Amount					570.00	
67769	12/09/14	19395	JEFFREY PLOUSSARD	TURF RMVL	PV	135997	001	00101	5,540.00	2191510
				REBATE						
				Payment Amount					5,540.00	
67770	12/09/14	18611	SHERILYNA POWELL-WOLFF	44 CT HQ OAK	PV	136109	001	00701	780.00	2014-192
				TREE TRMT						
				Payment Amount					780.00	
67771	12/09/14	8484	PRAXAIR DISTRIBUTION, INC	NOV14	PV	136121	001	00701	115.23	51061430
				CYLINDER RENTAL						
				Payment Amount					115.23	
All Payee										
			8898 PRAXAIR DISTRIBUTION INC. DEPT. LA 21511 PASADENA CA 91185-1511							
Payment Amount										
67772	12/09/14	19058	PROTECTOR FENCE	FENCE	PV	136054	001	00701	1,200.00	1100
				INSTL/RPR@2 P/S						
				FENCE RPR@3 TANKS	PV	136055	001	00701	800.00	1101
				Payment Amount					2,000.00	
67773	12/09/14	2520	S & S PAVING	RFND BAL - CLOSED A/C	PV	136128	001	00101	1,284.56	9998232

Batch Number - 234810

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Ilm Co	Amount	Invoice Number
67774	12/09/14	19169	SJM INDUSTRIAL RADIO	5 VEHICLES SVC@8/14/14	PV	136187	001 00701	352.54	221756
				Payment Amount				1,284.56	
67775	12/09/14	19393	CINDY SOULIOS	5 VEHICLES RADIO SVC	PV	136188	001 00701	757.84	221755
				4 VEHICLES RADIO SVC	PV	136189	001 00701	671.20	221754
				Payment Amount				1,781.58	
67776	12/09/14	19404	STAR RETURNS LLC	TURF RMVL REBATE	PV	135996	001 00101	1,140.00	500232
				Payment Amount				1,140.00	
67777	12/09/14	14479	STEPHEN'S VIDEO PRODUCTIONS	RFND BAL - CLOSED A/C	PV	136111	001 00101	859.07	069398
				Payment Amount				859.07	
67778	12/09/14	7282	JUDY/JOHN TEDESCHI	11/11&11/25 LV BD MTG	PV	136164	001 00701	1,090.00	10-26-14
				RCRDNG	PV	136165	001 00701	40.00	11-29-14
				ADJUSTMT ON 10/29 INVC					
				Payment Amount				1,130.00	
67779	12/09/14	19087	TOM ASH & ASSOCIATES	TURF RMVL REBATE	PV	135994	001 00101	1,940.00	560508
				Payment Amount				1,940.00	
67780	12/09/14	19135	TRANSUNION RISK AND ALTERNATIVE	JUL-NOV14 RATE STRCTR	PV	136145	001 00701	2,400.00	111714
				DEV SRV					
				Payment Amount				2,400.00	
67781	12/09/14	2780	VALLEY NEWS GROUP	ONLINE SRCH BAD DEBT	PV	136214	001 00701	123.00	974571/NOV14
				11/14					
				Payment Amount				123.00	
67782	12/09/14	19401	JAMES VIGIL	AD-COMPOST	PV	136041	001 00751	370.00	11-13
				11/13/14					
				Payment Amount				370.00	
67783	12/09/14	2436	VINCE BARNES AUTOMOTIVE	TURF RMVL REBATE	PV	136048	001 00101	3,882.00	741274
				Payment Amount				3,882.00	
				VEH#569-ROLL OVR VLV&OIL	PV	136182	001 00701	274.48	020847
				CHG					

ITEM # C

Batch Number - 234810

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Sub Message	Document Ty	Document Number	Key Lim	Key Co	Amount	Invoice Number
67784	12/09/14	3035	WWR SCIENTIFIC	VEH#861-BRK PDS&SWY BR LNKS Payment Amount LAB SUPPLIES	PV	136183	001	00701	586.44	020644
				FREIGHT	PV	136172	005	00701	231.63	8059639266
			WWR SCIENTIFIC	Payment Amount					860.92	8059639266
			WWR SCIENTIFIC	LAB SUPPLIES	PV	136172	001	00701	2,063.43	8059639266
			WWR SCIENTIFIC	FREIGHT	PV	136172	005	00701	231.63	8059639266
			WWR SCIENTIFIC	Payment Amount					2,295.06	8059639266
67785	12/09/14	3109	W. LITTEN	SRV 11/2-11/8/14@ RANCHO	PV	136180	001	00701	4,528.10	0320337
			W. LITTEN	SRV 11/9-11/15/14 @RANCHO	PV	136181	001	00701	3,818.70	0320338
			W. LITTEN	Payment Amount					8,346.80	0320338
67786	12/09/14	3025	WATER & SANITATION SRV/VENTURA COUNTY	PURCH WTR 10/14-11/18/1 4	PV	136193	001	00101	28,054.94	972936
			WATER & SANITATION SRV/VENTURA COUNTY	Payment Amount					28,054.94	972936
67787	12/09/14	18914	WECK LABORATORIES, INC.	LAB SRV@MC-DIAZIN ON LAB SRV@TAPIA EFFL P/S LAB SRV@TAPIA EFFL P/S LAB SRV@RLV LAB SRV@RLV GRNDWTR LAB SRV@WSTLK LAB SRV@TAPIA EFFL LAB SRV@TAPIA EFFL LAB SRV@BACTI RM DI WTR	PV	136146	001	00701	480.00	W4K0755-LV
			WECK LABORATORIES, INC.	LAB SRV@TAPIA EFFL P/S	PV	136147	001	00701	180.00	W4K0755-LV
			WECK LABORATORIES, INC.	LAB SRV@TAPIA EFFL P/S	PV	136148	001	00701	180.00	W4K0703-LV
			WECK LABORATORIES, INC.	LAB SRV@RLV	PV	136149	001	00701	150.00	W4K0703-LV
			WECK LABORATORIES, INC.	LAB SRV@RLV	PV	136150	001	00701	546.00	W4K1366-LV
			WECK LABORATORIES, INC.	GRNDWTR						
			WECK LABORATORIES, INC.	LAB SRV@WSTLK	PV	136151	001	00701	53.00	W4K1367-LV
			WECK LABORATORIES, INC.	LAB SRV@TAPIA	PV	136152	001	00701	419.00	W4K1477-LV
			WECK LABORATORIES, INC.	EFFL						
			WECK LABORATORIES, INC.	LAB SRV@TAPIA EFFL	PV	136153	001	00701	210.00	W4K1570-LV
			WECK LABORATORIES, INC.	LAB SRV@BACTI RM DI WTR	PV	136154	001	00701	25.00	W4K1569-LV

Batch Number - 234810

Bank Account - 00146807 Cash-General

Payment Number	Payment Date	Address Number	Name	Payment Stub Message	TV	Document Number	Key Item	Key Co	Amount	Invoice Number
67788	12/09/14	3048	WEST COAST AIR CONDITIONING	LAB SRV@MALIBU CREEK	PV	136155	001	00701	1,683.00	W4H1732-LV
				LAB						
				SRV@MALIBU CREEK						
				LAB SRV@MALIBU CREEK	PV	136156	001	00701	2,244.00	W4K1571-LV
				Payment Amount						
				A/C PM@BLDG#8	PV	136167	001	00701	650.00	S61779
				Payment Amount						
				RPL BELTS@EIF #2	PV	136168	001	00701	22.78	S62096
				A/C	PV	136179	001	00701	395.00	S61923
				PM@BLDG#7						
				Payment Amount						
				GASKT S&DISCS FOR SPRAYFLD PIPE	PV	136040	001	00751	144.43	7818
				Payment Amount						
				LST HLLS CNST COST ESTIMATE	PV	136166	001	00754	856.75	00318416
				Payment Amount						
				RFND BAL - CLOSED A/C	PV	136129	001	00101	166.95	042696
				Payment Amount						
				TURF RMVL REBATE	PV	136049	001	00101	2,050.00	1060826
				Payment Amount						
				TURF RMVL REBATE	PV	136117	001	00101	9,500.00	751180
				Payment Amount						
				Total Amount of Payments Written					9,500.00	
				Total Number of Payments Written					403,869.80	
										78



**LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas CA 91302**

**MINUTES
REGULAR MEETING**

5:00 PM

November 11, 2014

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Board President, Charles Caspary.

1. CALL TO ORDER AND ROLL CALL

A Call to order and roll call

The meeting was called to order at **5:01p.m.**, by Board President Caspary in the District offices. Daryl Betancur, Clerk of the Board conducted the roll call.

- Present: Directors, Polan, Renger, Steinhardt, Peterson and Board President Caspary.
- Absent: None
- Staff Present: David Pedersen, General Manager
Daryl Betancur, Clerk of the Board
David R. Lippman, Director of Facilities and Operations
Carlos Reyes, Director of Resource Conservation and Public Outreach
Don Patterson, Director of Finance and Administration
Keith Lemieux, District Counsel

2. APPROVAL OF AGENDA

A Approval of agenda

General Manager Pedersen indicated that there was no need for the closed session item listed.

Director Renger moved to approve the agenda with the deletion of the closed session item(s). Motion seconded by Director Polan. Motion carried unanimously.

ITEM 4D

3. PUBLIC COMMENTS

Pamm Fair, Representative for the Office and General Units of local 721 spoke advocating for employees to have Veterans Day as a holiday.

Director Steinhardt moved to have on the agenda that staff looks into having Veteran's Day off next year. Motion seconded by Director Polan.

Board President Caspary commented that he wanted to remind Board members that the District was currently in labor negotiations and this could be a point of discussion.

4. CONSENT CALENDAR

Board President Caspary stated that he wished to pull item D from the Consent Calendar for a separate discussion.

Director Renger moved to approve the consent calendar items 4A, B C and E. Motion seconded by Director Steinhardt. Motion carried unanimously.

Director Polan had a question about the minutes of October 14, 2014 and stated that there was a typo on page 3.

Director Steinhardt offered a substitute motion to pull item D and E from the Consent Calendar. Motion seconded by Director Polan. Motion carried unanimously.

Following the vote on the substitute motion, the original motion was amended to approve consent calendar items 4A-4C. Motion carried unanimously.

- A Minutes of Regular Meetings of October 14, 2014 and October 28, 2014. Approved**
- B Director's Per Diem: October 2014 Ratified**
- C List of Demands: November 11, 2014 Approved**
- D Agoura Hills State of the City Address Approved (Pulled)**

Authorize Board Member per diem compensation for the Agoura Hills State of the City Address held at the Sheraton Agoura Hills Hotel on October 29, 2014.

Board President Caspary made brief comments about the purpose for this item and stated that these types of items will not be eligible for per diem in accordance with the District Code; however, the item was within the authority of the Board to approve.

There was a brief discussion on the item and Board members commented that this item is something that should not be allowed as a per diem; that a number of other local cities have similar events; and that it serves no function the attendance at these events. Director Steinhardt commented that these events have been paid for as a per diem for the last few years.

Director Renger moved to deny per diem compensation for the Agoura Hills State of the City event as a qualified per diem. Motion seconded by Director Peterson. Motion carried by the following roll call vote:

Motion carried by the following roll call vote:

AYES:	Director(s):	Renger, Peterson and Board President Caspary
NOES:	Director(s):	Polan and Steinhardt
ABSTAIN:	Director(s):	None

ITEM 4D

Board President Caspary asked staff that when reviewing policy as part of the Administrative Code review that this be clarified.

E Invitation for Director-Elect Jay Lewitt to Attend Events Approve (Pulled)

Invite Director-Elect Jay Lewitt to attend the AWA Waterwise Breakfast Meeting on November 20, 2014, and ACWA 2014 Fall Conference in San Diego from December 2 through December 5, 2014; and authorize expense reimbursement for the events in accordance with District Policy.

Director Renger commented that it is a good idea for the Board to help new directors get up to speed on matters pertinent to the Board affairs.

Director Steinhardt commented that he agreed that new directors should attend these types of events, though he questioned as to why the new Board-elect was not present.

Director Peterson offered motion to approve the recommendation. Motion seconded by Director Renger. Motion carried by the following roll call vote:

AYES:	Director(s):	Polan, Renger, Steinhardt, Peterson and Board President Caspary
NOES:	Director(s):	None
ABSTAIN:	Director(s):	None

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Legislative and Regulatory Updates

General Manager Pedersen updated the Board on the passage of Proposition 1, the State Water Bond Issue by 61.7%.

6. TREASURER

Director Polan commented that he had reviewed the demands with staff and found everything in order.

7. FINANCE AND ADMINISTRATION

A Proposed Change of Dental Insurance Provider

Authorize the General Manager to execute a two-year agreement with MetLife Insurance Company, at an annual cost of \$155,290, to provide dental insurance coverage.

Sherri Paniagua, Human Resources Manager and Sherri Scarda representative from Poms and Associates presented the staff report highlighting the changes from one provider to another, speaking of the benefits and answering questions from the Board relative to service levels and customer service.

Director Steinhardt moved to approve as presented. Motion seconded by Director Polan. Motion carried unanimously.

B Resolution of Intent for Continuation of Potable Water Standby Charge

Pass, approve and adopt the proposed Resolution No. 2462 of Intent for continuing the standby Charge pursuant to Municipal Water District Law of 1911; order notification for those properties that changed ownership since the last Standby Charge assessment; order publication of a Notice of Public Hearing in a newspaper of general circulation once a week for a two-week period; and set a public hearing on the matter for 5:00 p.m. on January 13, 2105.

ITEM 4D

(Reference is hereby made to Resolution No. 2462 on file in the District's Resolution Book and by this reference the same is incorporated herein and made part of hereof.)

General Manager Pedersen stated that this is the first step in the process that the Board takes each year in order to continue the standby charge and that this was a charge imposed by the District since 1995 and authorized in the Water Code of 1911; explained the purpose of the charge and what it is used for; and answered Board's question. Director Renger suggested that this information be also posted to the District's website.

Director Peterson requested that staff make mention of the standby charge deferral program as part of one of its publications to be sure customers are aware of it.

Director Peterson moved to pass, approve and adopt the proposed Resolution of Intent for continuing the standby charge. Motion seconded by Director Renger. Motion carried unanimously.

C Claim from Calabasas Country Club: Knight-Calabasas, LLC

Authorize the General Manager to settle the claim from Knight-Calabasas LLC, in the amount of \$12,776.47, for repairs of damages cause by rupture of the District's water main at the Calabasas Country Club on August 21, 2014.

General Manager Pedersen presented the staff report. Mr. Pedersen answered questions from the Board relative to the incident and what it had taken place.

Director Renger moved to authorize the General Manager to settle the claim. Motion seconded by Board President Caspary. Motion carried unanimously.

D Wonderware SCADA Software: Support Renewal

Authorize the General Manager to issue a purchase order to Wonderware West, in the amount of \$31,736.46, for the Wonderware Customer FIRST Support Renewal- Standard Level.

Director Polan moved to authorize the General Manager to issue a purchase order to Wonderware West in the amount of \$31,736.46. Motion seconded by Director Renger. Motion carried unanimously.

8. LEGAL SERVICES

A Update of Las Virgenes Municipal Water District Code: Review Session No. 5

General Manager Pedersen stated that staff is making good progress and that this review is for the sanitation portion of the Code; commented that this item was on the agenda only to seek Board members comments relative to the subject matter in question for the Board to provide direction to staff.

Mr. Pedersen highlighted some of the major changes in terms of the language and wording; commented that the purpose of this revision was to also make this portion of the system consistent with the two previous code sections, which dealt with potable and recycled water.

There were a number of questions from the Board relative to the assessment for the sewer district, who maintains the sewer lines, definition of the term "maintenance district", the relationship of this district with the Topanga Tax Zone, several grammatical errors that need to be corrected, and irrevocable letter of credit as an option.

Direction was provided to staff to make the necessary adjustments and corrections as noted in the comments from the Board.

ITEM 4D

9. NON-ACTION ITEMS

A **Organization Reports**

(1) MWD

Director Peterson reported that MWD did not have a meeting due to Veteran's Day; commented on the MWD General Manager giving a talk at the LA Times regarding infrastructure and attending the NWRA in San Diego.

(2) Other

None

B **Director's Reports on Outside Meetings**

None

C **General Manager Reports**

(1) General Business

Updated the Board on the Calabasas tank rehabilitation; stated that the exterior blast cleaning had been completed; that staff is preparing to take the tank off-line; spoke about the potable water system tour for which Director Renger was the host and it was well-attended.

(2) Follow-Up Items

None

D **Director's Comments**

Directors Polan commented that one of his constituent participated in the water tour and found it to be useful and terrific; spoke about having attended the ACWA Regions 8, 9, and 10 conference in San Diego and found it to be beneficial; commented on the minutes of October 14 when a member of the public stated that conservation efforts alone will not solve the water shortage problems.

Director Renger stated that Director Renger asked that staff consider three issues: 1) placement of large signs for sprayfields to indicate the purpose/need and fact that it was recycled water; 2) process selection of color for 5 MG tank and possibility of using camouflage pattern or painting trees in it; and 3) providing a tour of the solar facility.

Board President Caspary asked staff to look at State Water Resources Control Board reports on water consumption on its website as he noted that water usage data was posted (R-GPCD) and sewer spill information; he expressed concern that there may be inaccurate data.

10. FUTURE AGENDA ITEMS

None

11. PUBLIC COMMENTS

There were no other public comments.

ITEM 4D

12. CLOSED SESSION

No closed session was held.

A Conference with District Counsel- Anticipated Litigation (Pursuant to Government Code Section 54956.9 (b))

Number of Potential Cases: 1

B Conference with District Counsel. Existing Litigation. Pursuant to Government Code Section 54956.9 (a)

1. San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.
2. Las Virgenes- Triunfo Joint Powers Authority v. United States Environmental Protection Agency and Heal the Bay, Inc. v. Lisa P. Jackson.

13. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **6:00 p.m.**

CHARLES CASPARY, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:

BARRY STEINHARDT, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Finance & Administration

Subject: Comprehensive Annual Financial Report for Fiscal Year 2013-14 (Pg. 54)

SUMMARY:

The Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2013-14 is submitted to the Board for review. A representative from the District's independent audit firm, Pun & McGeady, LLP, will be available to answer questions.

The change in net position as reflected in the FY 2013-14 CAFR is summarized below:

Operating Revenue	\$58,679,712
Net Operating Expense from JPA	(\$13,601,745)
Other Operating Expense Before Depreciation	(\$39,531,569)
Total Operating Income Before Depreciation	\$5,546,398
Depreciation	(\$4,616,919)
Total Operating Gain	\$929,479
Non-Operating Income	\$1,905,072
Non-Operating Expense	(\$993,868)
Net Gain Before Capital Contributions	\$1,840,683
Capital Contributions	\$1,540,469
Change in Net Position	\$3,381,152
Net Position, Beginning of Year	\$230,871,435
Net Position, End of Year - June 30, 2014	\$234,252,587

RECOMMENDATION(S):

Receive and file the Comprehensive Annual Financial Report for Fiscal Year 2013-14.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

Operating income was higher than the prior year due to an increase in demand for potable water and the water rate increases that were effective on January 1, 2013 and 2014. Operating expenses also increased due to the increase in price and volume of potable water purchased from MWD. The District experienced a total operating income for the first time in several years. For comparison, the District's total operating losses for FY 2011-12 and FY 2012-13 were \$2,526,546 and \$646,813, respectively. The positive change in net position was \$3.4 million, consisting of \$1.85 million before capital contributions and \$1.55 in capital contributions.

ITEM 5C

Pun & McGeady, LLP completed the audit of the District and issued an unqualified opinion on the financial statements. The District has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the last 16 years and will submit the current CAFR for consideration again. This is the first year that Pun & McGeady, LLP has completed the District's audit. There are four one-year renewal options remaining in the audit contract.

Copies of the audit will be provided to the Board with the agenda package. Also, copies may be obtained from the Accounting Division of the District's Finance and Administration Department or through the District's website at www.LVMWD.com.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Joseph Lillio, Finance Manager

ATTACHMENTS:

[Notice of CAFR Availability](#)

NOTICE

Please be advised that the Consolidated Annual Financial Report (CAFR), which is listed on the agenda for December 9, 2014 as Item 5 C will be distributed under separate cover and made available to the public upon request as well as posted on the District website.

Clerk of the Board



9 Corporate Park
Suite 130
Irvine, California 92606

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Fax: (949) 777-8850
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December 3, 2014

To the Board of Directors of the Las Virgenes Municipal District
Calabasas, California

We have audited the financial statements of the Las Virgenes Municipal Water District (the "District") for the year ended June 30, 2014, and have issued our report thereon dated December 3, 2014. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated July 15, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the District. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the MD&A and the Schedule of Funding Progress for CalPERS Pension Plan and Other Post-Employment Benefits Plan, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the Introductory and Statistical Sections which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in this report. We have no responsibilities for determining whether this other information is properly stated. This other information is not audited and we do not express an opinion or provide any assurance on it.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

We performed the audit according to the planned scope and timing previously communicated to you.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2014. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the investment fair market value is based on information provided by the State of California for its investment in the Local Agency Investment Fund and information provided by the Union Bank, the trustee for the District's investments in municipal bonds and U.S. Government Sponsored Enterprise Securities. We evaluated the key factors and assumptions used to develop the estimate of the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate for the allowance for doubtful accounts is based on the District's historical data with the collectability of its accounts receivable. We evaluated the key factors and assumptions used to develop the estimate for the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 2 – Summary of Significant Accounting Policies
- Note 3 – Cash and Investments
- Note 6 – Investment in Joint Powers Authority
- Note 11 – Pension Plans
- Note 12 – Other Post-Employment Benefits
- Note 14 – Commitment and Contingencies

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The following summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

- One invoice for services provided in FY13-14 but paid in July 2014 was not accrued to accounts payable and retention payable in the amount of \$141,052 and \$7,424, respectively. The construction in progress was understated by \$148,476 for the respective invoice as well. The net effect to the net position is zero.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

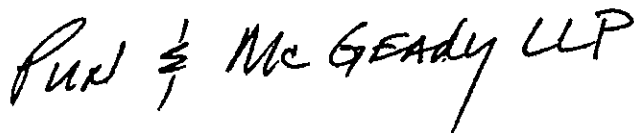
We applied certain limited procedures to the defined benefit plan, schedule of funding progress – miscellaneous employees, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the Introductory and Statistical Section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

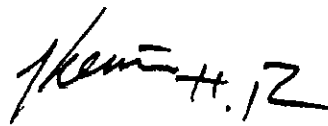
Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Las Virgenes Municipal Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Irvine, California

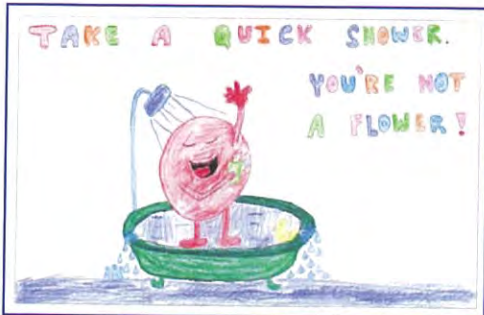
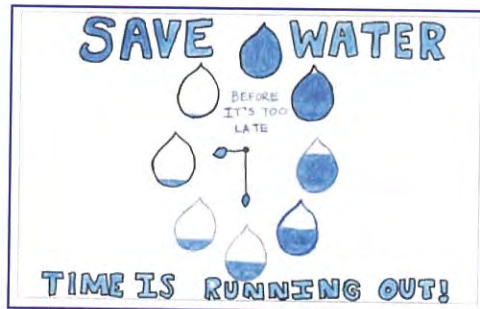
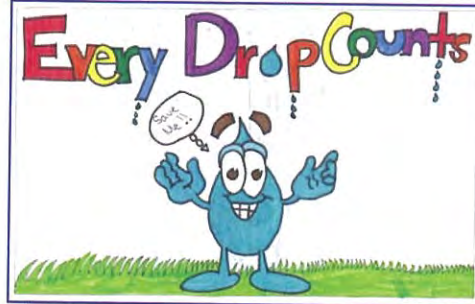


Kenneth H. Pun, CPA, CGMA
CPA Number: 88316

Las Virgenes Municipal Water District

Comprehensive Annual Financial Report
For Fiscal Years Ended

June 30, 2014 and 2013



2014 Water Awareness Poster Contest Finalists

4232 Las Virgenes Road, Calabasas
Los Angeles County, California



**Las Virgenes Municipal Water District
Los Angeles County, California**

**Comprehensive Annual Financial Report
For the Years Ended June 30, 2014 and 2013**

Prepared by:

The Finance and Administration Department

**Donald Patterson
Director of Finance and Administration**

**Joseph Lillio
Finance Manager**

Las Virgenes Municipal Water District

BOARD OF DIRECTORS

Charles P. Caspary	President
Glen D. Peterson	Vice President, MWD Representative
Barry S. Steinhardt	Secretary
Leonard E. Polan	Treasurer
Lee Renger	Director

MANAGEMENT

David W. Pedersen	General Manager
David Lippman	Director of Facilities and Operations
Carlos Reyes	Director of Resource Conservation and Public Outreach
Donald Patterson	Director of Finance and Administration

LEGAL COUNSEL

Wayne K. Lemieux	Counsel
-------------------------	----------------

**Additional information may be found at
www.LVMWD.com**

Las Virgenes Municipal Water District

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Dedicated to Providing Quality
Water & Wastewater Service

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President

Charles P. Caspary
Director, Division 1

Vice President

Glen D. Peterson
Director, Division 2
MWD Representative

Secretary

Barry S. Steinhardt
Director, Division 5

Treasurer

Leonard E. Polan
Director, Division 4

Lee Renger

Director, Division 3

David W. Pedersen, P. E.

General Manager

Wayne K. Lemieux

Counsel

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TAPIA WATER

RECLAMATION FACILITY
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RANCHO LAS VIRGENES

COMPOSTING FACILITY
(818) 251-2340
Fax (818) 251-2349

www.LVMWD.com

MEMBER AGENCY OF THE
METROPOLITAN WATER
DISTRICT
OF SOUTHERN CALIFORNIA

December 9, 2014

To: Board of Directors
Las Virgenes Municipal Water District
Los Angeles County, California

From: David W. Pedersen, General Manager
Donald Patterson, Director of Finance & Administration

Subject: **COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL
YEAR 2013/14**

California law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Pun & McGeady LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Las Virgenes Municipal Water District's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Las Virgenes Municipal Water District (LVMWD), incorporated in 1958, is located on the western edge of Los Angeles County, California, and includes the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, and adjacent areas of Los Angeles County. LVMWD occupies 122 square miles and serves a population of approximately 70,000. LVMWD is also the administering agent for the Las Virgenes – Triunfo Joint Powers Authority (JPA), which provides sanitation services to approximately 100,000 people within 172 square miles of western Los Angeles County and southeastern Ventura County.

Retail potential of the area is not fully satisfied and there has been considerable growth along the freeway corridor. Developers are carefully creating compatible new retail centers and other mixed-use projects. Shopping areas, such as The Commons in Calabasas and Shoppes at Westlake, reflect the taste and demographics of the population they serve.

Financial Condition and Outlook

Over the past several years, the District was successful at weathering the financial downturn through prudent management of its resources, holding employee compensation steady and by eliminating and downgrading positions. The District has also been successful at minimizing impacts to ratepayers by utilizing working capital for major construction projects. Because the District provides essential water and sanitation services, the revenue reductions experienced by many other types of local government agencies in the region were not realized.

Additionally, in July 2011, the Board hired Raftelis Financial Consultants to review the financial position and rate structure of LVMWD with the purpose of developing future rates that provide adequate financial resources while also promoting water conservation. The study assessed the financial needs of the District through Fiscal Year (FY) 2014/15 and proposed new rates and fee structures for three years. The Board directed staff to proceed with the Proposition 218 process for the proposed rate schedule at the June 26, 2012 Board meeting. On November 13, 2012, the Board approved the proposed rates for potable water, recycled water and sanitation to become effective on January 1, 2013 and adjusted annually through January 1, 2015. The District has recently hired Raftelis Consultants to complete a new Cost of Services Analysis and Rate Study to ensure sufficient funding beyond 2015.

Although the financial position of the District is stable, the multi-year drought is having an impact on operations and water sales. The District has implemented mandatory outdoor watering restrictions to reduce demand. The drought has also resulted in a significant increase in the District's water conservation grants, such as the Mow-no-Mow Turf Replacement Program. These grants are funded by the Metropolitan Water District of Southern California and administered by LVMWD. If the drought continues into 2015 and additional restrictions are put in place, the District may face revenue pressure if significant reductions in water use occur. Additionally, a continuing drought may have an impact on the current Cost of Services and Rate Study as the recommendations that ensure future financial stability are completed.

Relevant financial policies

Since 1999, the District has utilized a broad-based set of Board-adopted financial policies to guide it in making important financial decisions. The policies are reviewed and updated periodically to address changing conditions and adopted annually as an integral part of the budget. The Board made a change to the adopted financial policies during FY 2013-14 by adopting policy statement No. 11: recycled water operation reserves. This new policy states:

"When the operating reserves for recycled water exceed the amount required in Policy 6 (Operating Funds Cash requirement) plus policy 7 (Replacement and Major Maintenance Fund by Enterprise), the District may use the net reserves to pay for research, studies and construction of projects to increase the beneficial use of recycled water and/or set aside funds to ultimately pay for (pay-go) or service the debt associated with a seasonal storage reservoir for recycled water, if the expenditure is approved by the Board."

Major initiatives

During fiscal year 2013/14, the District made significant process on several major initiatives. Significant work has been completed on a new tank at the Las Virgenes Reservoir that is part of a backbone improvement program to enhance the reliability of water service to the District's customers.

In winter 2014, the Board approved a framework to move forward with water budget based rates. The budget based rates, which provide a custom water budget to each customer, will significantly improve ratepayers ability to ensure efficient use of water and, along with conversion to monthly billing, improve usage feedback to customers and smooth cash flow for the District.

The District conducted labor negotiations with the Management and Supervisory, Professional, and Confidential Employee Bargaining Units beginning in the spring of 2013. Both of these unit's MOUs were set to expire on June 30, 2013. The District came to an agreement on successful terms for both of these units and new MOUs were approved in August 2013, covering the period of July 1, 2013 through June 30, 2015.

In December 2012, the District became aware of the ramifications of a proposed Environmental Protection Agency (EPA) regulation that would have major financial implications on the District's sanitation operating costs in the future. The new regulation would potentially require the District to construct major new treatment facilities to remove nutrients to extremely low levels. The District and its JPA partner, Triunfo Sanitation District (TSD), took a proactive stance on the regulation by engaging in discussions with the EPA; educating the District's customers on the impact of the regulation; and seeking assistance from local, state and federal elected officials. This issue is still ongoing with litigation filed against the EPA to challenge the regulation. The results of the new regulation, its impact on the District, and the outcome of the litigation will not be fully known until sometime in the next fiscal year.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to LVMWD for its Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2013. This was the sixteenth consecutive year that LVMWD has received this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. Staff believes that its current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, LVMWD also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for FY 2013/14 and FY 2012/13.

Acknowledgements

The preparation and development of this report would not have been possible without the year-round work of the Finance Division staff and their special efforts, working in conjunction with the City's independent auditors, to produce this report. We would also like to thank the Board for their continued interest and support in managing the District's financial resources in a responsible manner that ensure transparency and proper stewardship of rate payer's money.

Respectfully submitted,



David W. Pedersen
General Manager



Donald Patterson
Director of Finance & Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Las Virgenes Municipal Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO





9 Corporate Park
Suite 130
Irvine, California 92606

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www.pm-llp.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Las Virgenes Municipal Water District
Calabasas, California

Report on Financial Statements

We have audited the accompanying financial statements of the Las Virgenes Municipal Water District, California (the "District"), which comprise of the statement of net position as of June 30, 2014, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Funding Progress for CalPERS pension plan and Other Post-Employment Benefits plan, as identified in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

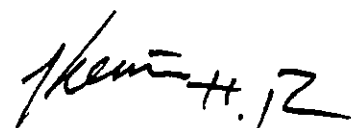
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

2013 Financial Information

The Las Virgenes Municipal Water District's basic financial statements for the year ended June 30, 2013 were audited by other auditors whose report thereon dated November 12, 2013, expressed an unmodified opinion on the respective financial statements of the District.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Irvine, California
December 3, 2014

Kenneth H. Pun, CPA, CGMA
CPA Number: 88316



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Suite 130
Irvine, California 92606

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
of the Las Virgenes Municipal Water District
Calabasas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Las Virgenes Municipal Water District, California (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

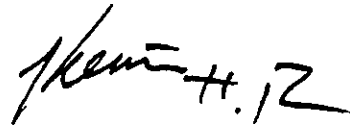
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "Pun & Mc Geady LLP". The signature is written in a cursive, slightly slanted style.

Irvine, California
December 3, 2014

Handwritten signature in black ink that reads "Kenneth H. Pun". The signature is written in a cursive, slightly slanted style.

Kenneth H. Pun, CPA, CGMA
CPA Number: 88316

LAS VIRGENES MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014 and 2013

This section of the District's annual financial report presents our analysis of the District's financial performance during the Fiscal Year that ended on June 30, 2014 and 2013. Please read it in conjunction with the Financial Statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$3.4 million to \$234.3 million during the year ended on June 30, 2014 and increased by \$1.6 million to \$230.9 million during the year ended June 30, 2013.
- During the year ended June 30, 2014 the District's revenues increased by 10.4% to \$60.6 million, while expenses increased by 5.9% to \$58.7 million. During the year ended June 30, 2013 the District's revenues increased by 9.2% to \$54.9 million, while expenses increased by 6.7% to \$55.5 million.
- Capital contributions to the District decreased to \$1.5 million or a 29.0% decrease in fiscal year 2013-14 compared to a increase to \$2.2 million or a 38.2% increase in fiscal year 2012-13.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to Las Virgenes Municipal Water District's basic financial statements. The District's basic financial statements comprise two components: Financial Statements and Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

BASIC FINANCIAL STATEMENTS

The Financial Statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets, deferred outflow of resources, liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine the District's credit worthiness and whether the District has successfully recovered all its costs through its user fees and other charges.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

Our analysis of the District begins on page 12 of the Financial Statements. One of the most important questions asked about the District's finances is "Is the District, as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position, the difference between assets, deferred outflow of resources and liabilities, as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

NET POSITION

Our analysis begins with a summary of the District's Statement of Net Position in Table 1.

TABLE 1
Condensed Statements of Net Position
(In thousands of dollars)

	<u>FY 2014</u>		<u>FY 2013</u>		<u>FY 2012</u>
Current and Other Assets	\$ 87,770	\$	88,608	\$	84,798
Capital Assets	113,119		107,288		109,462
Investment in JPA	68,788		69,066		71,156
Total Assets	\$ 269,677	\$	264,962	\$	265,416
Deferred Outflow of Resources	\$ 1,503	\$	1,662	\$	1,822
Long-Term Debt Outstanding	22,281		24,293		26,240
Other Liabilities	14,647		11,460		11,714
Total Liabilities	\$ 36,928	\$	35,753	\$	37,954
Net Position:					
Net Investment in Capital Assets,	\$ 90,476	\$	82,870	\$	83,297
Restricted	4,106		7,208		8,523
Unrestricted	139,671		140,793		137,464
Total Net Position	\$ 234,253	\$	230,871	\$	229,280

As shown above, net position increased by \$3.4 million to \$234.3 million in FY 2014, up from \$230.9 million in FY 2013, primarily due to an increase in capital assets.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

TABLE 2
Condensed Statements of Revenues,
Expenses and Changes in Net Position
(In thousands of dollars)

	<u>FY 2013</u>		<u>FY 2013</u>		<u>FY 2012</u>
Operating Revenues:					
Water Sales	\$ 41,177	\$	35,637	\$	31,205
Sanitation and Other	17,503		17,429		17,142
Non-operating Revenues:					
Taxes and Penalties	892		888		884
Interest Income and Other	1,013		965		1,079
Total Revenues	\$ 60,585	\$	54,920	\$	50,310
Depreciation Expense	\$ 4,617	\$	4,729	\$	4,931
Other Operating Expenses	39,532		35,339		32,790
Share of JPA Net Expenses	13,602		13,644		13,153
Non-Operating Expenses	994		1,788		1,152
Total Expenses	\$ 58,745	\$	55,501	\$	52,025
Income (Loss) Before Capital Contributions	\$ 1,841	\$	(581)	\$	(1,715)
Capital Contributions	1,540		2,168		1,569
Change in Net Position	\$ 3,381	\$	1,587	\$	(146)
Net Position - Beginning of Year	\$ 230,871	\$	229,284	\$	229,430
Net Position - End of Year	<u>\$ 234,253</u>	<u>\$</u>	<u>230,871</u>	<u>\$</u>	<u>229,284</u>

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides answers concerning the nature and source of these changes. As shown in Table 2 above, the Income Before Capital Contributions was \$1.8 million. The Income plus Capital Contributions lead to the overall increase in Net Position of \$3.4 million.

Water sales, our biggest revenue source, were higher by volume sold as the dry weather was persistent throughout the year, creating a greater demand for water by our customers. Also, potable water rates were increased on January 1, 2013, followed by another increase on January 1, 2014. Sanitation rates were restructured as of July 1, 2013. These new rates were revenue neutral for 2013, with a slight rate increase beginning on July 1, 2014.

The increase in taxes and penalties, as well as, interest income and other revenues was minimal. The slight increase reflects the overall stabilization of the economic environment, with property valuations within the District improving and the overall interest rates on investments stabilizing. Many financial instruments in the portfolio were called early in the prior year and the replacement investments offered slightly better interest rates.

The increase in operating expenses was due to the increase in potable water demand and the increase in the cost to purchase water from Metropolitan Water District (MWD).

Capital contributions are irregular as the major residential potential developments have been completed and many small projects are anticipated in the future, which is anticipated in the District's master plan for each enterprise.

CAPITAL ASSETS

At the end of FY 2014, the District had invested \$210.2 million in a broad range of infrastructure including water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles and equipment and an investment in Joint Venture of \$68.8 million as shown in Table 3. More information about the District's Capital Assets is presented on pages 31 and 32 in the Notes to the Basic Financial Statements.

TABLE 3
Capital Assets
(In thousands of dollars)

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Land	\$6,915	\$6,915	0	0.00%
Buildings and Improvements	21,797	21,793	4	0.02%
Machinery and Equipment	10,802	10,765	37	0.34%
Infrastructure	159,138	157,853	1,285	0.81%
Construction in Progress	<u>11,527</u>	<u>2,994</u>	<u>8,533</u>	<u>285.00%</u>
Subtotal	<u>210,179</u>	<u>200,320</u>	<u>9,859</u>	<u>4.92%</u>
Less Accumulated Depreciation	<u>97,060</u>	<u>93,032</u>	<u>4,028</u>	<u>4.12%</u>
Net Property, Plant and Equipment	<u>113,119</u>	<u>107,288</u>	<u>5,831</u>	<u>5.43%</u>
Investment in Joint Venture	<u>68,788</u>	<u>69,066</u>	<u>(278)</u>	-0.40%
Total Capital Assets	<u>\$181,907</u>	<u>\$176,354</u>	<u>5,553</u>	<u>3.15%</u>

The following is a summary of some of the major improvements to the system during FY 2014.

TABLE 4
Major Capital Improvement Projects
(In thousands of dollars)

	<u>FY 2014</u>
East-West Potable Water Transmission Main	\$ 5,456
Construction of Third Digester at Rancho	5,185
Five Million Gallon Potable Water Tank	3,546
Emergency Repair 10" main on Calabasas Rd-Transmission Line	613
Tapia Alternative Disinfection Improvements	<u>259</u>
Total	<u>\$ 15,059</u>

LONG TERM DEBT

At year-end, the District had \$24.1 million in net long-term debt, down from \$26.1 million in FY 2013, a decrease of \$2.0 million due to the District's payment of the annual debt obligation. This debt is solely the obligation of the Sanitation Enterprise. More detailed information about the District's long-term liabilities is presented on pages 33 to 34 in the Notes to the Basic Financial Statements. No new debt was incurred in FY 2014.

The District maintains an "AA" rating from Standard & Poor's for the refunding revenue bonds.

One area that demonstrates the District's financial strength and future borrowing capability is seen in its debt coverage ratio. Current bond covenants require that the debt coverage ratio must be greater than 1.10. The debt coverage ratio for FY 2014 was 2.71%.

TABLE 5
Debt Coverage Ratio
(In thousands of dollars)

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Total Percent Change</u>
Revenues:			
Revenues from Operations	\$16,552	\$16,588	-0.2%
Interest Income and Other	472	570	-17.2%
Capacity Fees	<u>1,125</u>	<u>1,085</u>	3.7%
Total Revenues	18,149	18,243	-0.5%
Total Operating Expenses (less depreciation)	<u>10,692</u>	<u>10,209</u>	4.7%
Net Earnings	<u>7,457</u>	<u>8,034</u>	-7.2%
Maximum Annual Debt Service	<u>2,756</u>	<u>2,756</u>	0.0%
Debt Coverage Ratio	<u>2.71</u>	<u>2.92</u>	<u>-7.2%</u>

The District has outstanding refunding revenue bonds issued in December 2009. The District's current average cost of capital is 4.05%, as shown on Table 6.

TABLE 6
Cost of Capital
(In thousands of dollars)

	<u>Debt Balance</u>	<u>Average Coupon Rate</u>
Refunding Revenue Bonds	<u>22,585</u>	4.05%
Total	<u>22,585</u>	<u>4.05%</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Las Virgenes Municipal Water District, Department of Finance and Administration, 4232 Las Virgenes Road, Calabasas, California, 91302; or visit our website at www.lvmwd.com.

BASIC FINANCIAL STATEMENTS

Las Virgenes Municipal Water District
Statements of Net Position
June 30, 2014 and 2013

ASSETS	2014	2013
Current assets:		
Unrestricted assets:		
Cash and cash equivalents (Note 3)	\$ 17,349,341	\$ 10,154,698
Cash and cash equivalents - reserved for capital projects (Note 3)	889,217	690,986
Investments (Note 3)	43,983,611	50,609,700
Receivables:		
Sales and services, net of allowance for uncollectible (Note 4)	10,233,334	9,760,254
Due from Joint Powers Authority (Note 6)	4,647,974	4,465,563
Interest	98,178	155,283
Interest receivable - reserved for capital projects	33	7
Taxes	209,759	362,438
Other	131,142	120,480
Inventories (Note 5)	6,964,104	7,414,565
Prepaid items	228,007	223,824
Total unrestricted assets	84,734,700	83,957,798
Restricted assets:		
Cash and cash equivalents (Note 3)	3,033,997	3,643,537
Investments (Note 3)	-	1,000,000
Interest receivable	1,954	6,865
Total restricted assets	3,035,951	4,650,402
Total current assets	87,770,651	88,608,200
Noncurrent assets:		
Investments in Joint Powers Authority (Note 6)	68,787,771	69,065,817
Capital assets (Note 7):		
Nondepreciable	18,442,005	9,909,586
Depreciable, net of accumulated depreciation	94,677,043	97,378,412
Capital assets, net	113,119,048	107,287,998
Total noncurrent assets	181,906,819	176,353,815
Total assets	269,677,470	264,962,015
DEFERRED OUTFLOWS OF RESOURCES		
Loss on debt refunding	1,502,837	1,662,430
Total deferred outflows of resources	1,502,837	1,662,430

Las Virgenes Municipal Water District
Statements of Net Position (Continued)
June 30, 2014 and 2013

LIABILITIES	<u>2014</u>	<u>2013</u>
Current liabilities:		
Payable from unrestricted current assets:		
Accounts and contracts payable and accrued expenses	7,263,584	5,011,312
Unearned capacity fees	3,276,992	2,455,622
Deposits and other	148,888	142,819
Compensated absences (Note 8)	1,933,836	1,892,314
Long-term debt - due within one year (Note 9)	1,864,828	1,787,772
Total payable from unrestricted current assets	<u>14,488,128</u>	<u>11,289,839</u>
Payable from restricted assets:		
Interest payable	158,621	170,388
Total payable from restricted assets	<u>158,621</u>	<u>170,388</u>
Total current liabilities	<u>14,646,749</u>	<u>11,460,227</u>
Noncurrent liabilities:		
Long-term debt - due in more than one year (Note 9)	22,280,972	24,292,783
Total noncurrent liabilities	<u>22,280,972</u>	<u>24,292,783</u>
Total liabilities	<u>36,927,721</u>	<u>35,753,010</u>
NET POSITION (Note 10)		
Net investment in capital assets	90,476,084	82,869,873
Restricted for:		
Debt services	2,607,766	2,594,512
Capital Projects	1,498,145	4,613,518
Unrestricted	139,670,591	140,793,532
Total net position	<u>\$ 234,252,586</u>	<u>\$ 230,871,435</u>



Las Virgenes Municipal Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2014 and 2013

	2014	2013
Operating Revenues:		
Water sales and service fees	\$ 41,176,525	\$ 35,637,266
Sanitation service fees	16,552,269	16,587,629
Rental income	62,539	5,000
Other income	888,379	836,224
Total operating revenues	58,679,712	53,066,119
Operating Expenses:		
Water expenses:		
Source of supply	26,197,436	22,646,500
Pumping	1,754,112	1,517,864
Transmission and distribution	2,857,585	3,085,957
Meter	777,871	672,715
Water conservation	444,214	361,332
Rental	3,871	5,345
General and administrative	5,767,648	5,618,817
Total water expenses	37,802,737	33,908,530
Sanitation expenses:		
Other sewage treatment	309,288	251,958
Lifting	409,999	307,770
General and administrative	1,009,545	871,013
Total sanitation expenses	1,728,832	1,430,741
Depreciation	4,616,919	4,729,291
Total operating expenses	44,148,488	40,068,562
Net Operating Income	14,531,224	12,997,557
Nonoperating Revenues (Expenses):		
Taxes and penalties	891,625	888,338
Interest income	496,362	609,844
Facilities charge	389,038	355,476
Interest expense	(992,060)	(1,058,701)
Share of Joint Powers Authority (expense)	(13,601,745)	(13,644,370)
Loss on disposal of capital asset	(1,808)	(2,662)
Other revenues/(expenses)	128,047	(726,896)
Total nonoperating revenues (expenses)	(12,690,541)	(13,578,971)
Capital Contributions	1,540,469	2,168,492
Changes in Net Position	3,381,152	1,587,078
Net Position:		
Beginning of year	230,871,435	229,284,357
End of year	\$ 234,252,587	\$ 230,871,435

Las Virgenes Municipal Water District
Statements of Cash Flows
For the Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows From Operating Activities:		
Cash received from customers	\$ 57,324,322	\$ 51,217,780
Cash payments to suppliers for operations	(30,099,192)	(29,850,811)
Cash received from (paid to) Joint Powers Authority	(182,411)	(281,115)
Cash payments for general and administrative expenses	(6,692,305)	(5,618,817)
Cash received from others	1,005,764	137,547
Net cash provided by operating activities	21,356,178	15,604,584
Cash Flows From Noncapital Financing Activities:		
Property taxes and fee collected	1,044,304	942,266
Receipt from facilities charges	389,038	355,476
Net cash provided by noncapital financing activities	1,433,342	1,297,742
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets	(8,896,940)	(404,108)
Proceeds from sale of assets	560	15,000
Repayment of bonds payable and capital leases	(1,788,389)	(1,747,574)
Interest payment	(1,003,528)	(1,061,575)
Capital facilities fees	821,370	(660,757)
Net cash used in capital and related financing activities	(10,866,927)	(3,859,014)
Cash Flows From Investing Activities:		
Interest received	558,378	645,199
Contributions to Joint Power Authority	(13,323,699)	(11,554,393)
Investments matured (purchased), net	7,626,089	(6,287,866)
Net cash used in investing activities	(5,139,232)	(17,197,060)
Net Increase (Decrease) in Cash and Cash Equivalents	6,783,361	(4,153,748)
Cash and Cash Equivalents:		
Beginning of year	14,489,221	18,642,969
End of year	\$ 21,272,582	\$ 14,489,221
Financial Statement Presentation:		
Cash and investments	\$ 17,349,341	\$ 10,154,698
Cash and investments with fiscal agent	3,033,997	3,643,537
Total cash and cash equivalents	\$ 20,383,338	\$ 13,798,235

Las Virgenes Municipal Water District
Statements of Cash Flows (Continued)
For the Years Ended June 30, 2014 and 2013

	2014	2013
Reconciliation of Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Net operating income	\$ 14,531,224	\$ 12,997,557
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	4,616,919	4,729,291
Amortization	299	299
Other revenues	128,047	(726,896)
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(485,772)	(1,007,115)
(Increase) decrease in due from Joint Powers Authority	(180,680)	(281,115)
(Increase) decrease in inventories	450,461	(548,219)
(Increase) decrease in prepaid expenses	(4,183)	70,951
Increase (decrease) in accounts and contracts payable and accrued expenses	2,293,794	417,862
Increase (decrease) in deposits and other	6,069	(48,031)
Net cash provided by noncapital financing activities	\$ 21,356,178	\$ 15,604,584

Disclosure of Noncash Transactions:

1. The District received capital contributions in the forme of donated capital assets totaling \$0 and \$493,800 for the years ended June 30, 2014 and 2013, respectively.
2. Projects funded by water and sewer capacity fees/connection fees and meter installation fees were completed during the fiscal years. As a result, contributed assets of \$1,484,484 and \$1,598,062 were reclassified from deferred capacity fees to contributed capital for the years ended June 30, 2014 and 2013, respectively.
3. The District had additions to capital assets from the capital lease in the amount of \$12,928, and \$0 for the years ended June 30, 2014 and 2013, respectively.
4. The District had unrealized investment gains (losses) in the amount of \$(62,624) and \$(441,051) as of June 30, 2014 and 2013, respectively.



Las Virgenes Municipal Water District
Notes to the Basic Financial Statements
For the Years Ended June 30, 2014 and 2013

Note 1 – Reporting Entity

Las Virgenes Municipal Water District (the “District”) is organized under the Municipal Water District Act of 1911 (California Water Code 71000). A five-member board of directors, who are elected by geographic divisions, provide governance. The District was formed to secure a high quality, reliable source of water for areas which include the cities of Agoura Hills, Calabasas, Hidden Hills and Westlake Village, plus surrounding unincorporated portions of western Los Angeles County.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the District.

The financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

Operating revenues are those revenues that are generated from the primary operations of the District. The District reports a measure of operations by presenting the change in net assets from operations as “operating income” in the statement of revenues, expenses, and changes in net assets. Operating activities are defined by the District as all activities other than financing and investing activities (interest expense and investment income), grants and subsidies, settlement receivable allowance, and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

Restricted Cash and Investments

Cash and investments with fiscal agents are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents acting on behalf of the District hold investment funds arising from the proceeds of long-term debt issuances. The funds may be used for specific capital outlays or for the payment of certain bonds, and have been invested only as permitted by specific State statutes or applicable District ordinance, resolution or bond indenture.

Receivables and Unbilled Revenues

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts, if any. The District also accrues an estimated amount for services that have been provided, but not yet billed. Federal and State grants accrued as revenue when all eligibility requirements have been met. Amount earned but outstanding at year end are reported as due from other governments.

Inventory of Materials

Inventories consist of expendable materials, supplies, and water in storage and are stated at average cost.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. The District policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Water Plant	Source of supply (primarily water tanks)	10 - 100 Years
	Plant	10 - 75 Years
	Structures	25 - 35 Years
Sanitation Plant	Plant	10 - 100 Years
	Machinery and equipment	3 - 25 Years
General Utility Plant	Building and improvements	10 - 50 Years
	Machinery and equipment	3 - 25 Years

Major outlays for capital assets are capitalized as projects, once constructed, and repairs and maintenance costs are expensed. Interest accrued during capital assets construction, if any, is capitalized as part of the asset cost, net of interest income on construction bond proceeds.

Capital Contributions

Prepayments of water and sewer capacity fees/connection fees assessed by the District are reported as unearned revenues until construction of the related projects has commenced and the District is reasonably certain they will be completed. Upon completion, the applicable amounts are recognized as revenues.

Compensated Absences

District's policy permits its employees to accumulate not more than 288 hours of their current annual vacation for the miscellaneous general and office units and not more than 311 hours for the supervisor, professional, confidential and management units. General Managers are compensated 5 days into accrued sick leave bank at onset of employment and 8 hours per month thereafter up to 96 hours per year with a maximum of 311 hours accrual. Non-Represented employees are compensated 8 hours per month. The annual accrual of sick leave has no maximum accrual. The combined unused vacation and sick pay will be paid to employee or his/her beneficiary upon leaving the District's employment. The amount due will be determined using salary/wage rate in effect at the time of separation and vesting period.

All vested vacation and compensatory leave time is recognized as an expense and as a liability at the time the benefit vests. The liability for compensated absences is included as part of compensated absences payable from unrestricted current assets.

Long-Term Debt

Debt premiums and discounts are amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable unamortized bond premium or discount. Debt issuance costs are expensed when incurred.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Arbitrage Rebate Requirement

The District is subject to the Internal Revenue Code (“IRC”) Section 148(f), related to its tax exempt revenue bonds. The IRC requires that investment earnings on gross proceeds of any revenue bonds that are in excess of the amount prescribed will be surrendered to the Internal Revenue Service. The District had no rebate liability for arbitrage as of June 30, 2014 and 2013.

Net Position

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Property Taxes

Property taxes are levied on March 1 and are payable in two installments: November 1 and February 1 of each year. Property taxes become delinquent on December 10 and April 10, for the first and second installments, respectively. The lien date is March 1. The County of Los Angeles, California (“County”) bills and collects property taxes and remits them to the District according to a payment schedule established by the County.

The County is permitted by State law to levy on properties at 1% of full market value (at time of purchase) and can increase the property tax rate at no more than 2% per year. The District receives a share of this basic tax levy proportionate to what it received during the years 1976-1978.

Property taxes are recognized in the fiscal year for which the taxes have been levied.

No allowance for doubtful accounts was considered necessary.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 2 – Summary of Significant Accounting Policies (Continued)

Accounting Changes

GASB Statement No. 66, *Technical Corrections – 2012 (an amendment of GASB Statement No. 10 and No. 62)*. The requirements of this statement resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This statement became effective for periods beginning after December 15, 2012 and did not have a significant impact on the District's financial statements for the year ended June 30, 2014.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. This statement became effective for periods beginning after June 15, 2013 and did not have a significant impact on the District's financial statements for the year ended June 30, 2014.

Note 3 – Cash and Investments

At June 30, 2014 and 2013, cash and investments are classified in the accompanying statements of net position as follows:

	2014	2013
Unrestricted Assets:		
Cash and cash equivalents	\$ 17,349,341	\$ 10,154,698
Investments	43,983,611	50,609,700
Restricted Assets:		
Cash and cash equivalents	3,923,214	4,334,523
Investments	-	1,000,000
Total cash and investments	\$ 65,256,166	\$ 66,098,921

At June 30, 2014 and 2013, cash and investments consisted of the followings:

	2014	2013
Deposits:		
Demand Deposits	\$ 1,484,813	\$ (178,309)
Total deposits	1,484,813	(178,309)
Investments:		
Municipal Bonds	9,029,361	13,016,007
U.S. Government Sponsored Agency Security	34,954,250	38,593,693
Repurchased Agreement	-	867,287
Money Market Mutual Funds	-	5,986
California Local Agency Investment Fund	17,022,880	11,031,035
Total investments	61,006,491	63,514,008
Investments with Fiscal Agents:		
Money Market Mutual Funds	-	176
California Local Agency Investment Fund	2,764,862	2,763,046
Total investments with fiscal agents	2,764,862	2,763,222
Total cash and investments	\$ 65,256,166	\$ 66,098,921

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

The statement of cash flows has been prepared by considering the following deposits and investment instruments to be cash and cash equivalents:

	2014	2013
Demand Deposits	\$ 1,484,813	\$ (178,309)
Repurchased Agreement	-	867,287
Money Market Mutual Funds	-	6,162
California Local Agency Investment Fund	19,787,742	13,794,081
Total cash and cash equivalents	\$ 21,272,555	\$ 14,489,221

Demand Deposits

The carrying amounts of cash deposits were \$1,484,813 and \$(178,309) at June 30, 2014 and 2013, respectively. Bank balances at June 30, 2014 and 2013 were \$1,487,949 and \$693,012, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the Health Center's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District's name.

The fair value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

California Local Agency Investment Funds

The District is a voluntary participant in the Local Agency Investment (LAIF) that is regulated by California Government Code Section 18429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The District's investments with California Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

- **Structured Notes** - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.
- **Asset-Backed Securities** - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

As of June 30, 2014, the District had \$19,787,742 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to \$13,794,081 and 1.96% at June 30, 2013. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are reported at fair market value.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

Investments Authorized by the California Code and The District’s Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Bills, Bonds and Notes	5 years	None	None
United State Government Sponsored Agency Securities	5 years	None	None
Time Deposits	1 year	25%	None
Repurchase Agreements	30 days	10%	None
California Local Agency Investment Fund (LAIF)	None	None	\$50,000,000
Local Government Investment Pools	None	None	None
Bonds Issue by Local Agencies or States	5 years	None	None

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	None	None	None
United State Government Sponsored Agency Securities	3 years	None	None
Time Deposits	360 days	None	None
Banker's Acceptances	360 days	None	None
Money Market Mutual Fund	None	None	None
Local Agency Fund	None	None	None
Commercial Paper	270 days	None	None
Investment Agreement	None	None	None
Other investments approved by bond insurer	None	None	None

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2014 and 2013.

June 30, 2014

Investment Type	Remaining Maturity (in Years)					Fair Value Total
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Municipal Bonds	\$ 4,454,043	\$ 997,200	\$ 2,572,128	\$ 1,005,990	\$ -	\$ 9,029,361
Federal Farm Credit Bank	-	1,011,600	1,996,750	1,992,120	-	5,000,470
Federal Home Loan Bank	2,014,460	997,190	1,012,330	1,995,260	3,000,250	9,019,490
Federal Home Loan Mortgage Corporation	-	-	2,005,280	5,941,510	2,013,090	9,959,880
Federal Nation Mortgage Association	1,002,580	1,004,600	2,988,300	5,978,930	-	10,974,410
Local Agency Investment Fund	17,022,880	-	-	-	-	17,022,880
Investment with fiscal agents:						
Local Agency Investment Fund	2,764,862	-	-	-	-	2,764,862
	<u>\$ 27,258,825</u>	<u>\$ 4,010,590</u>	<u>\$ 10,574,788</u>	<u>\$ 16,913,810</u>	<u>\$ 5,013,340</u>	<u>\$ 63,771,353</u>

June 30, 2013

Investment Type	Remaining Maturity (in Years)					Fair Value Total
	Less Than 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	
Municipal Bonds	\$ 3,020,390	\$ 5,451,329	\$ 991,910	\$ 2,558,348	\$ 994,030	\$ 13,016,007
Federal Farm Credit Bank	-	-	1,010,450	1,973,790	1,957,560	4,941,800
Federal Home Loan Bank	1,004,820	2,038,270	992,260	1,005,280	2,951,920	7,992,550
Federal Home Loan Mortgage Corporation	-	-	1,993,030	3,979,350	3,880,470	9,852,850
Federal Nation Mortgage Association	-	1,012,720	1,003,900	6,971,310	6,818,563	15,806,493
Repurchase agreement	867,287	-	-	-	-	867,287
Local Agency Investment Fund	11,031,035	-	-	-	-	11,031,035
Money Market Mutual Funds	5,986	-	-	-	-	5,986
Investment with fiscal agents						
Money Market Mutual Funds	176	-	-	-	-	176
Local Agency Investment Fund	2,763,046	-	-	-	-	2,763,046
	<u>\$ 18,692,740</u>	<u>\$ 8,502,319</u>	<u>\$ 5,991,550</u>	<u>\$ 16,488,078</u>	<u>\$ 16,602,543</u>	<u>\$ 66,277,230</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the District's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard and Poor's, and Moody's Investors Service. Presented in the following table are the Standard and Poor's credit ratings for the Districts investments.

June 30, 2014

<u>Investment</u>	<u>Total As of June 30, 2014</u>	<u>Minimum Legal Requirement</u>	<u>AAA</u>	<u>AA+/-</u>	<u>A+</u>	<u>Unrated</u>
Municipal Bonds	\$ 9,029,361	AA-	\$ 993,230	\$ 8,031,800	\$ -	\$ -
Federal Farm Credit Bank	5,000,470	None	-	5,000,470	-	-
Federal Home Loan Bank	9,019,490	None	-	9,019,490	-	-
Federal Home Loan Mortgage Corporation	9,959,880	None	-	9,959,880	-	-
Federal Nation Mortgage Association	10,974,410	None	-	10,974,410	-	-
Local Agency Investment Fund	17,022,880	None	-	-	-	17,022,880
Investment with fiscal agents						
Local Agency Investment Fund	2,764,862	None	-	-	-	2,764,862
	<u>\$ 63,771,353</u>		<u>\$ 993,230</u>	<u>\$ 42,986,050</u>	<u>\$ -</u>	<u>\$ 19,787,742</u>

June 30, 2013

<u>Investment</u>	<u>Total as of June 30, 2013</u>	<u>Minimum Legal Requirement</u>	<u>AAA</u>	<u>AA+/-</u>	<u>A+</u>	<u>Unrated</u>
Municipal Bonds	\$ 13,016,007	AA-	\$ 2,014,600	\$ 10,011,527	\$ 989,880	\$ -
Federal Farm Credit Bank	4,941,800	None	-	4,941,800	-	-
Federal Home Loan Bank	7,992,550	None	-	7,992,550	-	-
Federal Home Loan Mortgage Corporation	9,852,850	None	-	9,852,850	-	-
Federal Nation Mortgage Association	15,806,493	None	-	15,806,493	-	-
Repurchase agreement	867,287	None	-	-	-	867,287
Local Agency Investment Fund	11,031,035	None	-	-	-	11,031,035
Money Market Mutual Funds	5,986	None	5,986	-	-	-
Investment with fiscal agents						
Money Market Mutual Funds	176	A	176	-	-	-
Local Agency Investment Fund	2,763,046	None	-	-	-	2,763,046
	<u>\$ 66,277,230</u>		<u>\$ 2,020,762</u>	<u>\$ 48,605,220</u>	<u>\$ 989,880</u>	<u>\$ 14,661,368</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Concentration of Credit Risk:

Investments in any one issuer that represents 5% or more of total District's investments (excluding cash with fiscal agents) are as follows:

June 30, 2014

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	United States Government Sponsored Agency Securities	\$ 5,000,470	7.84%
Federal Home Loan Bank	United States Government Sponsored Agency Securities	9,019,490	14.14%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Agency Securities	9,959,880	15.62%
Federal National Mortgage Association	United States Government Sponsored Agency Securities	10,974,410	17.21%

June 30, 2013

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage of Investments</u>
Federal Farm Credit Bank	United States Government Sponsored Agency Securities	\$ 4,941,800	7.56%
Federal Home Loan Bank	United States Government Sponsored Agency Securities	7,992,550	12.22%
Federal Home Loan Mortgage Corporation	United States Government Sponsored Agency Securities	9,852,850	15.06%
Federal National Mortgage Association	United States Government Sponsored Agency Securities	15,806,493	24.17%

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

As of June 30, 2014 and 2013, the District's investments in the repurchase agreement in the amount of \$0 and \$867,287, respectively were held at Union bank (the safekeeping department of the broker-dealer counter party) used by the District to buy the securities.

Note 4 – Accounts Receivable

Accounts receivable primarily consist of sales and services fees as well as the District's allocation of property taxes collected but not remitted by the Los Angeles County. As of June 30, 2014 and 2013, sales and services receivable, net of allowance for uncollectible accounts, were in the amount of \$10,233,334 and \$9,760,254, respectively.

Note 5 – Inventories

Inventories consisted of the following as of June 30, 2014 and 2013:

	2014	2013
Material and supplies	\$ 978,789	\$ 1,084,700
Water in storage	5,985,315	6,329,865
Total	\$ 6,964,104	\$ 7,414,565

Water in storage was calculated by taking the volume of the reservoir and tanks times the average cost per acre foot.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 6 – Investment in Joint Powers Authority

On October 12, 1964, the District entered into a joint powers agreement with Triunfo Sanitation District (“TSD”) for the purpose of constructing, operating, maintaining and providing for the replacement of a joint sewage system to serve the Malibu Canyon drainage area. The District was the designated administering agent. Costs and capital contributions are generally shared by the two districts in accordance with capacity rights reserved in each component of the joint system. Maintenance and operating costs are pro-rated to the districts in accordance with the average monthly flows contributed by each to the system. The allocation of construction costs related to projects in process is based upon engineering estimates of the capacity rights and is subject to increase or decrease when final costs are determined. The JPA’s basic financial statements are available upon request from the District.

Summary of changes in investment in Joint Powers Authority is as follows:

	2014	2013
Beginning of year	\$ 69,065,817	\$ 71,155,793
Contributions	13,323,700	11,554,393
Share in income (loss):		
Sanitation expenses	(8,962,743)	(8,778,190)
Depreciation expenses	(4,579,722)	(4,643,551)
Loss on disposal of capital assets	(59,280)	(222,628)
End of year	<u>\$ 68,787,771</u>	<u>\$ 69,065,817</u>

Investment in Joint Powers Authority includes capitalized interests for the debt issued for the JPA’s facilities held under the District’s name. As of June 30, 2014 and 2013, the capitalized interests, net of accumulated depreciation, were in the amount of \$2,727,502 and \$2,919,993, respectively.

Condensed financial statement of the JPA as of and for the years ended June 30, 2014 and 2013 including the participants’ approximate percentage shares as follows:

	2014			2013		
	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District	Amount	Las Virgenes Municipal Water District	Triunfo Sanitation District
Total assets	\$ 106,507,217	67%	33%	\$ 106,839,849	67%	33%
Total liabilities	7,310,421	67%	33%	7,455,813	67%	33%
Total equity	99,196,796	67%	33%	99,384,035	67%	33%
Billings to participants	12,037,292	68%	32%	12,004,050	68%	32%
Depreciation	6,280,265	70%	30%	6,376,786	70%	30%
Construction cost	6,172,993	71%	29%	3,932,299	71%	29%

The amount due from the JPA at June 30, 2014 and 2013 consisted for the following:

	2014	2013
Beginning of year	\$ 4,465,563	\$ 4,184,448
Additions	182,411	281,115
End of year	<u>\$ 4,647,974</u>	<u>4,465,563</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 7 – Capital Assets

Summary of changes in capital assets for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Deletions	Reclassification	Balance June 30, 2014
Capital assets, not depreciated					
Land and land rights:					
Water plant	\$ 6,804,080	\$ 7	\$ -	\$ -	\$ 6,804,087
Sanitation plant	111,236	-	-	-	111,236
Construction in progress	2,994,270	10,721,357	(284,517)	(1,904,428)	11,526,682
Total capital assets, not depreciated	9,909,586	10,721,364	(284,517)	(1,904,428)	18,442,005
Capital assets, being depreciated					
Water plant:					
Source of supply	24,995,557	-	-	-	24,995,557
Plant	105,322,465	-	(359,005)	1,348,282	106,311,742
Structure	20,107,773	-	(21,734)	316,986	20,403,025
Sanitation plant:					
Plant	7,427,396	-	-	-	7,427,396
Machinery and equipment	17,318	-	-	-	17,318
General utility plant					
Building and improvements	21,792,567	-	(4,928)	9,650	21,797,289
Machinery and equipment	10,747,783	13,490	(206,544)	229,510	10,784,239
Total capital assets, being depreciated	190,410,859	13,490	(592,211)	1,904,428	191,736,566
Less accumulated depreciation					
Water plant:					
Source of supply	(7,600,407)	(594,479)	-	-	(8,194,886)
Plant	(46,338,692)	(2,555,519)	356,637	-	(48,537,575)
Structure	(15,737,849)	(512,522)	21,734	-	(16,228,637)
Sanitation plant:					
Plant	(3,187,933)	(147,639)	-	-	(3,335,572)
Machinery and equipment	(9,526)	(1,732)	-	-	(11,258)
General utility plant					
Building and improvements	(10,440,930)	(485,955)	4,928	-	(10,921,957)
Machinery and equipment	(9,717,110)	(319,074)	206,544	-	(9,829,640)
Total accumulated depreciation	(93,032,447)	(4,616,919)	589,842	-	(97,059,523)
Total capital assets, being depreciated, net	97,378,412	(4,603,429)	(2,368)	1,904,428	94,677,043
Total capital assets, net	\$ 107,287,998	\$ 6,117,935	\$ (286,885)	\$ -	\$ 113,119,048

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 7 – Capital Assets (Continued)

Summary of changes in capital assets for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets, not depreciated				
Land and land rights:				
Water plant	\$ 6,804,074	\$ 6	\$ -	\$ 6,804,080
Sanitation plant	111,236	-	-	111,236
Construction in progress	7,736,916	2,058,488	(6,801,134)	2,994,270
Total capital assets, not depreciated	14,652,226	2,058,494	(6,801,134)	9,909,586
Capital assets, being depreciated				
Water plant:				
Source of supply	24,995,557	-	-	24,995,557
Plant	98,742,285	6,633,018	(52,838)	105,322,465
Structure	19,982,786	124,987	-	20,107,773
Sanitation plant:				
Plant	7,411,110	19,900	(3,614)	7,427,396
Machinery and equipment	17,318	-	-	17,318
General utility plant				
Building and improvements	21,783,887	8,680	-	21,792,567
Machinery and equipment	11,231,593	528,654	(1,012,464)	10,747,783
Total capital assets, being depreciated	184,164,536	7,315,239	(1,068,916)	190,410,859
Less accumulated depreciation				
Water plant:				
Source of supply	(6,983,718)	(616,689)	-	(7,600,407)
Plant	(43,754,974)	(2,618,894)	35,176	(46,338,692)
Structure	(15,190,953)	(546,896)	-	(15,737,849)
Sanitation plant:				
Plant	(3,023,225)	(168,322)	3,614	(3,187,933)
Machinery and equipment	(7,794)	(1,732)	-	(9,526)
General utility plant				
Building and improvements	(9,940,528)	(500,402)	-	(10,440,930)
Machinery and equipment	(10,453,218)	(276,356)	1,012,464	(9,717,110)
Total accumulated depreciation	(89,354,410)	(4,729,291)	1,051,254	(93,032,447)
Total capital assets, being depreciated, net	94,810,126	2,585,948	(17,662)	97,378,412
Total capital assets, net	\$ 109,462,352	\$ 4,644,442	\$ (6,818,796)	\$ 107,287,998

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 8 – Compensated Absences

At June 30, 2014 and 2013, the District had compensated absences in the amount of \$1,933,836 and \$1,892,314, respectively.

Note 9 – Long-Term Debt

Summary of changes in long-term debt for the year ended June 30, 2014 is as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within One Year	Due in More Than One Year
2009 Sanitation Refunding Revenue Bonds	\$ 24,350,000	\$ -	\$ (1,765,000)	\$ 22,585,000	\$ 1,840,000	\$ 20,745,000
Add: Unamortized Premium	1,659,320	-	(159,294)	1,500,026	-	1,500,026
Capital Lease	71,235	12,928	(23,389)	60,774	24,828	35,946
Total long-term debt	\$ 26,080,555	\$ 12,928	\$ (1,947,683)	\$ 24,145,800	\$ 1,864,828	\$ 22,280,972

Summary of changes in long-term debt for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Due within One Year	Due in More Than One Year
2009 Sanitation Refunding Revenue Bonds	\$ 26,075,000	\$ -	\$ (1,725,000)	\$ 24,350,000	\$ 1,765,000	\$ 22,585,000
Add: Unamortized Premium	1,818,614	-	(159,294)	1,659,320	-	1,659,320
Capital Lease	93,809	-	(22,574)	71,235	22,772	48,463
Total long-term debt	\$ 27,987,423	\$ -	\$ (1,906,868)	\$ 26,080,555	\$ 1,787,772	\$ 24,292,783

The District issued sanitation refunding revenue bonds (2009 bonds) dated December 1, 2009, totaling \$29,415,000. The purpose of the 2009 bonds was to advance refund 1998 Installment Purchase Refunding Revenue Bonds.

The 2009 bonds mature through November 1, 2023, and bear interest at rates ranging from 1.00% to 5.00%. Interest is payable semiannually on May 1 and November 1, beginning May 1, 2010. The 2009 bonds are subject to optional early redemption provisions. The 2009 bonds fully mature on November 1, 2023.

The District completed the refunding to reduce its debt service over the next 14 years by approximately \$7,604,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$4,796,000.

Total 2009 bonds outstanding as of June 30, 2014 and 2013, net of unamortized premium were as follows:

	2014	2013
Principal outstanding	\$ 22,585,000	\$ 24,350,000
Add unamortized premium	1,500,026	1,659,320
Net bonds outstanding	\$ 24,085,026	\$ 26,009,320

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 9 – Long-Term Debt (Continued)

The annual debt service requirements for the 2009 bonds outstanding at June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,840,000	\$ 914,925	\$ 2,754,925
2016	1,925,000	830,000	2,755,000
2017	2,025,000	731,250	2,756,250
2018	2,125,000	627,500	2,752,500
2019	2,210,000	541,225	2,751,225
2020-2024	12,460,000	1,309,838	13,769,838
Total	<u>\$ 22,585,000</u>	<u>\$ 4,954,738</u>	<u>\$ 27,539,738</u>

Note 10 – Net Position

Net position represents the difference between assets, deferred outflows of resources and liabilities. Designations of unrestricted net position represent the District management’s intentions for the use of resources. The net position amounts were as follows:

	2014	2013
Net investments in capital assets:		
Capital assets, net of accumulated depreciation	\$ 113,119,048	\$ 107,287,998
Less:		
Capital lease obligations	(60,775)	(71,235)
1998 installment purchase refunding revenue bond, net	(22,582,189)	(24,346,890)
Total investment in capital assets, net of related debt	<u>90,476,084</u>	<u>82,869,873</u>
Restricted for:		
Debt Service	2,607,766	2,594,512
Capital projects	1,498,145	4,613,518
Toal restricted	<u>4,105,911</u>	<u>7,208,030</u>
Unrestricted:		
Designated for:		
Investment in JPA	68,787,771	69,065,817
Rate stabilization	8,000,000	8,000,000
Insurance	3,277,259	3,253,845
Operating emergencies	11,464,430	11,101,213
Retirement fund contributions	495,889	327,466
Undesignated	47,645,242	49,045,191
Toal unrestricted	<u>139,670,591</u>	<u>140,793,532</u>
Total net position	<u>\$ 234,252,586</u>	<u>\$ 230,871,435</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 10 – Net Position (Continued)

As of June 30, 2014, the restricted net position consisted of the following:

	Debt Service	Capital Projects	Total
Restricted Assets:			
Restricted cash and investments	\$ 2,764,862	\$ 269,135	\$ 3,033,997
Restricted receivables			
Interest	1,525	429	1,954
Other	-	4,738,086	4,738,086
Total restricted assets	<u>2,766,387</u>	<u>5,007,650</u>	<u>7,774,037</u>
Current Liabilities Payable from Restricted Assets:			
Interest payable	(158,621)	-	(158,621)
Other liabilities	-	(3,509,505)	(3,509,505)
Total current liabilities payable from restricted assets	<u>(158,621)</u>	<u>(3,509,505)</u>	<u>(3,668,126)</u>
Total restricted net position	<u>\$ 2,607,766</u>	<u>\$ 1,498,145</u>	<u>\$ 4,105,911</u>

As of June 30, 2013, the restricted net position consisted of the following:

	Debt Service	Capital Projects	Total
Restricted Assets:			
Restricted cash and investments	\$ 2,763,222	\$ 1,880,315	\$ 4,643,537
Restricted receivables			
Interest	1,678	5,187	6,865
Other	-	5,512,521	5,512,521
Total restricted assets	<u>2,764,900</u>	<u>7,398,023</u>	<u>10,162,923</u>
Current Liabilities Payable from Restricted Assets:			
Interest payable	(170,388)	-	(170,388)
Other liabilities	-	(2,784,505)	(2,784,505)
Total current liabilities payable from restricted assets	<u>(170,388)</u>	<u>(2,784,505)</u>	<u>(2,954,893)</u>
Total restricted net position	<u>\$ 2,594,512</u>	<u>\$ 4,613,518</u>	<u>\$ 7,208,030</u>

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 11 – Pension Plan

Defined Benefit Plan

Plan Description and Provisions

The District contributes to the California Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California, Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at, 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members in the Plan are required to contribute 7% of their annual covered salary. For classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in the PERS System) belonging to the Supervisor, Professional, Confidential and Management Association, the District pays 0% employee contribution on behalf of the employees. For classic employees (employees hired before January 1, 2013 or employees hired after January 1, 2013 and have been in the PERS system) belonging to the General and Office Association, the District pays the entire employee contribution on behalf of the employees. For new members (employees hired after January 1, 2013 and are new entrants to the PERS System or have been out of the PERS System for more than six months), the District pays the applicable percentage (based on employee association to which the new member belongs), limited to 6.5%, until the expiration of the existing Memorandum of Understanding (MOU). After the expiration of the MOU, new members are responsible for the 6.5% contribution. Total contributions made by the District on behalf of employees amounted to \$461,007 and \$672,077 for the years ended June 30, 2014 and 2013, respectively. The District is required to contribute the actuarially determined remaining amounts necessary to fund the 2% at age 55 retirement plan benefits for its classic members and 2% at 62 for its new members under the California Employees' Pension Reform Act (PEPRA) provisions. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2014 was 15.897% and 13.2% for classic employees and new members, respectively. The required employer contribution rate for the fiscal year ended June 30, 2013 was 15.512%.

Most Recent Funding Progress Schedule

As of June 30, 2013, the most recent actuarial valuation date, the plan was 77.3% funded. The actuarial accrued liability for benefits was \$77,386,629, and the actuarial value of assets was \$59,797,198, resulting in an unfunded actuarial accrued liability (UAAL) of \$17,589,431. The covered payroll (annual payroll of active employees covered by the plan) was \$10,325,821, and the ratio of the UAAL to the covered payroll was 170.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding interest rates. Amounts determined regarding the funded status of the plan and the annual pension costs are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 11 – Pension Plan (Continued)

Defined Benefit Plan (Continued)

Annual Pension Cost

For fiscal year 2014, the District’s annual pension cost was \$1,736,776 for PERS was equal to the District’s required and actual contributions. The required contribution for the fiscal year 2014 was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.3% to 14.2% depending on age, service, and type of employment, (c) inflation of 2.75%, and (d) payroll growth of 3.00%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2011 was 22 years for miscellaneous employees for prior and current service unfunded liabilities.

Three-Year Trend Information for PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 1,887,235	100%	\$ -
6/30/2013	1,824,734	100%	-
6/30/2014	1,736,776	100%	-

Note 12 – Other Post-Employment Benefits

Plan Description

The District contributes to a multi-employer defined benefit plan to provide post-employment medical benefits. Specifically, the District provides postretirement medical benefits to all employees who retire from the District after attaining age 55 with at least ten years of service (age 50 with at least 5 years of service for employees hired after April 1, 2006). For employees hired after March 31, 2006, the District pays for 100% medical premiums incurred by retirees and one dependent up to \$1,290 per month. The plan does not provide a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District’s Board of Directors, and/or the employee associations. Currently, contributions are not required from plan members. During the fiscal year ended June 30, 2013, the District elected to fund 100% of the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a closed period not to exceed thirty years. The ARC for fiscal years ended 2014 and 2013 were \$1,348,937 and \$1,115,327, respectively.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 12 – Other Post-Employment Benefits (Continued)

Annual OPEB Cost

For fiscal year 2014, the District annual OPEB cost was \$1,348,937 and was equal to the District's required and actual contribution. The required contribution for the fiscal year 2014 was determined as part of the June 30, 2013 actuarial valuation using the entry ago normal actuarial cost method. The actuarial assumptions included a 7.25% investment rate of return (net of administrative expenses), payroll increase of 2.75% per annum, and inflation rate of 2.75% per annum, and the District's share of premium cost will increase at rates ranging from 0.0% to 3.5% per annum, depending on attained age. The District's unfunded actuarial accrued liability will be amortized by level percentage of payroll over thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

Three-Year Trend Information

For fiscal year 2014, the District's annual OPEB cost (expenses) of \$1,348,937 was equal to the ARC. Information on the annual OPEB cost, percentage of Annual OPEB Cost contributed, and Net OPEB Obligation for the last three fiscal years, as presented below:

Fiscal Year	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2012	\$ 1,115,327	\$ 1,115,327	100%	\$ -
6/30/2013	1,115,327	1,115,327	100%	-
6/30/2014	1,348,937	1,348,937	100%	-

Funded Status and Funding Progress

As of June, 2013, the latest actuarial valuation date, the plan was 11.24 percent funded. The actuarial accrued liability for benefits was \$17,945,074, and the actuarial value of assets was \$2,017,149, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,927,925. The covered payroll (annual payroll of active employees covered by the plan) was \$10,010,862 and the ratio of the UAAL to the covered payroll was 164.06%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Las Virgenes Municipal Water District
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2014 and 2013

Note 13 – Risk Management

The District retained Argonaut Insurance Company, for general liability, property, inverse condemnation, auto and physical damage. In addition, reinsurance support for the program is provided by Swiss Reinsurance of America and Travelers Re. The coverage for the general liability provides \$11 million per occurrence and \$61 million in the aggregate with a \$50,000 deductible per occurrence. The coverage for the property provides \$61 million of coverage with a deductible of \$50,000 per occurrence. The District paid premiums of \$746,413 and \$722,352 to Argonaut Insurance Company for the years ended June 2014 and 2013, respectively.

Effective August 1, 2012, the District retained the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/APIA) for its works' compensation insurance coverage. The District paid premiums of \$199,879 and \$189,996 for the years ended June 30, 2014 and 2013, respectively.

Note 14 – Commitments and Contingencies:

Lawsuits

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the option of the District's legal counsel and the District's management that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Contract Commitments

The District had out standing contract commitments of \$10,794,099 and \$5,969,569 for the years ended June 30, 2014 and 2013, respectively.

Operating Leases

The District is obligated under operating lease agreements for the rental of office equipment. Future minimum lease payments are as follow:

Year Ending June 30,	Lease Payments
2015	\$ 4,224
	\$ 4,224



REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



Las Virgenes Municipal Water District
Required Supplementary Information (Unaudited)
Schedules of Funding Progress
For the Years Ended June 30, 2014 and 2013

CalPERS PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B - A)	Funded Ratio (A / B)	Covered Payroll (C)	UAAL as a % of Payroll (B - A) / C
June 30, 2011	58,593,450	69,674,417	11,080,967	84.1%	10,366,449	106.9%
June 30, 2012	62,617,522	73,561,286	10,943,764	85.1%	10,044,419	109.0%
June 30, 2013	59,797,198	77,386,629	17,589,431	77.3%	10,325,821	170.3%

OTHER POST-EMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value Accrued Liability (A)	Actuarial Value of Assets (B)	Unfunded Actuarial Accrued Liability (A - B)	Funded Ratio (B / A)	Covered Payroll (C)	UAAL as a % of Payroll (A - B) / C
February 1, 2010	\$ 11,438,687	\$ 399,698	\$ 11,038,989	3.49%	\$ 10,343,923	106.72%
June 30, 2011	14,364,922	1,059,481	13,305,441	7.38%	9,957,377	133.62%
June 30, 2013	17,945,074	2,017,149	15,927,925	11.24%	9,708,413	164.06%



Las Virgenes Municipal Water District
Index to Statistical Section
June 30, 2014

This part of the Las Virgenes Municipal Water District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial states, note disclosures, and required supplementary information say about the District's overall financial health.

Contents:

Pages

Financial Trends - These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.

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| 2. | Changes in Net Position | 48 |

Revenue Capacity - These schedule contain information to help the reader assess the District's most significant revenue source.

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| 6. | Property Tax Levies, Special Assessment and Collections | 53 |

Debt Capacity - These schedule present information to help the reader assess the affordability of the district's current levels of outstanding debt and the District's ability to issue additional debt in the future.

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Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

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| 11. | Demographic and Economic Statistics | 59 |
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Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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Note: The District has no governmental funds; therefore, does not present information about changes in fund balances. Also, the District has no legal debt limitations.

Schedule 1
Las Virgenes Municipal Water District
Net Position
Last Ten Fiscal Years (accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year				
	2005	2006	2007	2008	2009
Business-type Activities					
Net investment in capital assets	\$ 59,501	\$ 64,717	\$ 68,310	\$ 69,595	\$ 68,886
Restricted:					
Debt service	5,119	3,951	3,667	3,574	3,529
Capital projects	10,917	13,389	13,227	12,959	10,752
Total restricted	<u>16,036</u>	<u>17,340</u>	<u>16,894</u>	<u>16,533</u>	<u>14,281</u>
Unrestricted	<u>140,272</u>	<u>141,814</u>	<u>141,055</u>	<u>146,195</u>	<u>149,444</u>
Total Net Position	<u><u>\$ 215,809</u></u>	<u><u>\$ 223,871</u></u>	<u><u>\$ 226,259</u></u>	<u><u>\$ 232,323</u></u>	<u><u>\$ 232,611</u></u>

Schedule 1
Las Virgenes Municipal Water District
Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year				
	2010	2011	2012	2013	2014
Business-type Activities					
Net investment in capital assets	\$ 77,351	\$ 79,319	\$ 83,425	\$ 82,870	\$ 90,476
Restricted:					
Debt service	2,602	2,581	2,588	2,595	2,608
Capital projects	9,766	7,645	5,935	4,614	1,498
Total restricted	<u>12,368</u>	<u>10,226</u>	<u>8,523</u>	<u>7,208</u>	<u>4,106</u>
Unrestricted	<u>140,981</u>	<u>140,373</u>	<u>137,785</u>	<u>140,793</u>	<u>139,671</u>
Total Net Position	<u><u>\$ 230,700</u></u>	<u><u>\$ 229,918</u></u>	<u><u>\$ 229,733</u></u>	<u><u>\$ 230,871</u></u>	<u><u>\$ 234,253</u></u>

Schedule 2
Las Virgenes Municipal Water District
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses					
Water	\$ 25,010	\$ 26,376	\$ 30,238	\$ 30,385	\$ 30,912
Sanitation(includes JPA)	13,306	14,676	14,647	15,304	16,134
Total Operating Expenses	<u>38,316</u>	<u>41,052</u>	<u>44,885</u>	<u>45,689</u>	<u>47,046</u>
Program Revenues					
Water	24,291	25,628	29,368	30,419	29,708
Sanitation	9,416	10,049	10,917	12,937	15,847
Capital contributions	15,425	12,035	3,959	4,167	1,203
Other	435	465	400	534	419
Total Program Revenues	<u>49,567</u>	<u>48,177</u>	<u>44,644</u>	<u>48,057</u>	<u>47,177</u>
Net (Expense)/Revenue	<u>11,251</u>	<u>7,125</u>	<u>(241)</u>	<u>2,368</u>	<u>131</u>
General Revenues and Other Changes in Net Assets					
Taxes and penalties	662	720	875	905	917
Investment earnings	1,667	2,968	4,003	3,770	2,596
Miscellaneous(includes JPA)	(2,127)	(2,751)	(2,249)	(979)	(3,357)
Total General Revenues	<u>202</u>	<u>937</u>	<u>2,629</u>	<u>3,696</u>	<u>156</u>
Changes in Net Assets (Business-type activities)	<u>\$ 11,453</u>	<u>\$ 8,062</u>	<u>\$ 2,388</u>	<u>\$ 6,064</u>	<u>\$ 287</u>

Schedule 2
Las Virgenes Municipal Water District
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)
(in thousands of dollars)

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Water	\$ 30,845	\$ 31,556	\$ 35,972	\$ 38,468	\$ 42,270
Sanitation(includes JPA)	15,628	15,727	14,894	15,022	15,421
Total Operating Expenses	46,473	47,283	50,866	53,490	57,691
Program Revenues					
Water	26,160	26,974	31,205	35,637	41,177
Sanitation	15,473	16,402	16,394	16,588	16,552
Capital contributions	1,632	859	1,569	2,168	1,540
Other	414	278	749	842	951
Total Program Revenues	43,679	44,513	49,917	55,235	60,220
Net (Expense)/Revenue	(2,794)	(2,770)	(950)	1,745	2,529
General Revenues and Other Changes in Net Assets					
Taxes and penalties	898	879	884	888	892
Investment earnings	1,297	890	747	610	496
Miscellaneous(includes JPA)	(1,312)	219	(828)	(1,655)	(536)
Total General Revenues	883	1,988	804	(157)	852
Changes in Net Assets (Business-type activities)	\$ (1,911)	\$ (782)	\$ (146)	\$ 1,587	\$ 3,381

Schedule 3
Las Virgenes Municipal Water District
Revenue Base
Last Ten Fiscal Years

Potable Water					
Fiscal Year	Operating Revenue in thousand \$	Number of Customers			Total
		Residential	Commercial	Irrigation	
2005	20,339	18,703	662	246	19,611
2006	21,480	19,179	672	253	20,104
2007	24,273	19,276	685	255	20,216
2008	25,828	19,303	694	258	20,255
2009	25,308	19,308	725	275	20,308
2010	22,050	19,320	776	237	20,333
2011	23,220	19,184	802	254	20,240
2012	26,754	18,799	814	241	19,854
2013	30,472	18,806	818	255	19,879
2014	35,402	18,820	820	253	19,893

Sanitation				
Fiscal Year	Operating Revenue in thousand \$	Number of Customers		Total
		Residential	Commercial	
2005	9,416	15,540	610	16,150
2006	10,049	15,987	623	16,610
2007	10,917	16,055	639	16,694
2008	12,937	16,089	638	16,727
2009	15,847	16,142	650	16,792
2010	15,473	16,087	639	16,726
2011	16,402	16,050	690	16,740
2012	16,394	16,093	699	16,792
2013	16,588	16,100	702	16,802
2014	16,552	16,113	704	16,817

Schedule 4
Las Virgenes Municipal Water District
Revenue Rates
Last Ten Fiscal Years

Bi-Monthly Potable Water Rates for Residential and Commercial Customers:
Readiness to Serve Charge

Meter Size	2005-2007	11/01/2007	07/01/2008	07/01/2009	07/01/2010	07/01/2011	01/01/2013	01/01/2014
3/4"	14.05	22.23	23.79	25.34	26.35	27.40	28.77	30.21
1"	18.73	32.74	35.03	37.31	38.80	40.35	42.37	44.49
1-1/2"	30.43	58.99	63.12	67.22	69.91	72.71	76.35	80.17
2"	46.79	90.50	96.84	103.00	107.00	112.00	117.60	123.48
3"	84.23	175.00	187.00	199.00	207.00	215.00	225.75	237.04
4"	128.68	269.00	288.00	307.00	319.00	332.00	348.60	366.03
6"	257.35	532.00	569.00	606.00	630.00	655.00	675.75	722.14
8"	397.73	847.00	906.00	965.00	1,003.00	1,044.00	1,096.20	1,151.01
10"	608.29	1,214.00	1,299.00	1,384.00	1,439.00	1,497.00	1,571.85	1,650.45

Volume Charges (per 100 cubic feet of water use)

	2005-2007	11/01/2007	07/01/2008	2009 - 2010	2011-2012	01/01/2012	01/01/2013	01/01/2014
Tier 1	\$1.18	\$1.24	\$1.28	\$1.32 - \$1.53	\$1.58 - \$1.71	\$1.78	\$1.98	\$2.19
Tier 2	1.31	1.55	1.60	\$1.65 - \$1.86	\$1.93 - \$2.08	2.15	2.37	2.60
Tier 3	1.91	2.32	2.39	\$2.46 - \$2.67	\$2.77 - \$2.95	3.02	3.29	3.56
Tier 4	2.48	3.48	3.58	\$3.69 - \$3.90	\$4.05 - \$4.28	4.35	4.68	5.02
Tier 1 End(Hcf)	12.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Tier 2 End(Hcf)	24.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00
Tier 3 End(Hcf)	115.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00

Elevation Surcharges (per 100 cubic feet of water use)

	2005-2007	11/01/2007	07/01/2008	07/01/2009	07/01/2010	2011-2012	01/01/2013	01/01/2014
Zone 1	-	-	-	-	-	-	-	-
Zone 2	0.31	0.32	0.33	0.34	0.35	0.36	0.38	0.40
Zone 3	0.52	0.54	0.56	0.58	0.60	0.62	0.66	0.70
Zone 4	0.92	0.95	0.98	1.01	1.05	1.09	1.15	1.21
Zone 5	1.85	1.91	1.97	2.03	2.11	2.19	2.30	2.42

Bi-Monthly Sewer Service Charges:

	2005-2006	2007	11/01/2007	07/01/2008	07/01/2009	2010-2012	07/01/2013	07/01/2014
Residential								
Single-family	\$51.47-59.11	\$57.19 - 60.26	\$84.00	\$102.00	\$102.00	\$108.00	\$74.31-\$108.56	\$75.80-\$110.74
Multi-family	\$51.47-54.47	\$57.19	\$53.00	\$64.25	\$64.25	\$68.03	\$68.59	\$69.97
Commercial								
ERU-based Charge	\$51.47-54.47	\$57.19	\$84.00	\$84.00	\$90.79	\$90.79	\$91.35	\$91.35
Account Service	\$0.00	\$0.00	\$13.50	\$16.25	\$16.25	\$17.21	\$17.21	\$17.21
Base Water Use:								
Class 1 (Hcf)	24.10	24.10	29.50	29.50	29.50	29.50	29.50	29.50
Per hcf of water	\$2.14-\$2.45	\$2.37-\$2.58	\$2.85	\$2.91	\$2.91	\$3.08	\$3.10	\$3.10
Class 2 (Hcf)	24.10	24.10	17.30	17.30	17.30	17.30	17.30	17.30
Per hcf of water	\$3.76-\$4.19	\$4.18-\$4.53	\$4.87	\$4.96	\$4.96	\$5.25	\$5.29	\$5.29
Class 3 (Hcf)	24.10	24.10	11.40	11.40	11.40	11.40	11.40	11.40
Per hcf of water	\$5.68-\$6.33	\$6.31-\$6.85	\$6.19	\$7.53	\$7.53	\$7.96	\$8.02	\$8.02

Schedule 5
Las Virgenes Municipal Water District
Principal Revenue Payers
Current Fiscal Year and Ten Years Ago

Potable Water Customer Name	2014			2004		
	Potable Water Revenue	Rank	Percentage of Total Operating Revenue	Potable Water Revenue	Rank	Percentage of Total Operating Revenue
Malibu Golf Club, LLC	\$ 466,682	1	0.82%	\$ -	-	-
Westlake Wellbeing Properties LLC	169,345	2	0.30%	-	-	-
Mountain View Mobile Estate	149,893	3	0.26%	109,324	2	0.29%
Valley Industrial	147,593	4	0.26%	-	-	-
ERP-Operating LTD Partnership	139,842	5	0.25%	93,802	4	0.25%
Malibu Conference Center	129,825	6	0.23%	71,647	9	0.19%
LACO Internal Service Dept.	125,012	7	0.22%	138,897	1	0.37%
Ronnie Semlers Saddlerock Ranch	122,198	8	0.22%	107,514	3	0.29%
Calabasas Crest LTD	113,004	9	0.20%	89,513	6	0.24%
Summit Mobile Park	109,504	10	0.19%	92,512	5	0.25%
LVUSD	-		0.00%	83,503	7	0.22%
The Cheesecake Factory	-		0.00%	78,011	8	0.21%
Malibu Canyon Apartments	-		0.00%	68,171	10	0.18%
Total	\$ 1,672,898		2.95%	\$ 932,894		2.48%

Sanitation Customer Name	2014			2004		
	Sanitation Revenue	Rank	Percentage of Total Operating Revenue	Sanitation Revenue	Rank	Percentage of Total Operating Revenue
Malibu Canyon Apartments	\$ 288,078	1	0.51%	\$ 197,628	1	0.52%
Westlake Wellbeing Properties LLC	257,939	2	0.46%	-	-	0.00%
Archstone Communities Calabasas	250,065	3	0.44%	68,220	10	0.18%
LVUSD	181,250	4	0.32%	112,031	2	0.30%
Archstone Oak Creek I LLC	139,871	5	0.25%	-	-	0.00%
The Cheesecake Factory	126,153	6	0.22%	108,668	3	0.29%
Annandale II HOA	120,993	7	0.21%	83,613	6	0.22%
ERP-Operating LTD Partnership	117,082	8	0.21%	87,491	5	0.23%
Oak Park Calabasas HOA	113,585	9	0.20%	97,478	4	0.26%
Pepperdine University	99,857	10	0.18%	-	-	0.00%
Town & Country HOA	-		0.00%	74,646	7	0.20%
Calabasas Crest LTD	-		0.00%	74,479	8	0.20%
Steeplechase HOA	-		0.00%	68,642	9	0.18%
Total	\$ 1,694,873		2.99%	\$ 972,896		2.58%

Schedule 6
Las Virgenes Municipal Water District
Property Tax Levies, Special Assessment and Collections
Last Ten Fiscal Years
(in thousands of dollars)

Property Tax Levies and Collections:

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	264	255	96.59%	9	264	100.00%
2006	282	254	90.07%	28	282	100.00%
2007	315	291	92.38%	24	315	100.00%
2008	344	314	91.28%	30	344	100.00%
2009	351	322	91.74%	29	351	100.00%
2010	361	333	92.24%	28	361	100.00%
2011	352	328	93.18%	24	352	100.00%
2012	354	324	91.53%	21	345	97.46%
2013	358	345	96.37%	-	345	96.37%
2014	369	360	97.56%	-	360	97.56%

Note:

1. Total tax collection does not include standby charge direct assessments.
2. 2005 total tax levy and collected amounts are before ERAF adjustments (\$156,000).
3. 2006 total tax levy and collected amounts are before ERAF adjustments (\$159,000).

Special Assessment and Collections:

Fiscal Year	Standby Charge (Direct Assessment)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	558	492	88.17%	66	558	100.00%
2006	550	462	84.00%	88	550	100.00%
2007	526	481	91.44%	45	526	100.00%
2008	523	465	88.91%	58	523	100.00%
2009	522	446	85.44%	76	522	100.00%
2010	520	439	84.42%	81	520	100.00%
2011	519	441	84.97%	78	519	100.00%
2012	514	443	86.19%	61	504	98.05%
2013	510	467	91.57%	-	467	91.57%
2014	509	463	90.96%	-	463	90.96%

Note: Standby charge is imposed at \$10 per acre or parcel.

Schedule 7
Las Virgenes Municipal Water District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities		Total	Percentage of Personal Income	Per Capita
	Refunding Revenue Bonds	Capital Lease Payable			
2005	43,660	72	43,732	1.84%	1,208
2006	42,409	77	42,486	1.79%	1,139
2007	41,088	58	41,146	1.73%	1,097
2008	39,697	117	39,814	1.68%	1,059
2009	38,231	101	38,332	1.62%	1,016
2010	29,261	68	29,329	0.84%	1,753
2011	27,622	76	27,698	0.79%	1,655
2012	25,944	94	26,038	0.75%	1,551
2013	24,230	71	24,301	0.70%	1,446
2014	22,585	61	22,646	0.65%	1,347

Note:

1. Per Capita is based on number of customers for the District.
2. Years 2004-2009: Personal Income is based on 2000 census information with population of 50,813.
Years 2010-2014: Personal Income is based on 2010 census information with population of 53,514.
3. On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds.

Schedule 8
Las Virgenes Municipal Water District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities Refunding Revenue Bonds	Total	Percentage of Gross Revenue for Bond Coverage	Per Capita
2005	43,660	43,660	100.37%	1,206
2006	42,409	42,409	93.56%	1,137
2007	41,088	41,088	84.34%	1,095
2008	39,697	39,697	74.83%	1,056
2009	38,231	38,231	77.66%	1,014
2010	29,261	29,261	176.47%	1,749
2011	27,622	27,622	159.03%	1,650
2012	25,944	25,944	145.39%	1,545
2013	24,230	24,230	132.82%	1,442
2014	22,585	22,585	124.44%	1,343

Note:

1. Gross revenue includes operating, non-operating and capacity fee revenues
2. Per Capita is based on number of customers for the District.
3. On December 1, 2009, the District issued 2009 Sanitation Refunding Revenue Bonds to advance refund 1998 Bonds.
For fiscal years 2010, and all subsequent years, numbers shown above are for sanitation operations only.

Schedule 9
Las Virgenes Municipal Water District
Direct and Overlapping District Debt
June 30, 2014

2013-14 Assessed Valuation:

\$ 19,401,167,378

	Total Debt June 30, 2014	Percent Applicable (1)	District's Share of Debt June 30, 2014
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Los Angeles County Flood Control District	\$ 17,480,000	1.732%	\$ 302,754
Metropolitan Water District	132,275,000	0.888%	1,174,602
Los Angeles Community College District	3,642,560,000	2.947%	107,346,243
Santa Monica Community College District	305,103,121	2.344%	7,151,617
Las Virgenes Joint Unified School District	157,579,487	95.187%	149,995,186
Los Angeles Unified School District	10,545,135,000	0.135%	14,235,932
Santa Monica-Malibu Unified School District	291,068,787	2.340%	6,811,010
City of Los Angeles	991,940,000	0.026%	257,904
Las Virgenes Municipal Water District	-	100.000%	- (2)
City of Calabasas Community Facilities District No. 1998-1	6,130,000	100.000%	6,130,000
City of Calabasas Community Facilities District No. 2001-1	21,605,000	100.000%	21,605,000
Los Angeles County Community Facilities District Nos. 4C	310,000	100.000%	310,000
City of Los Angeles Landscaping and Lighting Benefit Assessment District	18,180,000	0.026%	4,727
Los Angeles County Regional Park and Open Space Assessment District	113,615,000	1.703%	1,934,863
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 317,259,838

- (1) The percentage of overlapping debt applicable to the District is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping District's assessed value that is within the boundaries of the District divided by the overlapping District's total taxable assessed value.
- (2) Excludes revenue issues.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Schedule 9
Las Virgenes Municipal Water District
Direct and Overlapping District Debt (Continued)
June 30, 2014

OVERLAPPING GENERAL FUND DEBT:

Los Angeles County General Fund Obligations	\$ 1,835,420,030	1.703%	\$ 31,257,203
Los Angeles County Superintendent of Schools Certificates of Participation	9,529,882	1.703%	162,294
Santa Monica Community College District Certificates of Participation	17,720,000	2.344%	415,357
Las Virgenes Joint Unified School District Certificates of Participation	11,445,000	95.187%	10,894,152
Los Angeles Unified School District Certificates of Participation	365,858,657	0.135%	493,909
Santa Monica-Malibu Unified School District Certificates of Participation	12,391,501	2.340%	289,961
City of Agoura Hills General Fund Obligations	14,405,000	100.000%	14,405,000
City of Calabasas Certificates of Participation	35,050,000	99.169%	34,758,735
City of Los Angeles General Fund and Judgment Obligations	1,756,187,887	0.026%	456,608
City of Westlake Village Certificates of Participation	14,650,000	100.000%	<u>14,650,000</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			107,783,219
Less: Los Angeles County General Fund Obligations supported by landfill revenues			85,750
Less: Los Angeles Unified School District self-supporting QZABs supported by investment fund			<u>6,820</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT			<u>\$ 107,690,649</u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	14,710,000	100.000%	\$ 14,710,000
TOTAL DIRECT DEBT			\$ -
TOTAL GROSS OVERLAPPING DEBT			\$ 439,753,057
TOTAL NET OVERLAPPING DEBT			\$ 439,660,487
GROSS COMBINED TOTAL DEBT			\$ 439,753,057 (3)
NET COMBINED TOTAL DEBT			\$ 439,660,487

- (1) The percentage of overlapping debt applicable to the District is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping District's assessed value that is within the boundaries of the District divided by the overlapping District's total taxable assessed value.
- (2) Excludes revenue issues.
- (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2012-13 Assessed Valuation:

Direct Debt	0.00%
Total Direct and Overlapping Tax and Assessment Debt	1.64%
Gross Combined Total Debt	2.27%
Net Combined Total Debt	2.27%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$546,142,889)

Total Overlapping Tax Increment Debt	2.69%
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Schedule 10
Las Virgenes Municipal Water District
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands except coverage)

Fiscal Year	Refunding Revenue Bonds					
	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	43,498	30,074	13,424	1,505	2,317	3.51
2006	45,328	32,768	12,560	1,570	2,253	3.29
2007	48,718	36,435	12,283	1,640	2,185	3.21
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

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.

Schedule 11
Las Virgenes Municipal Water District
Demographic and Economic Statistics
Current Year, Year 2010, Year 2000 and Year 1990

Year	Population	Total Personal Income (thousand of dollars)	Per Capita Personal Income	Unemployment Rate	Population 25 and over	High School Graduate	Bachelor's Degree or Higher
1990	29,574	\$973,106	\$32,904	n/a	18,803	17,647	8,498
2000	50,813	\$2,372,138	\$46,684	5.20%	33,634	32,199	17,847
2010	53,514	\$3,488,456	\$64,795	11.50%	36,440	38,102	22,634
2014	54,855	n/a	n/a	7.70%	n/a	n/a	n/a

Note:

1. Population includes City of Calabasas, City of Hidden Hills, City of Agoura Hills, City of Westlake Village
 However, 1990 population does not include City of Calabasas, which was incorporated in 1991.
2. Total Personal Income and Per Capita Personal Income information are based on 2010, 2000 and 1990 Census information.
3. Unemployment rate is for the area of Los Angeles-Long Beach-Santa Ana, CA Metropolitan area, Source: U.S. Department of Labor
4. Population 25 and over, High School Graduate, and Bachelor's degree or higher are based on 2010, 2000 and 1990 census information.

Schedule 12
Las Virgenes Municipal Water District
Principal Employers
Current Fiscal Year and Eight Years Ago

Employer by Industry	2014			2006		
	Number of Employees	Rank	Percentage of Total Area Employment	Number of Employees	Rank	Percentage of Total Area Employment
Professional, Scientific, and Technical Services	5,553	1	15.70%	4,206	2	10.75%
Finance and Insurance	4,296	2	12.14%	5,336	1	13.63%
Accommodation and Food Services	3,521	3	9.95%	3,559	4	9.09%
Retail Trade	2,961	4	8.37%	2,792	7	7.13%
Administrative, Support, Waste Management & Remediation Service	2,390	5	6.76%	3,467	5	8.86%
Manufacturing	2,268	6	6.41%	3,437	6	8.78%
Educational Services	2,007	7	5.67%	3,596	3	9.19%
Government	1,799	8	5.09%	1,850	9	4.73%
Information	1,659	9	4.69%	1,696	10	4.33%
Health Care and Social Assistance	1,524	10				
Construction			0.00%	2,695	8	6.89%
Total	27,978		79.09%	32,634		83.37%

Note: Data prior to 2006 is not available.

Source: California State Employment Development Department Labor Market Information Division Quarterly Census of Employment and Wages - Preliminary Data 1st Quarter 2014 Areas covered by Las Virgenes Municipal Water District: zip codes 91301, 91302, 91361, 90263 (Pepperdine University).

Schedule 13
Las Virgenes Municipal Water District
Full-time Equivalent District Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Manager Office	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities and Operations:										
Administration	2.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Facilities Maintenance	19.5	23.5	22.5	24.5	23.5	23.2	16.2	16.2	16.2	16.2
Water Treatment and Production	13.0	12.0	13.0	13.0	12.0	11.8	17.8	17.8	17.8	17.8
Reclamation	22.5	22.5	23.5	23.5	24.5	25.0	24.0	24.0	24.0	24.0
Technical Service	5.5	6.5	7.5	7.5	9.0	9.0	7.0	7.0	7.0	8.0
Finance and Administration:										
Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance and Accounting	9.0	10.0	10.0	10.0	10.0	10.0	9.0	9.0	8.0	8.0
Human Resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0
Information System	5.0	5.0	5.0	5.0	5.0	5.0	6.0	6.0	6.0	5.0
Resource Conservation and Public Outreach:										
Administration	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Customer Service	12.0	13.0	14.0	14.0	16.0	18.0	19.0	17.0	19.0	19.0
Water Conservation	5.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Public Information	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Planning/New Customer	7.5	7.5	7.5	6.5	5.0	5.0	0.0	0.0	0.0	0.0
Total	112.0	118.0	119.0	120.0	121.0	123.0	115.0	112.0	114.0	114.0

Source: LVMWD Budget, data presented are positions filled as of budget preparation date.

Schedule 14
Las Virgenes Municipal Water District
Operating Indicators by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009
Water:					
New Connections	159	493	112	39	53
Water Main Leak Repairs	56	48	50	40	49
Average Daily Consumption (thousands of gallons)	19,498	20,302	23,011	22,723	20,917
Potable Water:					
Connections	19,611	20,104	20,216	20,255	20,308
Deliveries (acre-feet)	21,951	22,738	25,772	25,449	23,427
Realized Capacity Fee/Connection Fee Deposits	\$ 3,359,794	\$ 3,110,930	\$ 1,286,210	\$ 1,153,072	\$ 772,170
Wastewater/Sanitation:					
Connections	16,150	16,610	16,694	16,727	16,720
Average Daily Sewage Flow/Dry Weather Flow (thousands of gallons):					
Tapia Plant	9,246	8,506	8,446	8,755	8,219
LVMWD	6,144	5,486	5,397	5,814	5,488
Triunfo Sanitation District	3,102	3,020	3,049	2,971	2,731
Realized Capacity Fee/Connection Fee Deposits	\$ 3,472,850	\$ 2,886,800	\$ 1,912,750	\$ 2,161,700	\$ 282,250
Function	2010	2011	2012	2013	2014
Water:					
New Connections	25	15	14	51	18
Water Main Leak Repairs	55	28	56	39	47
Average Daily Consumption (thousands of gallons)	17,029	16,954	18,577	19,879	21,310
Potable Water:					
Connections	20,333	20,240	19,854	19,879	19,893
Deliveries (acre-feet)	19,072	18,988	20,806	22,264	23,867
Realized Capacity Fee/Connection Fee Deposits	\$ 823,836	\$ 283,662	\$ 282,454	\$ 513,062	\$ 359,934
Wastewater/Sanitation:					
Connections	16,726	16,740	16,792	16,802	16,817
Average Daily Sewage Flow/Dry Weather Flow (thousands of gallons):					
Tapia Plant	8,001	8,053	7,610	7,579	7,281
LVMWD	5,322	5,400	4,983	5,031	4,880
Triunfo Sanitation District	2,679	2,653	2,627	2,548	2,401
Realized Capacity Fee/Connection Fee Deposits	\$ 537,800	\$ 448,350	\$ 918,600	\$ 1,085,000	\$ 1,124,550

Source: LVMWD Operations and Accounting

Schedule 15
Las Virgenes Municipal Water District
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009
Potable Water					
Water Main (miles)	344.7	350.0	382.4	382.4	382.4
Fire Hydrants (#)	2,693	2,747	3,102	3,109	3,123
Valves (#)	4,350	4,372	4,391	4,392	4,393
Storage Capacity (millions of gallons)					
Reservoirs	3,100	3,100	3,100	3,100	3,100
Tanks	32.7	33.3	33.3	33.3	33.3
Recycled Water					
Water Main (miles)	63.4	64.5	63.6	63.6	63.6
Valves (#)	28	33	338	338	338
Storage Capacity (millions of gallons)					
Reservoirs	19.3	19.3	19.3	19.3	19.3
Tanks	5.6	5.6	5.6	5.6	5.6
Wastewater					
Sanitary Sewers (miles)	55.7	55.7	55.7	55.7	55.7
Treatment Capacity (millions of gallons)	16	16	16	16	16

Function	2010	2011	2012	2013	2014
Potable Water					
Water Main (miles)	382.4	383.6	384.5	387.1	389.1
Fire Hydrants (#)	3,134	3,138	3,147	3,154	3,167
Valves (#)	4,395	4,419	4,434	4,452	4,477
Storage Capacity (millions of gallons)					
Reservoirs	3,100	3,100	3,100	3,100	3,100
Tanks	33.3	33.3	33.3	33.3	33.3
Recycled Water					
Water Main (miles)	63.8	65.5	65.9	65.9	66.2
Valves (#)	338	344	341	342	342
Storage Capacity (millions of gallons)					
Reservoirs	19.3	19.3	19.3	19.3	19.3
Tanks	5.6	5.6	5.6	5.6	5.6
Wastewater					
Sanitary Sewers (miles)	57.1	56.2	56.2	56.1	56.9
Treatment Capacity (millions of gallons)	16	16	16	16	16

Schedule 16
Las Virgenes Municipal Water District
Annual Water & Sewer Capacity Fee Deposits Report
Per Government Code Section 66013 (d) and (e)
Fiscal Year Ended June 30, 2014

Beginning Balance:			
Capacity Fees		\$ 1,812,888	
Developer Fees		641,211	
Interest		<u>1,375,290</u>	
Total Beginning Balance			\$ 3,829,389
Fees Collected:			
Capacity Fees	\$ 2,462,170		
Developer Fees	<u>54,399</u>		
Total Fees Collected		\$ 2,516,569	
Reimbursed to Developer/Rec. as Exp.		-	
Interest Earned		<u>24,936</u>	
Fees Available		\$ 2,541,505	
Applied to:			
Capital Costs Funded by:			
Capacity Fees	\$ 1,484,484		
Meter Installation	55,985		
Developer Fees	36,623		
Interest Earned	<u>13,166</u>		
Total Capital Costs		\$ 1,590,258	
Refunds		<u>118,107</u>	
Total Funds Applied		\$ 1,708,365	
Net Changes for the Year			833,140
Ending Balance:			
Capacity Fees		\$ 2,645,625	
Developer Fees		629,844	
Interest (1)		<u>1,387,060</u>	
Total Ending Balance			<u><u>\$ 4,662,529</u></u>

(1): Interest earned is not reflected as a liability on the Statement of Net Position.

California Government Code (CGC) Section 66013(c) requires the District to place capital facilities connection fees received and any interest income earned from the investment of these monies in a separate capital facilities fund. These monies are to be used solely for the purposes for which they were collected and not commingled with other District funds.

CGC Section 66013(d) requires the District to make certain information available to the public within 180 days after the close of each fiscal year. CGC Section 66013(e) allows the required information to be included in the District's annual financial report. The Annual Connection Fee Report shown above meets this requirement.

Capacity fees are imposed for initiating water and sewer connection service by the District at the request of the customer. No fees are imposed upon real property or upon persons as an incident of property ownership, but rather as a condition of service.

Developer fees are imposed for other services such as plan check, right-of-way, inspection and coring fees.

The District has a plan in the next five years to utilize these capacity fee deposits for Capital Improvement Projects in the amount of \$6,801,537 for Potable Water Projects, \$1,233,800 for Recycled Water Projects, and \$850,600 for Sanitation Projects.



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: General Manager

Subject: Appointment of Deputy Secretaries and Deputy Treasurer (Pg. 57)

SUMMARY:

Pursuant to Water Code Section 71340, the Board may appoint deputy officers for the positions of secretary and treasurer to serve at the pleasure of the Board. Traditionally, the Board has appointed the General Manager and Executive Assistant/Clerk of the Board as Deputy Secretaries and the Director of Finance and Administration as Deputy Treasurer. By appointing District employees as deputies for these officers, the Board authorizes the employees to perform routine, day-to-day functions of the officers subject to any limitations specified by the Secretary, Treasurer, and/or Board.

RECOMMENDATION(S):

Appoint David W. Pedersen, General Manager, and Daryl A. Betancur, Executive Assistant/Clerk of the Board, as Deputy Secretaries and Donald Patterson, Director of Finance and Administration, as Deputy Treasurer.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

Prepared By: David W. Pedersen, General Manager



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: Calleguas Municipal Water District-Las Virgenes Municipal Water District Interconnection: Approval of Term Sheet (Pg. 58)

SUMMARY:

An interconnection between the District and Calleguas Municipal Water District (CMWD) has been contemplated through the District's planning process since 1999. As originally envisioned, the interconnection would provide the District with up to 20 cubic feet per second (cfs) of potable water to refill Las Virgenes Reservoir during the winter. Recently, in recognition of operational limitations associated with the Los Posas Aquifer Storage and Recovery facility, CMWD has expressed an interest in the proposed interconnection as source of emergency water supply. Last November, the Board authorized a contract for Kennedy/Jenks Consultants (KJ) to the preform hydraulic modeling of the interconnection under various scenarios, defining its capacity and flow limitations.

Two alignments within the District's service area were modeled by KJ for the interconnection. The first alignment was along Reyes Adobe Road from Thousand Oaks Boulevard, past Yerba Buena School to Lindero Canyon Road, connecting to CMWD facilities near Kanan Road. This alignment was proposed in the Backbone Improvements Alternative Program Mitigated Negative Declaration. The second alignment was along Lindero Canyon Road from Thousand Oaks Boulevard to CMWD facilities near Kanan Road. Based on the hydraulic modeling, the second alignment is recommended.

Additionally, District and CMWD staff developed the attached term sheet to provide a high-level framework for the design, construction and operation of the proposed interconnection. The next steps in the process are to approve the term sheet, develop a cooperative agreement between the District and CMWD for preparation of the preliminary design and environmental documentation, and finalize the KJ study. The term sheet was approved by CMWD's Board on November 19, 2014.

RECOMMENDATION(S):

Approve the term sheet for a proposed interconnection between the District and Calleguas Municipal Water District, and authorize staff to develop a draft cooperative agreement for preparation of the preliminary design and environmental documentation for the project.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

FINANCIAL IMPACT:

There is no financial impact associated with this action. The cost for the preliminary design and environmental documentation is proposed to be shared equally between the agencies. Each agency will then pay for the cost of final design, permitting and construction of the facilities within its respective service

ITEM 8A

area.

DISCUSSION:

The 1999 Potable Water Master Plan first considered an interconnection between the District and CMWD. The concept was described in the 2007 Potable Water Master Plan and 2009 Backbone Improvements Program Alternatives Study. The original intent of the interconnection was to help refill Las Virgenes Reservoir in the winter-time and provide a potential source of emergency water supply for both agencies. At the time, CMWD staff had expressed a concern with providing any supplies during the summer; however, CMWD staff recently re-evaluated the operation of its water system, considering alternative operating schemes such as temporary on-peak pumping. The following sections describe the interconnection concept, potential benefits to each agency, limitations of the interconnection, and the next steps for the project.

Interconnection Concept:

From 1997 to 2003, MWD offered a seasonal shift program to reduce high summer-time demands on its system. The District contracted with MWD to purchase 2,500 acre-feet (AF) of water during the winter (October 1st to May 1st) at a discounted rate. In turn, the District was required to use 2,500 acre-feet of water from Las Virgenes Reservoir during the summer. Failure to meet the commitment by even one acre foot would have resulted in termination of the agreement and discounted rate.

The 1999 Potable Water Master Plan considered the infrastructure needed to meet then-current and future demands and to withdraw and refill at least 2,500 AF of water from Las Virgenes Reservoir during a single year. This plan included a proposed connection with CMWD on Lindero Canyon Road to provide the District with up to 20 cubic feet per second (cfs) of water during the winter to help refill the reservoir. At that time, there was no available capacity in the CMWD system to provide any summer-time flows to the District.

In 2003, MWD ended the seasonal shift program and revised its rate structure to include a Capacity Reservation Charge (CRC). The CRC recovers the cost of providing peaking capacity within MWD's distribution system and is based on highest daily combined flow from May 1st to September 30th for the previous three years. The District's CRC flow basis for 2013 was 43.9 cfs. The CRC rate is currently \$8,600/cfs and will increase to \$11,100/cfs in 2015. The operation of Las Virgenes Reservoir and the Westlake Filtration Plant serve to attenuate the District's peak demands and reduce MWD deliveries between May and September, substantially reducing the District's exposure to the costly CRC.

In October 2003, CMWD and the District jointly conducted a study to consider two possible interconnections. The first was the above-mentioned interconnection on Lindero Canyon Road that would provide up to 20 cfs for winter-time refilling of Las Virgenes Reservoir. The second interconnection was proposed at Victory Boulevard to provide emergency and redundant supply to CMWD for the Oak Park service area and the proposed Ahmanson Ranch development. Supplying water to CMWD's eastern service area would have freed up capacity in its Lindero Feeder that, in turn, could have provided up to 27 cfs to the District during an emergency. However, the Ahmanson Ranch project was never constructed, and the property is now the Upper Las Virgenes Canyon Open Space Reserve. This eliminated the need for the proposed Victory Boulevard interconnection.

The 2007 Potable Water Master Plan also recommended considering the Lindero Canyon Road interconnection to provide winter-time refilling of Las Virgenes Reservoir. The recommendation was somewhat different than in the 2003 Master Plan; the interconnection was considered as an option in the Backbone Improvements Program to offset a storage deficient in the western portion of the District and to expand the ability to use the Westlake Filtration Plant and Las Virgenes Reservoir to meet increased demands and provide emergency supply to the majority of the District.

As the capacity of the filter plant was proposed to be increased, there would need to be adequately-sized infrastructure in place, in particular transmission mains, to refill the reservoir during a single season. The transmission main improvements recommended in the 2007 Master Plan included 12-inch, 16-inch and 18-inch mains in Agoura Road from Cornell Pump Station to Reyes Adobe Road, and in Reyes Adobe Road from Agoura Road to Thousand Oaks Boulevard; a 30-inch main in Mureau Road and Las Virgenes Road to Agoura Road (these sections are completed); and a 30-inch main in Agoura Road from Las Virgenes Road to Liberty Canyon Road or construction of the CMWD interconnection.

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In October 2009, the Backbone Improvements Program Alternatives Study and Mitigated Negative Declaration (MND) was completed. This study looked more closely at the various options for the transmission main improvements, expansion of Westlake Filtration Plant, modernization of the Westlake Pump Station and siting of the 5-million-gallon tank. Recognizing the option of the interconnection or constructing a 30-inch main from Las Virgenes Road to Liberty Canyon Road, the Reyes Abode Road route for the interconnection was selected for inclusion in the study and MND.

Potential Interconnection Benefits:

The interconnection, as originally envisioned, would have primarily benefited the District for winter refilling of Las Virgenes Reservoir. Although it was considered a potential emergency supply for CMWD, the Las Posas Aquifer Storage and Recovery facility was identified by CMWD as the primary source of water during an emergency. This changed in 2010 when CMWD discovered that the wellfield did not have the originally-expected yield and that the underlying geology was different than previously anticipated. As a result, the interconnection could provide CMWD with emergency supply during an MWD shutdown or a failure or shutdown of their transmission main in Simi Valley. The District would benefit from the interconnection as a means to fill Las Virgenes Reservoir in the winter, emergency supply in the winter and potentially smaller emergency flows in summer; however, CMWD can only provide up to 7.5 cfs, or 3,368 gpm, in the summer only when MWD service is available.

MWD has tentatively scheduled two 45-day shutdowns of the Calabasas Feeder in January 2018 and in November 2019 to reinforce the pre-stressed concrete cylinder pipe. The Calabasas Feeder serves LV-2, the District's primary source of supply. During these shutdowns, supply will be available from the District's Kittridge interconnection with LADWP (12 cfs max) and the Westlake Filter Plant (20 cfs max) for a total maximum supply of 32 cfs. Expansion of the filter plant will increase the total maximum supply to 38 cfs.

During the periods of January 1 to February 15 and November 1 to December 15 for the last five years, the District's maximum day demands exceed the available supply of 32 cfs for three of the five years, excluding LV-3 demands. Additionally, both the Kittridge interconnection and filter plant are susceptible to failure, potentially limiting available supply during the MWD shutdowns. The proposed interconnection will provide for additional supply to meet maximum day demand during the shutdowns and create critical redundancy.

	Demands (cubic feet per sec)			
	Jan 1 to Feb 15		Nov 1 to Dec 15	
	Max Day	Avg	Max Day	Avg
2014	33.5	28.0	N/A	N/A
2013	29.0	20.8	36.7	28.9
2012	37.8	24.2	41.1	24.7
2011	38.9	22.5	24.9	22.5
2010	22.2	15.7	37.8	24.9

Potential Interconnection Limitations:

The interconnection would provide benefits to both agencies but would also have limitations. During the summer, CMWD can only provide 5 cfs, or 2,243 gpm, on a peak demand day and 7.5 cfs, or 3,368 gpm, on an average demand day. These limited flows maybe helpful under certain circumstances but cannot be relied upon to meet demands or fire flow. If a planned or unplanned shutdown of MWD facilities were to affect both the District and CMWD, it may not be possible to use the interconnection without impacting pressure or storage. In this case, each agency would need to ensure reliable service in its respective service area before activating the interconnection, limiting its reliability under certain circumstances.

Next Steps:

With the completion of the hydraulic modeling, the capacity and flow limitations of the proposed interconnection are well understood. The next steps would be to proceed with preliminary design and environmental documentation of the Lindero Canyon Road route. It is proposed that CMWD act as the lead agency for CEQA purposes. The District would enter into a cooperative agreement with CMWD for preparation of the preliminary design and environmental documentation. Once a draft agreement has been prepared, staff will return to the Board for approval of the agreement and authorization to proceed.

GOALS:

Provide Safe and Quality Water with Reliable Services

Prepared By: David R. Lippman, Director of Facilities & Operations

ATTACHMENTS:

[Proposed Term Sheet](#)

[Map of Interconnection Pipeline Alignments](#)

**Las Virgenes Municipal Water District/Calleguas Municipal Water District
Interconnection
Proposed Key Agreement Terms**

1. Availability of Water

- Each agency will provide water to the other agency when their flow and pressure conditions allow and their own customers are able to receive all of the water they need. There will be no guarantee of any particular flows under any circumstances, but if delivery capacity is available, each agency will make best efforts to provide water to the other when requested to do so.
- The agency requesting water will do so in writing (e-mail acceptable) to a designated employee at the providing agency. It will contain the requested flow rate, desired start time, and estimated duration of the delivery. The providing agency will confirm estimated availability of the requested flow. In an emergency, the request and response may be communicated by phone and followed up by e-mail.

2. Costs and Metering

- The interconnection will be treated as a “virtual” meter from MWD. Each month when water is delivered through the interconnection, the General Managers will send a joint letter to MWD with the dates, amounts and maximum daily flow rates of water delivered, and MWD will handle the purchase as a bill adjustment by crediting the selling agency and charging the purchasing agency.
- Each agency will pay the other agency’s pumping costs to convey it to the point of interconnection. No other costs will be charged, like O&M, capital construction, or rehabilitation and replacement.
- Meter reads will be taken on the last working day of any month in which water has been delivered.
- Calleguas shall own and maintain a meter which measures water delivered to LVMWD. LVMWD shall own and maintain a meter which measures water delivered to Calleguas. Each agency shall calibrate and test all metering components a minimum of once annually, providing a copy of the associated test and calibration report to the other, to confirm accuracy of plus or minus two percent ($\pm 2.0\%$). If the calibration discloses an error exceeding plus or minus two per cent ($\pm 2.0\%$), an adjustment shall be made in metered charges, covering the known or estimated extent and period of duration of such error up to a six-month period. Also, each agency shall be authorized to independently test the other’s meter for verification purposes upon request.
- Signals for access to real-time meter data, if any, shall be made available to each agency.

3. Allocations of Capital Costs/Responsibilities

- Each agency will design, permit, build and pay for its own improvements (LVMWD – pipeline in LA County; Calleguas – pipeline in Ventura County and pump station), except that Calleguas will also construct the pressure regulating station (PRS), which will be paid for by LVMWD. Either agency or both may build the two meters, but each is responsible for paying to construct the meter which delivers water to the other agency.
- Each agency will operate and maintain its own improvements (LVMWD – pipeline in LA County and PRS and meter; Calleguas – pipeline in Ventura County, pump station, and meter).
- Each agency will amend its own permit with SWRCB Division of Drinking Water. Each agency will provide the other all necessary information to comply with drinking water quality regulations.

4. CEQA Environmental Document

- Calleguas will act as the lead agency in the preparation of CEQA environmental documents for the proposed project. LVMWD will be a responsible agency.
- Calleguas will hire a consultant to prepare and circulate the environmental documents. LVMWD shall participate in review of the consultant's proposal and be provided with ample opportunity to comment on the environmental documents being prepared.
- The cost of preparation of the environmental documents shall be shared equally.

5. Other Typical Agreement Elements

- Entire Agreement
- No Inducement
- Partial Invalidity
- Modification Only in Writing
- Notification
- Termination - 25 year term, may be extended upon mutual agreement of the parties
- Incorporation of Recitals
- Representation by Counsel
- Joint Drafting
- California Law
- Interpretation
- No Waiver
- Counterparts
- Authority
- Headings
- Mutual Indemnification



LINDERO FEEDER

PRV / PUMPING FACILITY

CMWD

LVMWD

REYES ADOBE ALTERNATIVE

LINDERO ALTERNATIVE

TO LAS VIRGENES RESERVOIR

CORNELL PS

PS

ITEM 8A





December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: 30-inch Potable Water Main Break: Continuation of Emergency Declaration (Pg. 65)

SUMMARY:

On November 11, 2014, a leak surfaced on the 30-inch potable water main along Valley Circle Boulevard near Stagg Street in West Hills. The affected pipe section was isolated between mainline valves, and there were no service interruptions. The pipeline is the District's transmission main that supplies water from LV-1 to the Conduit Pump Station; however, normal system operation with LV-2 in operation is to feed that area of the District from the other direction with Conduit Pump Station acting in a pressure reducing mode.

Chatsworth Lake Manor and Box Canyon customers, north of the isolated pipeline, are currently being served from LV-1. Corie Lane customers, south of the isolated pipeline, are being served from the pressure reducing station at the Conduit Pump Station. However, neither area has redundant service at this time. Additionally, with a section of the 30-inch pipeline isolated, the District cannot utilize LV-1 for supply in the event of a failure or shutdown of the West Valley Feeder No. 2, Calabasas Feeder or LV-2. As a result, it is important to complete the repair work expeditiously.

The repair will be challenging because of the large diameter, depth (11 to 12 feet), location beneath existing sidewalk and paving, and proximity to other underground utilities. As a result, staff obtained labor and equipment rates from three emergency contractors to complete the work. Additional details on the incident and status of repairs will be provided at the Board meeting.

On November 25, 2014, the Board declared the water main break an emergency. The emergency declaration must be continued pending completion of the repairs.

RECOMMENDATION(S):

Continue the emergency declaration for the 30-inch potable water main break on Valley Circle Boulevard in West Hills.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds for this work are available in the adopted Fiscal Year 2014-15 Budget.

DISCUSSION:

Las Virgenes Municipal Water District Code Section 2-5-502 - Emergencies

ITEM 8B

(b) "When a meeting of the Board can be commended in a timely manner to authorize emergency action, by a 4/5's vote, the Board may authorize procurement of good and services without formal bid, informal bids, or requests for proposal. Such authorization shall be based on substantial evidence set forth in the minutes of the meeting that the emergency will not permit delay and action is necessary to respond to the emergency. Until the emergency subsides of the work is complete, at each subsequent regular meeting the Board shall determine by 4/5's vote whether to continue or terminate the authorization for emergency."

GOALS:

Provide Safe and Quality Water with Reliable Services

Prepared By: David R. Lippman, Director of Facilities and Operations

ATTACHMENTS:

Map of Affected Area

LV-1
1143'

Box
Cyn
Chatlake

Plummer Valve
Main Line Valve

Isolated
Section

Leak
Main Line Valve

1180'

Corie Lane
Conduit PR Station

1235'



ITEM 8B

Sources: Esri, HERE, DeLorme; USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri, China (Hong Kong), Esri (Thailand), Tom Tom, MapmyIndia; © OpenStreetMap contributors, and the GIS User Community



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: Purchase Order for Metropolitan Water District System Water: Approval Authorization (Pg. 68)

SUMMARY:

In 2003, the District signed a 10-year agreement or "purchase order" with Metropolitan Water District of Southern California (MWD) for the purchase of imported water. The agreement was extended for two additional years on January 1, 2013, and is set to expire on December 31, 2014. MWD staff solicited and incorporated input from its Member Agencies for the terms of a new 10-year purchase order, which was approved by the MWD Board on November 18, 2014.

Staff recommends that the Board authorize the General Manager to execute the 10-year purchase order, effective January 1, 2015 through December 31, 2024.

RECOMMENDATION(S):

Authorize the General Manager to execute a 10-year "purchase order" agreement with the Metropolitan Water District of Southern California for the purchase of imported water.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

This action is expected to result in a reduction in the annual overall cost of water purchased by the District from MWD due to an increase in the volume of water that can be purchased at the lower Tier 1 rate. The reduction in annual cost will vary depending on overall demands; however, it could be up to a maximum of \$483,120 per year. If the District does not execute the purchase order, its Tier 1 maximum amount will be reduced to 13,799 acre-feet, resulting in significant additional costs for the District to purchase higher-priced Tier 2 water.

DISCUSSION:

The District's current purchase order with MWD is set to expire on December 31, 2014. The purchase orders are voluntary agreements between MWD and its Member Agencies for both minimum and maximum commitments to purchase Tier 1 water. The proposed purchase order would increase the District's minimum annual average purchase requirement from 13,710 to 16,239 acre-feet per year. The Tier 1 limit, or maximum purchase amount at the lower Tier 1 rate, would increase from 20,698 to 24,358 acre-feet per year.

The new proposed terms of the purchase order are favorable to the District. The increase to the Tier 1

maximum paired with a revised methodology to account for it in a cumulative manner over the 10-year term, recognizing year-to-year fluctuations in demand, will allow the District to minimize the potential for purchasing higher-cost Tier 2 water. Attachment 1 provides charts to illustrate the District's historical purchasing pattern as well as the proposed purchase order commitment and Tier 1 limits.

The proposed purchase order consists of the following elements:

1. Term: A 10-year term, effective January 1, 2015 through December 31, 2024;
2. Tier 1 Maximum: Increase from 20,698 to 24,358 acre-feet per year (new maximum is a cumulative amount over the 10-year term);
3. Purchase Commitment (minimum purchase): Increase from 13,710 to 16,239 acre-feet per year (remains a cumulative amount over the 10-year term).

A significant feature of the proposed purchase order is the revised methodology to provide for the Tier 1 maximum amount to be a cumulative total over the 10-year term rather than the current approach to apply it annually. The new methodology will allow agencies with purchase orders to purchase larger than normal amounts of water in a single calendar year to replenish storage while staying within their long-term Tier 1 maximum amount by reducing purchases in the following years.

Attachment 2 is a copy of the proposed purchase order as approved by the MWD Board on November 18, 2014.

Attachment 3 is the MWD staff report recommending approval of the proposed purchase order.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Doug Anders, Administrative Services Coordinator

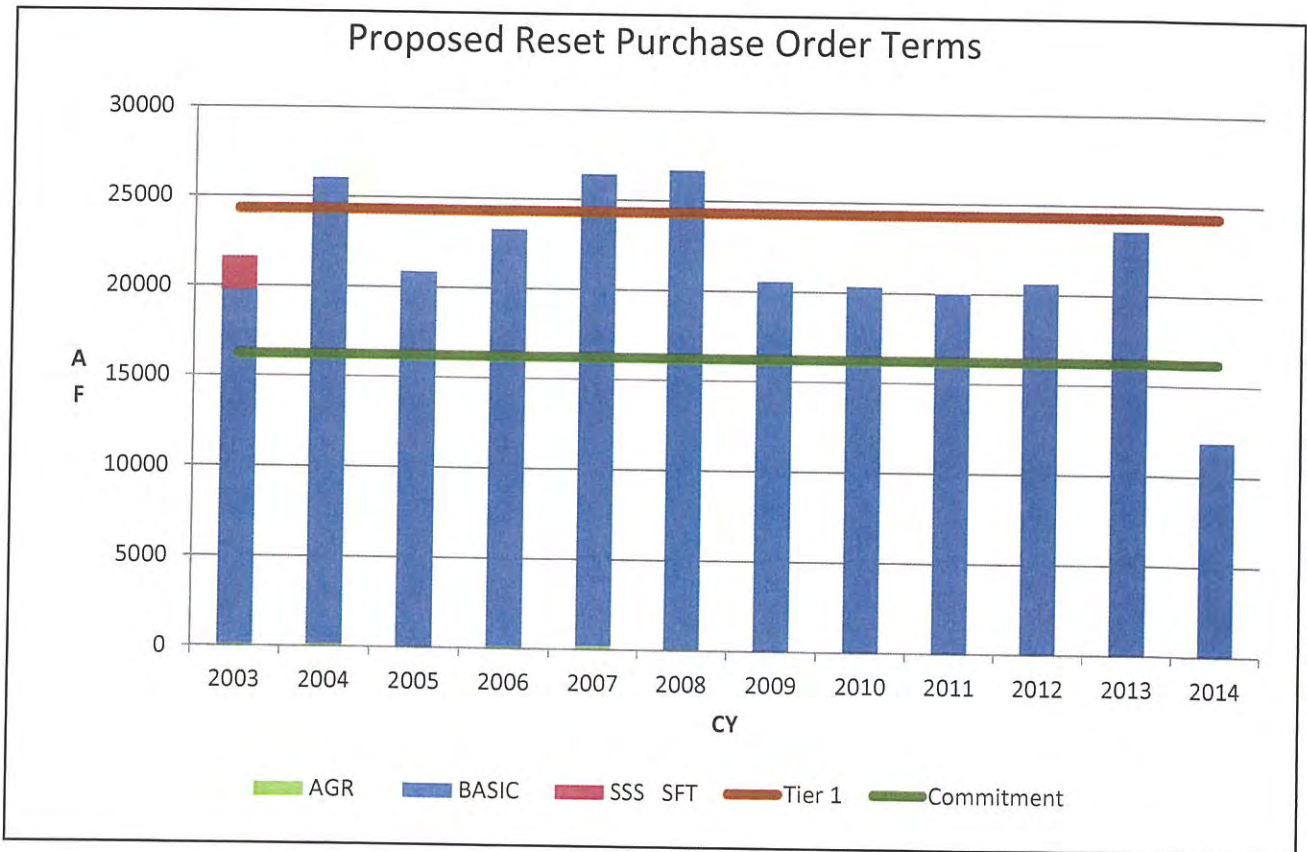
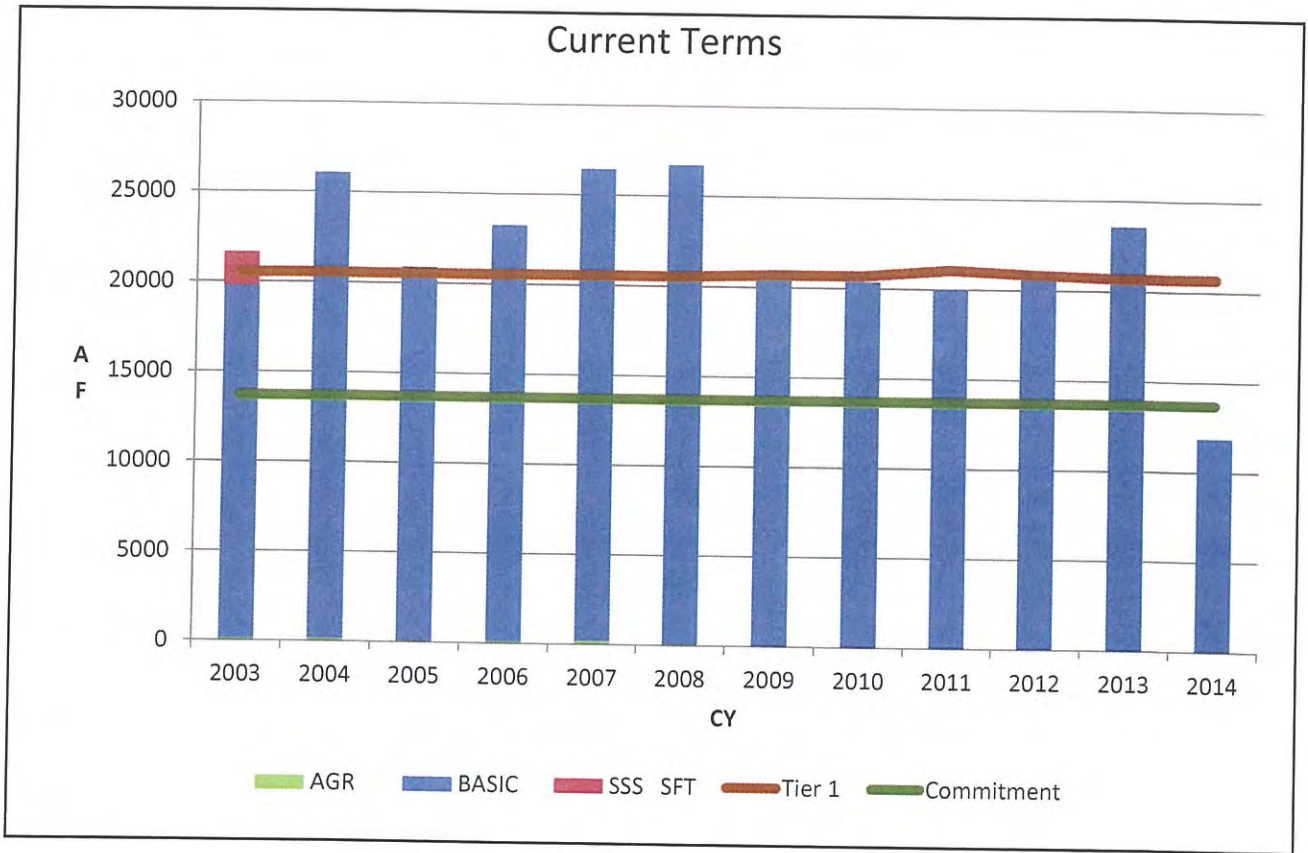
ATTACHMENTS:

[Historical Purchases](#)

[Proposed Purchase Order](#)

[MWD Staff Report](#)

Las Virgenes



**PURCHASE ORDER FOR SYSTEM WATER TO BE PROVIDED BY
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

PURCHASER: LAS VIRGENES MUNICIPAL WATER DISTRICT	TERM 10 years: January 1, 2015 – December 31, 2024
INITIAL BASE PERIOD DEMAND: 27,065 acre-feet	EFFECTIVE DATE: January 1, 2015
INITIAL TIER 1 MAXIMUM—Annual Average: 24,359 acre-feet	INITIAL TIER 1 MAXIMUM—Cumulative: 243,590 acre-feet
PURCHASE ORDER COMMITMENT— Annual Average: 16,239 acre-feet	PURCHASE ORDER COMMITMENT— Cumulative: 162,390 acre-feet

Definitions of capitalized terms used in this Purchase Order are provided in Attachment 1. Terms used in this Purchase Order and not defined in Attachment 1 are defined in Metropolitan's Administrative Code.

COMMITMENT TO PURCHASE:

In consideration of Purchaser's commitment to purchase System Water pursuant to this Purchase Order, Metropolitan agrees to sell such System Water to Purchaser during the Term at the Tier 1 Supply Rate in an amount up to the Tier 1 Maximum—Cumulative. All System Water sold to Purchaser during the Term in an amount greater than the Tier 1 Maximum—Cumulative shall be sold to the Purchaser at the Tier 2 Supply Rate. In connection with the purchase of System Water, the Purchaser also agrees to pay all other applicable rates and charges, as established by Metropolitan from time to time. The rates and charges applicable to System Water as of the Effective Date are shown in Attachment 2.

If Purchaser's applicable System Water purchases during the Term exceed Purchaser's Tier 1 Maximum, Purchaser may elect to:

- a.) Subject to the provisions of paragraph c) below, pay any Tier 2 Supply Rate obligations at the end of the Term, in an amount equal to the difference between the Purchaser's applicable System Water purchases and the Tier 1 Maximum—Cumulative during the Term times the average of the Tier 2 Supply Rate in effect during the Term; or,
- b.) Pay any Tier 2 Supply Rate obligations annually as purchases are incurred, in an amount equal to the difference between the Purchaser's applicable annual System Water purchases and the Tier 1 Maximum—Annual times the Tier 2 Supply Rate in effect during the calendar year. A true-up at the end of the Term will be performed to ensure that the Purchaser has received all Tier 1 Maximum—Cumulative purchases allowed by the Purchase Order.

- c.) If, after the end of the first five years, Purchaser has accrued a cumulative Tier 2 Supply Rate obligation, Purchaser may elect to pay the initial five year cumulative Tier 2 Supply Rate obligation (i) in full at the end of year five of the Term, (ii) amortize it in five equal installments over the remaining five calendar years of the Term, or (iii) pay it at the end of the Term. Commencing in year 6 of the Term, Purchaser shall pay any additional Tier 2 Supply Rate obligation annually.

Purchaser agrees to purchase System Water from Metropolitan during the Term in an amount not less than the Purchase Order Commitment. If Purchaser's applicable System Water purchases during the Term are less than the Purchase Order Commitment, each acre-foot of unmet commitment will be reduced by the amount of production from a local resource project, measured in acre-feet, that commences operation on or after January 1, 2014. A local resource project includes any project type as approved by the Board.

Purchaser agrees to pay Metropolitan an amount equal to the difference between the sum total in acre-feet of water of the Purchase Order Commitment (minus the amount reduced by the amount of production from a local resource project) and the sum total in acre-feet of water of Purchaser's applicable System Water purchases during the Term, times the average of the Tier 1 Supply Rate in effect during the Term.

Purchaser agrees to pay all amounts owing to Metropolitan, whether to satisfy a Purchase Order Commitment or a Tier 2 Supply Rate obligation, within the next regular billing cycle following the reconciliation of all certifications for special programs that the Purchaser may participate in. The Purchaser may elect to pay such amount in twelve equal monthly payments over the course of the next twelve months beginning with the first regular billing cycle following the reconciliation of all outstanding certifications for special programs. If the Purchaser elects to pay such amount over the course of the next twelve months following the regular billing cycle any outstanding balance shall bear interest at Metropolitan's then current investment portfolio average yield. All other amounts payable under this Purchase Order shall be billed and paid in accordance with the Administrative Code.

WATER SERVICE:

Conditions of water service by Metropolitan to the Purchaser, including but not limited to (i) delivery points, (ii) water delivery schedules, and (iii) water quality, will be determined in accordance with Chapter 5 (Section 4500 through 4514, inclusive, as applicable) of Metropolitan's Administrative Code.

In accordance with its Administrative Code, Metropolitan shall use its reasonable best efforts to supply System Water in the quantities requested by the Purchaser, but is not obligated to dedicate any portion of System capacity for the conveyance, distribution, storage or treatment of System Water for the benefit of the Purchaser or any other member agency. Metropolitan shall use its reasonable best efforts to deliver the System Water when needed by the Purchaser during the Term; provided however, there shall be no default under this Purchase Order if Metropolitan fails to deliver water to the Purchaser in accordance with any such schedule of deliveries during the Term.

By execution of this Purchase Order, the Purchaser recognizes and agrees that it acquires no interest in or to any portion of the System or any other Metropolitan facilities or supplies, or any right to receive water delivered through the System, excepting the right to purchase up to Purchaser's Tier 1 Maximum—Cumulative at the Tier 1 Supply Rate provided that System Water is available. This Purchase Order governs pricing of the System Water delivered to the Purchaser pursuant to this Purchase Order and does not confer any entitlement to receive System Water.

System Water provided to the Purchaser under the terms of this Purchase Order shall be subject to reduction in accordance with the shortage allocation provisions of the Water Surplus and Drought Management Plan (the "WSDM Plan") or other such policies and principles governing the allocation of System Water as adopted by the Board.

In the event that Metropolitan's Board or General Manager determines to reduce, interrupt or suspend deliveries of System Water, any outstanding balance of the Purchase Order Commitment at the end of the Term shall be reduced by the Purchase Order Commitment—Annual Average for each and every fiscal or calendar year that a reduction, interruption or suspension occurred.

MISCELLANEOUS:

This Purchase Order will be interpreted, governed and enforced in accordance with the laws of the State of California.

This Purchase Order will apply to and bind the successors and assigns of the Purchaser and Metropolitan.

No assignment or transfer of the rights of the Purchaser under this Purchase Order will be valid and effective against Metropolitan or the Purchaser without the prior written consent of Metropolitan and the Purchaser.

If at any time during the Term, by reason of error in computation or other causes, there is an overpayment or underpayment to Metropolitan by the Purchaser of the charges provided for under this Purchase Order, which overpayment or underpayment is not accounted for and corrected in the annual re-determination or reconciliation of said charges, the amount of such overpayment or underpayment shall be credited or debited, as the case may be, to the Purchaser. Metropolitan will notify the Purchaser in writing regarding the amount of such credit or debit, as the case may be. In no case will credits or debits for charges provided for under this Purchase Order be administered beyond the limit for billing adjustments as specified in Metropolitan's Administrative Code.

IN WITNESS WHEREOF, this Purchase Order is executed by the duly authorized officers of the Metropolitan Water District of Southern California and Las Virgenes Municipal Water District, as of December __, 2014.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

LAS VIRGENES MUNICIPAL WATER DISTRICT

By: _____
Jeffrey Kightlinger
General Manager

By: _____
[Title] _____

APPROVED AS TO FORM AND CONTENT:

General Counsel

General Counsel

By: _____

By: _____

**Attachment 1
Purchase Order for System Water
DEFINITIONS**

“Act” means the Metropolitan Water District Act, California Statutes 1969, Chapter 209, as amended and supplemented from time to time.

“Demand” means the Purchaser’s purchases of System Water supplies, including full service, seasonal shift, Conjunctive Use Program, Surface Storage Operating Agreement water, Recharge and Recovery Operating Agreement water, or any other water program deemed to be a purchase of System Water.

“Effective Date” means the effective date of this Purchase Order as specified above.

“Metropolitan” means The Metropolitan Water District of Southern California.

“Purchase Order Commitment” means:

i). if the Purchaser elects option a) under the Base Period Demand as defined in section 4122 of the Administrative Code, then 60% of the Purchaser’s Initial Base Firm Demand times 10; or

ii). if the Purchaser elects option b) under the Base Period Demand, then 60% of the Purchaser’s highest fiscal year Demand during the period from fiscal year 2002/03 through fiscal year 2013/14, times 10.

“Purchase Order” means this Purchase Order for System Water.

“Purchaser” means the member public agency specified above, a duly organized [city/water district/county water authority] of the State of California.

“System” means the properties, works and facilities operated and/or financed by Metropolitan necessary for the supply, development, storage, conveyance, distribution, treatment or sale of water.

“System Water” means water supplies developed by Metropolitan and delivered to the Purchaser through the System or other means (e.g. conjunctive use storage).

“Term” means the term of this Purchase Order as specified above.

“Tier 1 Maximum—Annual” means an amount equal to 90% of the Base Period Demand.

“Tier 1 Maximum—Cumulative” means an amount equal to the sum of the Tier 1 Maximum—Annual amounts during the Term.

“Tier 1 Supply Rate” means Metropolitan’s per-acre-foot Tier 1 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The Tier 1 Rate effective January 1, 2015, is \$158/AF.

“Tier 2 Supply Rate” means Metropolitan’s per-acre-foot Tier 2 Supply Rate, as determined from time to time by Metropolitan’s Board of Directors. The Tier 2 Rate effective January 1, 2015, is \$290/AF.

“Water Surplus and Drought Management Plan (WSDM)” means Metropolitan’s policy and procedures for managing supplies and drought conditions as adopted by the Board from time to time.

**Attachment 2
Purchase Order for System Water
RATES AND CHARGES**

	Effective January 1, 2015	Effective January 1, 2016
Tier 1 Supply Rate (\$/AF)	\$158	\$156
Tier 2 Supply Rate (\$/AF)	\$290	\$290
System Access Rate (\$/AF)	\$257	\$259
System Power Rate (\$/AF)	\$126	\$138
Water Stewardship Rate (\$/AF)	\$41	\$41
Full Service Untreated Rate (\$/AF):		
Tier 1	\$582	\$594
Tier 2	\$714	\$728
Treatment Surcharge (\$/AF)	\$341	\$348
Full Service Treated Rate (\$/AF):		
Tier 1	\$923	\$942
Tier 2	\$1,055	\$1,076
Readiness-to-Serve Charge (\$ millions)	\$158	\$153
Capacity Charge (\$/cfs)	\$11,100	\$10,900



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

BOARD
ACTION

● **Board of Directors**
Finance and Insurance Committee

11/18/2014 Board Meeting

8-1

Subject

Approve the proposed terms for Purchase Orders with Member Agencies; authorize the General Manager to execute Purchase Orders with Member Agencies consistent with the proposed terms; and approve the Proposed Amendments to the Administrative Code

Executive Summary

The Board is asked to approve the proposed terms for Purchase Orders with member agencies as outlined in **Attachment 1**, authorize the General Manager to execute Purchase Orders with member agencies consistent with the proposed terms, and approve the proposed amendments to the Administrative Code as shown in **Attachment 3**. The Purchase Orders will allow member agencies to purchase greater amounts of Metropolitan system water at the Tier 1 Supply Rate in exchange for a commitment to purchase a specific amount of water at a minimum over time which provides Metropolitan with a measure of revenue certainty over the term of the agreements.

Details

Purchase Orders are voluntary agreements that determine the amount of water that a member agency can purchase at the Tier 1 Supply Rate. They allow member agencies to purchase a greater amount of water at the lower Tier 1 Supply Rate than would otherwise be authorized by the Administrative Code. In exchange for the higher Tier 1 Maximum, the member agency commits to purchase a specific amount of water (based on past purchase levels) over the term of the agreement. Such agreements allow member agencies to manage costs and provide Metropolitan with a measure of secure revenue.

As previously explained to the Board and as further clarified below, Purchase Orders are adjuncts to the cost-of-service study in that they implement Metropolitan's tiered supply pricing structure. Metropolitan's current cost-of-service study, as well as the current budget and rates, assume no Tier 2 sales. If received, Tier 2 revenue will be used towards the incremental cost of acquiring additional water supplies to serve users with increasing demands and to fund additional conservation efforts. The Tier 2 Supply Rate also encourages efficient water resource management and conservation by indicating to member agencies the increased costs associated with demand increases. Purchase Orders also allow member agencies to maintain and manage local supplies by, for example, removing possible replenishment disincentives.

The existing Amended and Restated Purchase Order agreements, entered into with 22 member agencies, expire on December 31, 2014. Through discussions with the Board and the member agencies, a proposal was developed for new ten-year Purchase Orders. The key terms of the new Purchase Orders are outlined in greater detail in **Attachment 1**, and include:

- A ten-year term, effective January 1, 2015 through December 31, 2024;
- For member agencies executing a Purchase Order, the choice between the demand base of the current Amended and Restated Purchase Order agreements, which is the highest fiscal year purchases during the 13-year period of FY 1990 through FY 2002, or the highest year in the most recent 12-year period of

ITEM 8C

FY 2003 through FY 2014. The demand base is unique for each member agency, reflecting its use of Metropolitan's system water over time;

- An overall purchase commitment by the member agency based on the demand base period chosen, times ten to reflect the ten-year Purchase Order term. Those agencies choosing the more recent 12-year period may have a higher Tier 1 Maximum and commitment. The commitment is also unique for each member agency;
- The opportunity to reset the base period demand using a five-year rolling average;
- Any obligation to pay the Tier 2 Supply Rate will be calculated over the ten-year period, consistent with the calculation of any Purchase Order commitment obligation; and
- An appeals process for agencies with unmet purchase commitments that will allow each acre-foot of unmet commitment to be reduced by the amount of production from a local resource project that commences operation on or after January 1, 2014.

The Administrative Code provides that a member agency's Tier 1 Maximum is 60 percent of their calculated Revised Base Firm Demand. Each member agency's Revised Base Firm Demand is shown in Administrative Code Section 4122. Under the Purchase Orders, member agencies will have the option to purchase a greater amount of water at the lower Tier 1 Supply Rate in exchange for a commitment to purchase a minimum amount of water over the term of the Purchase Order. The current sum of the Tier 1 Maximum for member agencies, with and without Purchase Orders, totals 2.05 million acre-feet (MAF) for Calendar Year 2014. Discussions with member agencies regarding possible new Purchase Orders indicate that the total sum of the Tier 1 Maximum amounts is expected to remain at approximately 2.05 MAF. The current sum of the annual average commitment for member agencies with a Purchase Order total approximately 0.9 MAF; the total sum of the annual average commitment for member agencies anticipated to execute a new Purchase Order is also expected to remain at approximately 0.9 MAF.

Some member agencies use Metropolitan as a full requirements provider, some use Metropolitan as a partial requirements provider, and some member agencies use Metropolitan for standby service. The cost-of-service analyses and the resulting Readiness-to-Serve Charge, Capacity Charge, and volumetric rates capture the costs of these varying needs. Tiered supply rates, however, allow Metropolitan to cover higher incremental resource costs to supply users with increasing demands. Tier 2 revenues realized in the current or future biennial budget period will be transferred to the Water Management Fund to cover these higher incremental resources costs, including North of Delta transfers, as well as additional conservation expenses to address the increased demand and mitigate its impact.

For member agencies that sign new Purchase Orders and commit to purchase a minimum amount of water, their obligation to pay the Tier 2 Supply Rate will be calculated over the term of the Purchase Order, consistent with the calculation of the commitment obligation. In this way, the Purchase Order focuses any Tier 2 obligation on agencies with demands that are increasing or agencies that are unable to maintain local resources on an ongoing basis, rather than hydrologic variations which are accommodated in Metropolitan's current supply portfolio and financial reserves. Calculating member agencies' Tier 2 obligations over the entire term also accommodates responsible and sustainable water management by member agencies that may be cost prohibitive if Tier 2 obligations were calculated annually. For example, the cumulative calculation of any Tier 2 obligation allows member agencies with Purchase Orders to take large amounts of water in a short period of time in order to replenish storage but still stay within their Tier 1 base demand as long as they manage their deliveries over the long term.

Member agencies that accrue a Tier 2 obligation by virtue of exceeding their Tier 1 Maximum at the end of year five of the Purchase Order will pay their Tier 2 obligation annually. Any member agency without a Purchase Order must pay their Tier 2 obligation in the calendar year in which it accrues.

Member agencies give their prospective commitments considerable deliberation when determining whether to sign a Purchase Order or not. Their commitment to purchase system water from Metropolitan over the term

provides a level of assurance between the member agency and Metropolitan, and among the member agencies, that revenues will be generated. In particular, the Purchase Order commitment provides a level of assurance among the member agencies that participating agencies will share in the costs of supporting Metropolitan, as determined by cost-of-service analyses.

Attachment 2 summarizes each member agency's options.

Attachment 3 includes the proposed changes to the Administrative Code in strike-through and underline format to incorporate the new Purchase Order.

Purchase Orders are voluntary and do not confer a contractual right to system water to a member agency. The Tier 1 and Tier 2 Supply Rates for Calendar Years 2015 and 2016 have already been determined by the Board. Biennially, the Board reviews the proposed Tier 1 and Tier 2 Supply Rates as part of the biennial rate setting process.

Policy

Metropolitan Water District Administrative Code Section 4120: Purchase Order; Purchase Order Commitment

Metropolitan Water District Administrative Code Section 4122: Base Period Demand; Revised Base Firm Demand; Initial Base Firm Demand;

Metropolitan Water District Administrative Code Section 4404: Purchase Orders

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2), 15378(b)(4), and 15061(b)(3) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

- a. Approve the proposed terms for Purchase Orders with member agencies as outlined in **Attachment 1**;
- b. Authorize the General Manager to execute the Purchase Order with member agencies opting to execute the Purchase Order consistent with the proposed terms, in a form approved by the General Counsel; and
- c. Approve amendment of Sections 4120, 4122, 4401, 4404, and 4507 of the Administrative Code as shown in **Attachment 3**.

Fiscal Impact: The Purchase Orders will have no fiscal impact in FY 2014/15 and FY 2015/16; the biennial budget assumes 1.75 MAF of sales in each fiscal year, with no Tier 2 purchases.

Option #2

Do not approve the proposed terms for Purchase Orders with member agencies, do not authorize the General Manager to execute the Purchase Order, and do not approve changes to the Administrative Code.

Fiscal Impact: Unknown

Staff Recommendation

Option #1



Gary Breaux
Chief Financial Officer

11/3/2014
Date



Jeffrey Kightlinger
General Manager

11/5/2014
Date

Attachment 1 – Purchase Order for System Water to be Provided by the Metropolitan Water District of Southern California: Key Terms

Attachment 2 – Tier 1 Maximum and Commitment Options

Attachment 3 – Proposed Amendments to Administrative Code

Ref# cfo12633440

**Purchase Order for System Water to be Provided by the
Metropolitan Water District of Southern California
Key Terms**

Term:

- 10 years, effective January 1, 2015 through December 31, 2024

Base Period:

- For purposes of determining their Tier 1 maximum, member agencies can choose between the current Revised Base Firm Demand, which is the highest fiscal year sales during the 13-year period of FY 1990 through FY 2002, **OR** the highest year in the most recent 12-year period of FY 2003 through FY 2014. Both calculations include Interim Agricultural Water Program, Seasonal Storage Service—Long, Cyclic and Replenishment Program sales.
 - Member agencies executing Purchase Orders will have a Tier 1 Maximum based on 90% of the respective base period peak year they choose.
 - If a member agency opts to use the original 13-year period for their Purchase Order, their commitment will be 60% of the 2003 Initial Base Firm Demand (same as current Purchase Order).
 - If a member agency opts to use the more recent 12-year period for their Purchase Order, their commitment will be 60% of the highest year in the most recent 12-year period.
 - Member agencies who do not execute a Purchase Order will have their Tier 1 limit set at 60% of the Revised Base Firm Demand (same as current Purchase Order).
 - The calculation of the rolling average for purposes of resetting the Tier 1 maximum will exclude Water Supply Allocation Plan years and will use a 5-year period. Once the Tier 1 Maximum resets, this reset will not go down.

Tier 2 Applicability:

- Tier 2 should only be applied to a member agency if its cumulative sales for the term of the Purchase Order exceed its cumulative Tier 1 Maximum, consistent with the methodology currently utilized to satisfy the 60 percent Purchase Order commitment.
- Member agencies with Tier 2 obligations may choose:
 - To have the obligation calculated at the end of the 10-year term and pay any Tier 2 obligations at that time, based on the average of the difference between the Tier 1 and Tier 2 Supply Rates over the 10-year term.
 - To pay any Tier 2 obligations as they are incurred, with a true-up at the end of the 10-year period.
 - If, after Year 5, a Purchaser has accrued a Tier 2 obligation (purchases exceed the Tier 1 Maximum annualized * 5), the Purchaser will begin paying any future Tier 2 obligation annually. Any outstanding Tier 2 obligation owing from the initial 5-year period can be amortized over the next 5 calendar years or paid at termination of the Purchase Order.

Additional Aspects of the Purchase Orders:

- Purchase Orders are voluntary
- The commitment is cumulative over the term; agencies that do not meet the full amount of the commitment during the term will pay for the unmet commitment at the average of the Tier 1 Supply Rate in effect during the term. The Purchase Order will allow for an appeals process at the end of the term for agencies with an unmet commitment. Each acre-foot of unmet commitment will be reduced by the amount of production from a local resource project, measured in acre-feet, that commences operation on or after January 1, 2014. Local resource production includes any project type as approved by the Board under the Local Resources Program.
- The commitment will be adjusted to exclude Water Supply Allocation Plan years.
- Purchase Orders do not confer a contractual right to system supply to a member agency. The proposal does not accommodate the exchange or sale of purchase order quantities between member agencies.
- All member agency purchase orders will extend over the same 10-year period. Member agencies purchase orders will be effective January 1, 2015.
- The Tier 2 Supply Rate for Calendar Years 2015 and 2016, as already determined by the Board, will not change. Biennially, the Board reviews the proposed Tier 1 and Tier 2 Supply Rates as part of the biennial rate setting process.

Tier 1 Maximum and Commitment Options

Member Agency	2003 IBFD	2014 Revised BFD	12-Year Peak (FY 2003-14)	Current Base (FY 1990-2002) Commitment with PO (60% 2003 IBFD)	Tier 1 Maximum with PO (90% 2014 Revised BFD)	Updated Base (FY 2003-2014) Commitment with PO (60% 12-Year Peak)	Tier 1 Maximum with PO (90% 12-Year Peak)	Tier 1 Maximum without PO (60% Revised BFD)
Anaheim	24,711	27,154	31,271	14,827	24,439	18,763	28,144	16,292
Beverly Hills	14,867	14,867	13,178	8,920	13,380	7,907	11,860	8,920
Burbank	18,152	18,640	15,817	10,891	16,776	9,490	14,235	11,184
Calleguas	115,334	122,498	131,364	69,200	110,248	78,819	118,228	73,499
Central Basin	80,401	119,617	119,237	48,241	107,655	71,542	107,313	71,770
Compton	5,620	5,620	3,695	3,372	5,058	2,217	3,325	3,372
Eastern	84,111	102,694	130,650	50,466	92,425	78,390	117,585	61,616
Foothill	12,219	13,081	14,831	7,331	11,773	8,899	13,348	7,849
Fullerton	12,554	12,554	17,795	7,532	11,299	10,677	16,015	7,532
Glendale	29,135	29,135	23,829	17,481	26,222	14,297	21,446	17,481
Inland Empire	66,391	103,648	97,157	39,835	93,283	58,294	87,441	62,189
Las Virgenes	22,851	22,999	27,065	13,710	20,699	16,239	24,358	13,799
Long Beach	43,857	57,560	47,565	26,314	51,804	28,539	42,809	34,536
Los Angeles	338,855	372,959	441,871	203,313	335,663	265,123	397,684	223,775
MWD/OC	247,694	311,769	357,372	148,616	280,592	214,423	321,635	187,061
Pasadena	23,533	23,533	25,517	14,120	21,180	15,310	22,965	14,120
San Diego CWA	557,095	655,903	637,487	334,257	590,313	382,492	573,738	393,542
San Fernando	1,050	1,049	902	630	944	541	812	629
San Marino	1,998	1,998	1,602	1,199	1,798	961	1,442	1,199
Santa Ana	13,476	21,797	22,007	8,086	19,617	13,204	19,807	13,078
Santa Monica	12,344	12,344	14,444	7,406	11,110	8,666	12,999	7,406
Three Valleys	78,222	83,248	89,653	46,933	74,923	53,792	80,687	49,949
Torrance	23,297	23,297	21,338	13,978	20,967	12,803	19,204	13,978
Upper San Gabriel	18,346	74,698	75,566	11,008	67,228	45,339	68,009	44,819
West Basin	174,304	175,024	150,464	104,583	157,522	90,278	135,417	105,014
Western MWD	65,299	94,567	117,537	39,179	85,110	70,522	105,784	56,740
TOTAL	2,085,713	2,502,253	2,629,212	1,251,428	2,252,028	1,577,527	2,366,291	1,501,352

§ 4120. Purchase Order; Purchase Order Commitment.

“Purchase Order” shall mean a member agency’s written commitment to purchase a specified total volume of water from the District during a specified period, as provided in Section 4404, ~~and~~ “Purchase Order Commitment” shall mean ~~60% of a member agency’s Initial Base Firm Demand times the number of years in the term of the Purchase Order. Deliveries of surplus system water supplies, including, but not limited to, deliveries under the Interim Agricultural Water Program and Replenishment Service, will not count toward the Purchase Order commitment the amount of system water a member agency commits to purchase over the term of the Purchase Order.~~

M. I. 44812 - March 12, 2002; amended by M. I. 45249 - March 11, 2003.

§ 4122. Base Firm-Period Demand; Initial- Revised Base Firm Demand; Initial Base Firm Demand.

“Base ~~Firm-Period~~ Demand” shall mean the amount specified in a member agency’s Purchase Order, that is either: the greater of a) the member agency’s Initial- Revised Base Firm Demand, as specified in this Section; or b) the member agency’s highest fiscal year purchases from fiscal year 2003 through 2014; provided, however, that if or b) the member agency’s ten five-fiscal year rolling average of deliveries-purchases of water from the District for the most recent ten five fiscal year period, excluding, in either case, water delivered under Long-Term Seasonal Storage Service or Replenishment Service, whichever is applicable purchased under an interruptible program,- exceeds the member agency’s initial Base Period Demand, then the member agency’s Base Period Demand for each subsequent calendar year shall be increased to the member agency’s five-fiscal year rolling average. and Interim Agricultural Water Program Service, and “Initial Base Firm Demand” shall mean the member agency’s highest annual delivery of water from the District, excluding water delivered under Long-Term Seasonal Storage Service, Interruptible Service, and Interim Agricultural Water Program Service, during any fiscal year from fiscal year 1989/90 through fiscal year 2001/02.

~~Effective as of January 1, 2013, “Base Firm Demand” shall mean the greater of a) the member agency’s Initial Base Firm Demand Post IAWP or b) the member agency’s ten fiscal year rolling average of deliveries of water from the District for the most recent ten fiscal year period, excluding water delivered under Interim Agricultural Water Program Service and any other non-firm water delivery, and “Initial Base Firm Demand Post IAWP” shall mean the member agency’s highest annual delivery of water from the District, excluding water delivered under the Long-Term Seasonal Storage Service and Interruptible Service programs but including water delivered under Interim Agricultural Water Program Service, during any fiscal year from fiscal year 1989/90 through fiscal year 2001/02.~~

Effective as of January 1, 2013, each member agency's ~~Initial~~ Revised Base Firm Demand ~~Post IAWP (further adjusted for elimination of Replenishment Service after 2012)~~ is as follows:

<u>Member Agency</u>	<u>Revised IBFD Post</u> <u>IAWP</u>
<u>Anaheim</u>	27,154
<u>Beverly Hills</u>	14,867
<u>Burbank</u>	18,640
<u>Calleguas</u>	122,498
<u>Central Basin</u>	119,617
<u>Compton</u>	5,620
<u>Eastern</u>	102,694
<u>Foothill</u>	13,081
<u>Fullerton</u>	12,554
<u>Glendale</u>	29,135
<u>Inland Empire</u>	103,648
<u>Las Virgenes</u>	22,999
<u>Long Beach</u>	57,560
<u>Los Angeles</u>	372,959
<u>MWDOC</u>	311,769
<u>Pasadena</u>	23,533
<u>San Diego</u>	655,903
<u>San Fernando</u>	1,049
<u>San Marino</u>	1,998
<u>Santa Ana</u>	21,797
<u>Santa Monica</u>	12,344
<u>Three Valleys</u>	83,248
<u>Torrance</u>	23,297
<u>Upper San Gabriel</u>	74,698
<u>West Basin</u>	175,024
<u>Western</u>	94,567

§ 4401. Rates.

Supply Rate:

Tier 1 Supply Rate – The Tier 1 Supply Rate shall apply to water purchases which in the aggregate for any calendar year, are less than or equal to 60 percent of the Revised Base Firm Demand of such member agency as specified in Section 4122, unless that member agency has executed a Purchase Order, as defined in Section 4120, in which case the Tier 1 Supply Rate applies to water purchases as established by the Purchase Order terms. ~~(or, if the~~

~~member agency purchasing the water has executed a Purchase Order, 90 percent) of the Base Firm Demand of such member agency.~~

Tier 2 Supply Rate –The Tier 2 Supply Rate shall apply when a member agency’s cumulative total of ~~full service deliveries~~water purchases for the calendar year exceeds 60 percent of the member agency’s Revised Base Firm Demand as specified in Section 4122, or according to the terms of a Purchase Order ~~90 percent of Base Firm Demand~~ for member public agencies that execute a Purchase Order.

§ 4404. Purchase Orders.

(a) The General Manager shall establish and make available to member public agencies the form of the Purchase Order and procedures for its administration. The General Manager shall establish a deadline by which all Purchase Orders shall be executed by member public agencies that desire to enter into such agreements with the District. Following the deadline established by the General Manager, no member public agencies will be allowed to execute Purchase Orders.

(b) The term of the ~~initial~~ Purchase Orders shall be ~~from January 1, 2003 through and including December 31, 2012~~specified in the Purchase Order. All Purchase Orders in effect for the same time period shall be on substantially the same terms, ~~shall be on substantially the same terms and for the same term~~. ~~Any~~ All amendments to Purchase Orders ~~shall be subject to~~require approval by the Board.

(c) Each member public agency executing a Purchase Order shall commit to purchase at least its Purchase Order Commitment during the term of the Purchase Order.

(d) Purchase Orders shall permit A member public agency ~~that executed a Purchase Order shall be permitted annually~~ to purchase up to 90 percent of its Base Firm-Period Demand at the Tier 1 Supply Rate for the term of the Purchase Order.

~~(e) —When a member public agency has purchased at least its Purchase Order Commitment the minimum purchase requirement of the Purchase Order will be fulfilled.~~

~~(f) If, upon expiration of the term of the Purchase Order, a member agency has purchased an amount of water less than its Purchase Order Commitment, the member public agency shall pay Metropolitan an amount equal to the difference between its Purchase Order Commitment and its actual purchases during the term of the Purchase Order, times the Tier 1 Supply Rate in effect in the last year of the Purchase Order term.~~

~~(g)~~(e) All water deliveries under a Purchase Order shall be subject to the operational conditions and constraints contained in this Division. In ~~Addition~~addition, all billings and payments for such water shall be subject to the provisions of this Division in the same manner as other water delivered by Metropolitan.

§ 4507. Billing and Payment for Water Deliveries.

~~(p) **Supply Rates.** Deliveries to a member public agency shall be charged at the Tier 2 Supply Rate when the cumulative total of full service deliveries to the member public agency for the year exceeds 60 percent of the member agency's Base Firm Demand. A member public agency that executed a Purchase Order shall be charged at the Tier 2 Supply Rate when the cumulative total of full service deliveries to the member public agency for the year exceeds 90 percent of the member public agency's Base Firm Demand.~~



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: Lease of Vacant Office Space in Buildings Nos. 1 and 8 (Pg. 89)

SUMMARY:

On October 28, 2014, the Board accepted a listing agreement with Westcord Commercial Real Estate Services for the lease of the District's vacant office space in Building Nos. 1 and 8. Subsequently, the General Manager and staff met with Tony Principe and Darin Arrasmith, the broker's representatives, to develop a strategy to secure lease agreement for the two spaces. Several action items were identified at the meeting.

Among those items was for the General Manager to request delegated authority to negotiate and execute a lease agreement for the space in Building No. 8, within pre-determined limits and in a form approved by the District's Legal Counsel, to allow for the quick turn-around expected by prospective tenants.

RECOMMENDATION(S):

Authorize the General Manager to negotiate and execute a lease agreement, in a form approved by the District's Legal Counsel, for the vacant suite in Building No. 8, provided that the terms result in a minimum net effective rate of \$1.22 per square foot without an allowance for tenant improvements.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

This action would result in minimum annual lease revenue of approximately \$59,000 for the vacant suite in Building No. 8. Actual revenue may be higher depending on the negotiated lease rate.

DISCUSSION:

Building No. 1:

Westcord recommended that a unique street address be obtained for Building No. 1. Currently, the building shares the street address of the District's Headquarters and is identified with a suite designation. Staff initiated the process with the City of Calabasas and U.S. Postal Service to request a street address for building.

Additionally, Westcord recommended that the District hire a professional design firm to evaluate the space and provide easel-ready idea concepts to assist prospective tenants to visualize the possibilities for the space when entering the building. Staff anticipates that this work can be performed within the General Manager's approval authority of \$25,000; however, if the cost is higher than expected, a recommendation

will be made to the Board.

Following consultation with the design firm, Westcord recommends that the District plan to move forward with key modifications to Building No. 1. The modifications may include some or all of the following: updates to comply with ADA and Title 24 requirements; asbestos abatement work; addition of an elevator; improvement of the exterior traffic circulation pattern and parking; development of an interior blank canvas; and potential low-cost aesthetic improvements to the building's façade.

Building No. 8 Suite:

For the vacant suite in Building No. 8, Westcord believes that the District can substantially improve its potential to secure a tenant by providing a quick turn-around for the lease agreement, particularly considering that the vacant space can be occupied without significant improvements. Westcord explained that prospective tenants for these type of spaces are typically considering multiple properties, and the timing of negotiations is critical. As a result, it is recommended that the General Manager be authorized to negotiate and execute a lease agreement within pre-determined limits and in a form approved by the District's Legal Counsel.

Overall, the suite in Building No. 8 is considered tenant-ready; however, there may be an opportunity to obtain a higher lease rate with minor tenant improvements. Westcord believes the District can secure a minimum net effective rent of \$1.22 per square foot based on a gross lease rate of \$1.30 per square foot and no allowance for tenant improvements. On the other end, Westcord estimates that the District can obtain a maximum net effective rent of \$1.72 per square foot based on a gross lease rate of \$2.00 per square foot and a tenant improvement allowance of \$45 per square foot less. The proposed lease term would be 10 years.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Larry J. Miller, Water Systems and Facilities Manager



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: Backbone Improvements Program 5-Million-Gallon Tank: Change Order No. 4 and Additional Scope of Work for Materials Testing (Pg. 91)

SUMMARY:

On January 14, 2014, the Board awarded a contract to Pacific Hydrotech Corporation for the construction of the 5-million-gallon tank, a component of the Backbone Improvements Program. Change Order No. 4, in the amount of \$23,123.73, was administratively approved on November 20, 2014, to address several additional items of work that were not included in the original construction contract. Also, during the progress of construction, additional geotechnical and materials testing services, in the amount of \$29,845.75, were required from Geolabs-Westlake Village (Geolabs) to verify the integrity of the completed work.

RECOMMENDATION(S):

Authorize the General Manager to execute a Change in Scope Agreement with Geolabs-Westlake Village in the amount of \$29,845.75 for additional geotechnical and materials testing services required for construction of the 5-Million-Gallon Tank Project.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds are available in the adopted Fiscal Year 2014-15 Budget for this work. No additional appropriation is required.

DISCUSSION:

Change Order No. 4 consisted of the following additional items of work:

- (1) The specifications required the Contractor to perform sampling and testing to determine if the aggregates used in concrete are reactive. The District hired Geolabs to perform the test; therefore, a deductive change (credit) of \$1,524.90 is applied.
- (2) The District directed the Contractor to install 20 additional feet of rip rap because the level of the reservoir was low enough to accommodate the work. The amount of the increase is \$7,314.88.
- (3) The District requested that the Contractor paint five 5-foot x 5-foot color swatches on the side of the tank to facilitate selection of the tank color. The amount of the increase is \$1,044.23.
- (4) On October 8, 2014, a 40-foot section of pipe rolled off of a delivery truck, causing damages ~~to~~ **ITEM 8E**

existing oak tree. Padre Consultants, the arborist, was retained by the District to assess the condition of the oak tree. The District will pay the invoice and, therefore, a deductive change (credit) of \$590.00 is applied.

(5) Ventomat air valves were installed at the request of the District instead of the specified A.R.I. valves. The District routinely uses Ventomat valves and using the same valves for similar applications supports efficient future repair and maintenance work. The amount of the increase is \$745.38.

(6) The District requested installation of five electrical conduits with 20-inch cover across the West Saddle Dam. The original design provided for a suspended 6-inch steel electrical conduit across the dam with three electrical conduits to be installed (contract work) and two future conduits (not in the contract). A better solution was proposed to install all five electrical conduits in a shallow trench now instead of later. The amount of increase is \$14,948.82.

(7) Due to varying field conditions, the adjustable pipe supports for two 36-inch welded steel pipes were slightly short of the available vertical dimensions specified. The amount of the increase is \$1,185.32.

Summary of Contract Amount w/Change Orders:

Original Award	\$10,754,620.00
Change Orders 1 - 3	(\$ 88,424.51)
Change Order 4	\$ 23,123.73
Revised Contract Amount	\$10,689,319.22

The Change in Scope for Geolabs consists of the following items:

(1) During construction of rough grading for the tank pad, changed field conditions required several thousand yards of fill to be placed around and under the footprint of the tank. The District retained Geolabs to perform on-site monitoring to ensure proper compaction. The amount of the increase is \$18,257.00.

(2) The District retained Geolabs to perform two concrete aggregate tests at a cost of \$3,005.00. The cost of the first test was \$1,524.90 and is applied as a deductive change (credit) to the District on the construction contract (see Change Order No. 4, Item 1). The second test was to confirm the result of the first and constitutes a District cost.

(3) Geolabs was hired to perform inspection of field-welded pipe joints in the amount of \$1,440.00.

The original approved scope of work for Geolabs was \$49,504. The additional work in the amount of \$29,845.75 exceeds the General Manager's approval authority (10% of the original contract amount) and, therefore, requires Board authorization.

GOALS:

Construct, Manage and Maintain All Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared By: Lindsay Cao, P.E., Associate Engineer



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Facilities & Operations

Subject: Tapia Channel Mixing Improvements: Call for Bids (Pg. 93)

The Las Virgenes-Triunfo Joint Powers Authority (JPA) approved funding for this matter in the JPA Budget. This recommendation is before the LVMWD Board for action, as Administering Agent of the JPA, as authorized under the JPA Agreement.

SUMMARY:

On January 6, 2014, the JPA Board accepted a proposal from MNS Engineers, Inc. for the design of the Tapia Water Reclamation Facility Channel Mixing Improvements. The project consists of replacing the channel air mixing system that keeps solids in suspension as wastewater flows from one treatment process tank to another. MNS has completed the design and finalized the bid package. Staff recommends authorization of a Call for Bids for the project.

RECOMMENDATION(S):

Authorize a Call for Bids in accordance with the project specifications and bid schedule.

FISCAL IMPACT:

No

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

There is no financial impact associated with a Call for Bids. The adopted Fiscal Year 2014-15 JPA Budget provides funding in the amount of \$410,000 for the construction the Tapia Channel Mixing Improvements Project (CIP Job No. 10538). The project costs are allocated 70.6% to LVMWD and 29.4% to Triunfo Sanitation District.

DISCUSSION:

The project consists of replacing the existing Tapia channel air mixing system, which has reached the end of its useful life. The work involves replacing the air piping, droplegs and diffusers in five channels: the grit chamber effluent, primary clarifier feed, activated sludge basin feed, mixed liquor suspended solids and return activated sludge channels. The channel air mixing system is necessary to keep solids in suspension as wastewater flows from one process tank to another. Without adequate mixing, solids will settle in the channels, reducing the useful volume of the channel and forming solids blankets that can result in severe odor problems.

The preliminary cost estimate from the Carollo Air Study, which was completed in 2011, was \$400,160. The current opinion of probable cost from the MNS Engineers is \$869,000. The substantial increase in the estimated cost is due to the following factors: (1) the need for bypass pumping during construction, \$45,000; (2) the change from PVC to stainless steel piping to convey the air to the diffusers, \$143,600; (3)

ITEM 85

the addition of the replacement of channel air mixing equipment for the return activated sludge channel, which was not included in the estimate included with the Carollo Air Study, \$100,000; (4) the inclusion of channel coating, \$108,000; and (5) the increase in construction costs of approximately 17% since the Carollo Air Study was completed in 2011, \$68,000.

Bypass pumping was not included in the original Carollo Air Study cost estimate because it was assumed at the time that the diffusers could be installed without taking the channels out of service. However, during the design process, it was determined that the channels would need to be temporarily taken out of service because the diffusers are mounted to the bottom of the channels. The anticipated cost for bypassing pumping is \$45,000.

The Carollo Air Study originally included PVC air piping; however, during design process, the diffuser manufacturer informed staff of concerns with subsurface forces in the channels that could damage the PVC piping. Also, it was noted that the use of PVC pipe for pressurized air is not recommended by OSHA due to concerns with "plastic projectiles from the point of rupture", which can cause injury if the pipe were to fail. As a result, stainless steel piping was specified in place of originally-proposed PVC piping. The change in material caused an increase in the opinion of probable cost by \$145,000. .

Also included as a part of the project was the addition of epoxy coating of three of the channels to protect the concrete from deterioration caused by hydrogen sulfide. The coating is included as an optional bid item, adding \$108,000 to the opinion of probable cost.

Following is a summary of the proposed bid schedule:

Call for Bids	December 9, 2014
First Advertisement Date	December 15, 2014
Second Advertisement Date	December 22, 2014
Pre-bid meeting	January 7, 2015
Bid Opening	January 21, 2015
Contract Award	March 2, 2015

Prepared By: Brett Dingman, Water Reclamation Manager

ATTACHMENTS:

Channel Air Mixing - Call for Bids

NOTICE INVITING SEALED PROPOSALS (BIDS)
Tapia Water Reclamation Facility Channel Mixing Improvements

NOTICE IS HEREBY GIVEN that the Board of Directors of Las Virgenes Municipal Water District invites and will receive sealed proposals (bids) up to the hour of 3:00 P.M. on January 21, 2015, for furnishing the work described in the contract documents. Bids received after the time stated in the Call for Bids will not be accepted and will be returned, unopened, to the bidder. The time shall be determined by the time on the receptionist telephone console in our Headquarters lobby. Proposals will be publicly opened and read aloud at the office of the District, 4232 Las Virgenes Road, Calabasas, California. Said bids shall conform to and be responsive to the Specifications and Contract Documents for said work as heretofore approved by the District.

A **mandatory** pre-bid tour will be conducted at 10:00 a.m. on January 7, 2015. The meeting will begin at the District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. Attendance at the pre-bid conference is a condition precedent to submittal of the bid and the District will not consider a bid from any bidder not represented at the pre-bid conference. Questions regarding the project may be directed to Brett Dingman at 818-251-2330.

Sets of contract documents may be purchased at the District office upon payment by check of **twenty-five dollars** (\$25) for each set requested or ten dollars (\$10) for each Compact Disc requested. Checks shall be made payable to the Las Virgenes Municipal Water District. Purchase price will not be refunded

Each bid must be on the District bid form and shall be sealed and filed with the secretary of the District at or before the time stated in the Notice.

All terms and conditions contained in the Specifications and Contract Documents shall become part of the contract. The Board of Directors of Las Virgenes Municipal Water District reserves the right to reject any and all bids and to waive any and all irregularities in any bid. No bidder may withdraw his bid after the said time for bid openings until 60-days thereafter or until the District has made a final award to the successful bidder or has rejected all bids, whichever event first occurs.

The Board of Directors of the District reserves the right to select the schedule(s) under which the bids are to be compared and contract(s) awarded.

BY ORDER OF THE GOVERNING BODY OF
 LAS VIRGENES MUNICIPAL WATER DISTRICT

 Dated

 Secretary of the Board



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Finance & Administration

Subject: Claim from Moshe Porat (Pg. 96)

SUMMARY:

On October 28, 2014, the District received a claim in the amount of \$1,300 from Moshe Porat of Calabasas for water damages to his landscaping and belongings stored in his side yard. The damages were allegedly caused by water discharged from a broken District air-vac. Based on staff's investigation, the air-vac was broken by a hit-and-run driver and was not the result of District negligence. As a result, staff recommends that the claim be denied.

RECOMMENDATION(S):

Deny the claim from Moshe Porat.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

According to a Los Angeles County firefighter who responded to the incident at 10:00 p.m. on October 10, 2014, a witness reported that a black SUV backed into the District's air-vac adjacent to the claimant's property and drove away. Based on this information, the incident is not the result of District negligence; therefore, staff recommends that the claim be denied. The District's Legal Counsel concurs with the recommendation.

GOALS:

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Don Patterson, Director of Finance and Administration

ATTACHMENTS:

[Claim from Moshe Porat](#)

[Photographs from Claimant](#)

OCT28/14 2:57PM



Claim Against Las Virgenes Municipal Water District
Government Code Sections 910 and 910.4

Mail or Deliver To: Executive Clerk of the Board
Las Virgenes Municipal Water District
4232 Las Virgenes Road
Calabasas, CA 91302

Name of claimant: Moshe Peret

Address/location of accident or occurrence: [Redacted]

Address to where replies/notices should be sent (if different from the above):

Telephone numbers: Home [Redacted]; Work [Redacted]

Please answer the following questions. If more space is required, please attach additional sheets. Make sure to reference the item number and sign and date the additions.

1. When did damage or injury occur? (Give exact date and hour)

night 10/10/14 - 10/11/14

2. Where did the damage or injury occur?

[Redacted] Adanor Rd Calabasas

3. How did the damage or injury occur? (Give full details)

According to neighbors, someone hit the water line.

4. What damage or injuries do you claim?

damages to my side yard were all my workshop, bench and power tools, some building material, bicycle, part of my front yard landscape. ITEM 9A

5. If this claim is for damage to property, are you the legal owner of said property?
Yes No . If not, please list name and address of property owner.

6. What is the name or names of the District employee or employees causing the injury, damage or loss, if known?

✓

7. If District employees were involved in causing the damage or injury, do you believe there was a particular act or omission on the part of the employees that caused it?

✓

8. What is the amount of claim to date – actual? (Bills verifying such amounts may be required)

1300\$

9. What is the amount of claim to completion date? (Estimates verifying such amounts may be required. Three (3) estimates are recommended.)

1300\$

9. Other details? (Names, addresses of witnesses, doctors and hospitals)

[Signature]
Signature of Claimant or Person Acting on Claimant's Behalf

10/28/14
Date

This claim must be signed by claimant or by an authorized agent of the claimant. One copy must be filed with this office. Keep one copy for your records.

Notice: Section 72 of the Penal Code provides: "Every person who, with intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, town, city, district, ward or village board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is guilty of a felony".

RECEIVED
OCT 28 2014
BY: *[Signature]*

Date Received:

Time:

3:15pm

Recorded by:

[Signature]

From: [Moshe Porat](#)
To: [Northrup, Mary](#)
Subject: Re: Claim Against LVMWD
Date: Monday, November 03, 2014 11:24:33 AM

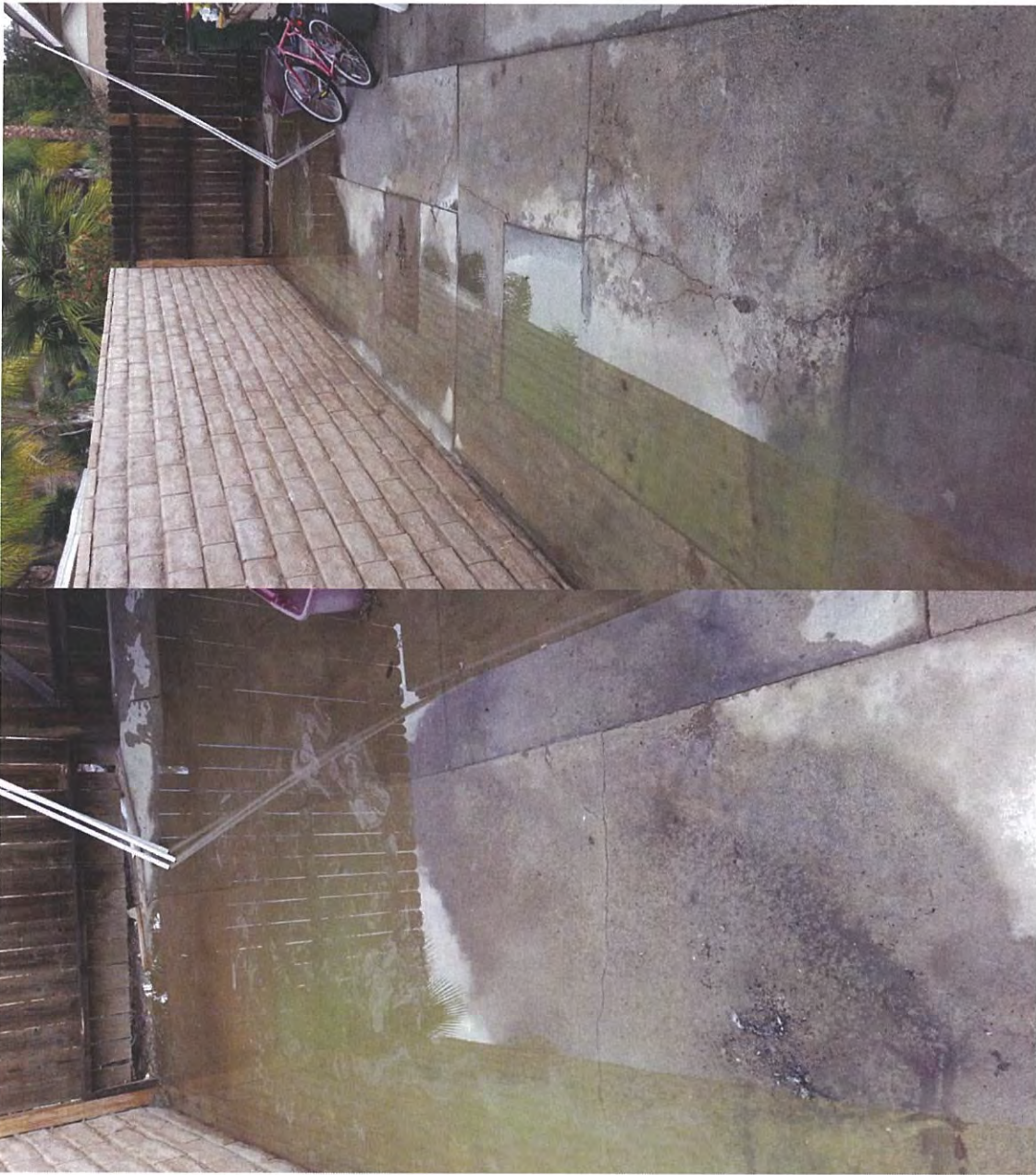
Hi Mary,

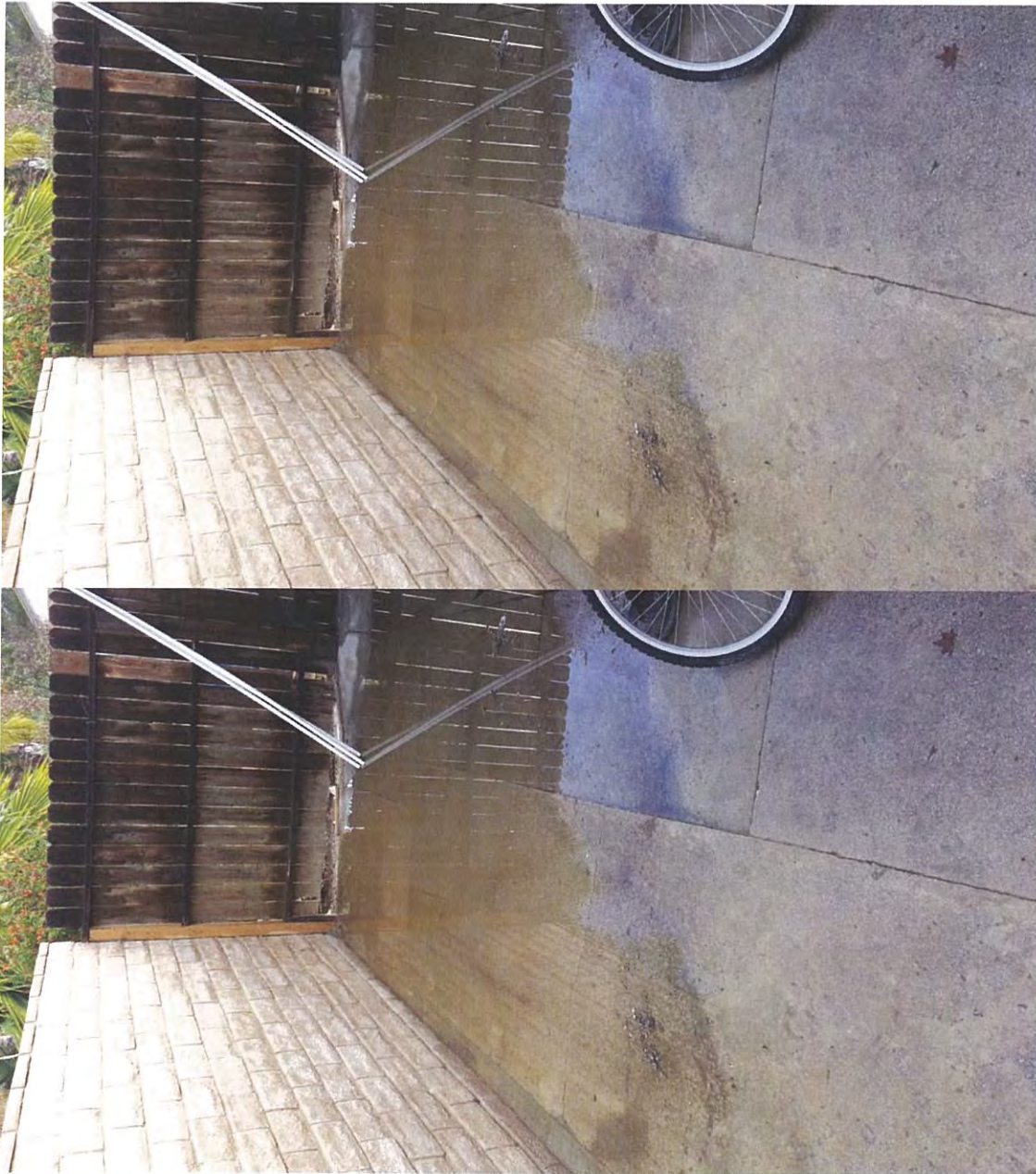
Attached few pics, which does not reflect the entire damage, some power tools was moved to the garage in order to dry and fix them, some other tools and materials were throan to the garbage.

Thanks for your help.

Moshe
818-651-1443









ITEM 9A



On Tue, Oct 28, 2014 at 4:19 PM, Northrup, Mary <MNorthrup@lvmwd.com> wrote:

Hi Moshe,

Per our conversation today, please send me some pictures of the damage you are claiming.

Thank you,




Mary Northrup

ITEM 9A

Secretary, Finance & Administration

Las Virgenes Municipal Water District

4232 Las Virgenes Rd., Calabasas, CA 91302

 [\(818\) 251-2134](tel:(818)251-2134) |  [\(818\) 251-2179](tel:(818)251-2179) |  mnorthrup@lvmwd.com

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Moshe Porat
818-651-1443



December 9, 2014 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Finance & Administration

Subject: Reportable Expense Reimbursements for Fiscal Year 2013-14 (Pg. 105)

SUMMARY:

On October 28, 2014, the Board was provided with a draft copy of the Reportable Expense Reimbursements for the Fiscal Year Ended June 30, 2014 and asked to provide any comments by November 13, 2014. No comments were received. As a result, in accordance with Las Virgenes Municipal Water District Code Section 2-2.402, notification of the availability of the Reportable Expense Reimbursements report was published in *The Acorn* on Thursday, November 26, 2014, and a copy of the notice will be posted on the District Headquarters' bulletin board from December 1, 2014 through January 31, 2015.

The report is also available through the Executive Assistant/Clerk of the Board.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

Las Virgenes Code Section 2-2.402, "Expenses":

- (a) If previously approved by the board, a director shall receive actual, reasonable and necessary reimbursement for travel, meals, lodging, registration and similar expenses incurred on district business.
- (b) The reimbursement rates for lodging shall not exceed the posted rates for a trade conference, but if the posted rates are not available, the reimbursement rate shall be comparable to the posted rates. The reimbursement rates for travel and meals (see district's Meal Reimbursement Policy) shall not exceed reasonable and necessary amounts if these expenses are incurred in connection with an event for which rates are not posted.
- (c) Claims for expense reimbursement shall be submitted to the Clerk of the Board on forms provided by the district within 90-days after the expense has been incurred. The Clerk shall determine whether the claim satisfies the requirements of this section and if the claim is denied, the claimant may appeal to the board.
- (d) During December, the district shall publish in a newspaper of general circulation a notice of availability of records of expense reimbursement in the amount of \$100 or more per item paid to directors and employees. The record of such expense shall be posted on the official bulletin board during December and January.

GOALS:

ITEM 10A

Ensure Effective Utilization of the Public's Assets and Money

Prepared By: Joseph Lillio, Finance Manager

ATTACHMENTS:

[Reportable Expense Reimbursements](#)

**LAS VIRGENES MUNICIPAL WATER DISTRICT
REPORTABLE EXPENSE REIMBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2014**

NAME		DATE	EVENT	LOCATION	REGISTRATION	TRAVEL	LODGING	MEALS	OTHER EXPENSES	TOTAL
CASPARY	CHARLES	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	695.00	100.00			70.00 PARKING	865.00
CASPARY	CHARLES	6/21/14	LVHF-SANTA MONICA MT TRIBUTE	CALABASAS, CA	100.00					100.00
PETERSON	GLEN	8/16/13	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		254.62		15.12		Sub-Total 865.00
PETERSON	GLEN	8/21-8/24/13	CASA ANNUAL CONFERENCE	SAN DIEGO, CA	475.00	178.54	493.18	49.85	10.00 PARKING	279.74
PETERSON	GLEN	10/25/13	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		313.96		8.43	52.00 PARKING	1,251.37
PETERSON	GLEN	1/16-1/17/14	CASA MID-YR CONFERENCE	INDIAN WELLS, CA	475.00	182.56	270.87	53.53	10.00 PARKING	332.39
PETERSON	GLEN	1/27-1/28/14	ACWA JPIA MTG	SACRAMENTO, CA		312.00				981.96
PETERSON	GLEN	2/21/14	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		488.24		9.79	10.00 PARKING	312.00
PETERSON	GLEN	4/4/14	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		384.00		23.24	80.00 PARKING	508.03
PETERSON	GLEN	5/2/14	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		316.00		11.27	10.00 PARKING	487.24
PETERSON	GLEN	6/6/14	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		388.00				337.27
PETERSON	GLEN	6/27/14	ACWA STATE LEGISLATIVE MTG	SACRAMENTO, CA		218.00				388.00
PETERSON	GLEN	6/21/14	LVHF-SANTA MONICA MT TRIBUTE	CALABASAS, CA	100.00					218.00
PETERSON	GLEN	6/30/14	ACWA JPIA MTG	SACRAMENTO, CA		218.00				100.00
POLAN	LEONARD	8/21-8/24/13	CASA ANNUAL CONFERENCE	SAN DIEGO, CA	475.00	190.64	493.18	95.94	52.00 PARKING	Sub-Total 1,306.76
POLAN	LEONARD	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	695.00	44.07	480.20	39.09	80.00 PARKING	1,318.36
POLAN	LEONARD	1/15-1/17/14	CASA MID-YR CONFERENCE	INDIAN WELLS, CA	475.00		457.20	102.02		1,034.22
POLAN	LEONARD	3/4-3/5/14	ACWA LEGISLATIVE SYMPOSIUM	SACRAMENTO, CA	210.00	163.00	178.40	104.98	9.95 INTERNET	666.33
POLAN	LEONARD	4/29/14	CASA PUBLIC POLICY FORUM		250.00					250.00
POLAN	LEONARD	5/6-5/9/14	ACWA SPRING CONFERENCE	MONTEREY, CA	695.00	370.16	650.10	65.15	60.00 PARKING	1,840.41
POLAN	LEONARD	6/21/14	LVHF-SANTA MONICA MT TRIBUTE	CALABASAS, CA	100.00					100.00
RENGER	LEE	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	510.00	130.52		15.20	75.00 PARKING	Sub-Total 6,516.08
RENGER	LEE	5/5-5/9/14	ACWA SPRING CONFERENCE	MONTEREY, CA	695.00	367.36	1,163.64	86.05	24.50 PARKING	730.72
RENGER	LEE	6/21/14	LVHF-SANTA MONICA MT TRIBUTE	CALABASAS, CA	100.00					2,336.55
STEINHARDT	BARRY	8/14/13	ACWA REGULATORY SUMMIT	OXNARD, CA	235.00	37.86				Sub-Total 100.00
STEINHARDT	BARRY	8/21-8/24/13	CASA ANNUAL CONFERENCE	SAN DIEGO, CA	475.00	198.88	739.77	172.50	78.00 PARKING	274.86
STEINHARDT	BARRY	10/3/13	SAN GABRIEL VALLEY WTR FORUM	POMONA, CA	50.00	79.10				1,667.15
STEINHARDT	BARRY	10/16-10/17/13	GREATER LA WATER SUMMIT	LONG BEACH, CA	75.00	67.24	286.48		18.00 PARKING	133.10
STEINHARDT	BARRY	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	695.00	81.36	690.30	51.75	120.00 PARKING	446.72
STEINHARDT	BARRY	1/15-1/17/14	CASA MID-YR CONFERENCE	INDIAN WELLS, CA	475.00	214.48	457.20	132.25		1,638.41
STEINHARDT	BARRY	3/4-3/5/14	ACWA LEGISLATIVE SYMPOSIUM	SACRAMENTO, CA	210.00	197.44	178.40	87.73	46.00 PARKING	1,278.93
STEINHARDT	BARRY	3/27-3/28/14	ACWA BOARD MEETING	SACRAMENTO, CA	399.00	264.44	125.50	39.27	44.00 PARKING	719.57
STEINHARDT	BARRY	4/2-4/4/14	CA WATER POLICY CONF	CLAREMONT, CA	695.00	93.52	262.08	103.50		473.21
STEINHARDT	BARRY	5/6-5/9/14	ACWA SPRING CONFERENCE	MONTEREY, CA	695.00	356.72	639.10	123.39		858.10
STEINHARDT	BARRY	6/21/14	LVHF-SANTA MONICA MT TRIBUTE	CALABASAS, CA	100.00					1,814.21
STEINHARDT	BARRY	6/26/14	OCARMA IGRM PREP WORKSHOP	CERRITOS, CA	115.00	58.01				Sub-Total 100.00
STEINHARDT	BARRY	1/12-1/17/14	2014 CAPPO CONFERENCE	SAN DIEGO, CA	199.00	165.20	838.15	39.76	313.00 STUDY MATERIAL	486.01
STEINHARDT	BARRY	11/4-11/8/13	SYMANTEC BACKUP EX TRNG	ONLINE	3,150.00				60.00 PARKING	1,302.11
STEINHARDT	BARRY	4/30/14	MCAFFEE E-POLICY ORCHESTRATOR	ONLINE	2,600.00					3,150.00
STEINHARDT	BARRY									2,600.00
STEINHARDT	BARRY									Sub-Total 5,750.00

**LAS VIRGENES MUNICIPAL WATER DISTRICT
REPORTABLE EXPENSE REIMBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2014**

NAME LAST FIRST JAN	DATE	EVENT	CONFERENCES & OTHER MEETINGS ATTENDED				OTHER EXPENSES			TOTAL
			LOCATION	REGISTRATION	TRAVEL	LODGING	MEALS	EXPLANATION		
DOUGALL	10/29-10/30/13	CA AQUATIC BIOASSMNT WRKGRP	DAVIS, CA		203.44	109.89	33.68		24.00	371.01
FIELDS	7/7-7/12/13	ESRI USER CONFERENCE	SAN DIEGO, CA		183.06	748.70	161.88		175.00	1,268.44
FIGUEROA	3/13/14	2014 SCPMA HR ANNUAL CONF	ALHAMBRA, CA	78.00	23.13					102.13
FIGUEROA	1/21-5/27/14	IPMA HR CERTIFICATE PROGRAM	ONLINE	999.00					265.30	1,264.30
HARRIS	11/13-11/14/13	EFFICIENT WTR USE FOR BUSINESS	SANTA BARBARA, CA	350.00						350.00
HARRIS	6/16-6/19/14	SOIL FOOD WEB WORKSHOP	OJAI, CA	585.00						585.00
LILLIO	9/15-9/17/13	CSMFO PLANNING SESSION	PALM SPRINGS, CA		161.59			28.00	10.00	935.00
LILLIO	9/25-9/26/13	BOND BUYER'S CONFERENCE	LOS ANGELES, CA	95.00	72.32				45.00	201.59
LILLIO	12/3-12/4/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	275.00	54.07			6.34	49.00	212.32
LILLIO	2/18-2/21/14	CSMFO ANNUAL CONFERENCE	PALM SPRINGS, CA	350.00	156.80			85.15	24.00	377.41
LILLIO	3/26-3/28/14	GEO ANNUAL CONFERENCE	LAS VEGAS, NV	100.00	216.35			78.69	11.95	1,244.60
LILLIO	4/15-4/18/14	CMTA ANNUAL CONFERENCE	SAN FRANCISCO, CA	380.00	272.55			90.84	26.00	571.63
LIPPMAN	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	760.00					120.00	1,623.85
LOW	5/15-5/18/14	SOLAR CUP EVENT	TEMECULA, CA						343.84	343.84
NORTHROP	11/4/13	SKILLPATH CONF FOR WOMEN	VENTURA, CA	149.00						149.00
PALMA	10/29-11/1/13	CIS USER CONFERENCE	ORLANDO, FL	875.00	542.44			149.46		2,441.51
PANIAGUA	7/23-7/25/13	ACWA/JPIA CONFERENCE	COSTA MESA, CA	170.00	78.54			18.44	20.00	564.48
PANIAGUA	10/20-10/23/13	CALPERS EDUCATION FORUM	SAN JOSE, CA	325.00	228.90			53.40	40.75	1,266.29
PANIAGUA	11/18-11/22/13	CALPERS CONFERENCE	MONTEREY, CA	620.00	413.66			47.95	64.00	1,765.62
PANIAGUA	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	695.00	73.00				85.00	853.00
PANIAGUA	2/20-2/21/14	EMPLOYMENT LAW CONFERENCE	SAN FRANCISCO, CA	445.00	226.21			16.18	39.00	1,319.53
PANIAGUA	5/4-5/9/14	ACWA SPRING CONFERENCE	MONTEREY, CA	695.00	416.27			99.72	71.25	2,139.28
PATTERSON	5/5-5/8/14	ACWA CONFERENCE	MONTEREY, CA	610.00	379.43			80.73	48.40	7,908.20
PATTERSON	5/18-5/21/14	GFOA ANNUAL CONFERENCE	MINNEAPOLIS, MN		700.34			107.34	80.45	1,913.56
PEDERSEN	7/14-7/16/13	CSDA GNRL MNGR LDRSHIP SUMMIT	NEWPORT BEACH, CA	725.00					59.00	3,410.66
PEDERSEN	10/17/13	GREATER LA WATER SUMMIT	LONG BEACH, CA	300.00					9.00	784.00
PEDERSEN	11/7-11/8/13	DIRECT POTABLE REUSE CONF	NEWPORT BEACH, CA	425.00					25.00	309.00
PEDERSEN	12/3-12/6/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	625.50				39.02	75.00	450.00
PEDERSEN	2/14/14	ACWA '14 DROUGHT ACTION MTG	SACRAMENTO, CA		619.00					739.52
PEDERSEN	3/5/14	ACWA LEGISLATIVE SYMPOSIUM	SACRAMENTO, CA	210.00	235.00				38.00	619.00
PETERS	12/4/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	275.00	37.29				25.00	483.00
PETERS	5/15-5/18/14	SOLAR CUP EVENT	LAKE SKINNER, CA		200.48				337.29	3,384.52
PETERS					310.24				25.00	337.29
PETERS									510.72	510.72
PETERS									848.01	848.01

**LAS VIRGENES MUNICIPAL WATER DISTRICT
REPORTABLE EXPENSE REIMBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2014**

NAME		DATE	EVENT	CONFERENCES & OTHER MEETINGS ATTENDED					OTHER EXPENSES		TOTAL
LAST	FIRST			LOCATION	REGISTRATION	TRAVEL	LODGING	MEALS	EXPLANATION		
REINHARDT	JEFF	8/21-8/24/13	CASA ANNUAL CONFERENCE	SAN DIEGO, CA	475.00	177.41	739.77	67.34	78.00	PARKING	1,587.52
REINHARDT	JEFF	9/18/13	ACWA COMMUNICATION COMM	SACRAMENTO, CA		259.83			12.00	PARKING	271.83
REINHARDT	JEFF	10/4-10/5/13	CA CONTRACT CITIES ASSN CONF	TEMECULA, CA		149.16					149.16
REINHARDT	JEFF	12/3-12/5/13	ACWA FALL CONFERENCE	LOS ANGELES, CA	695.00	36.49			75.00	PARKING	806.49
REINHARDT	JEFF	1/15-1/17/14	CASA WINTER CONFERENCE	INDIAN WELLS, CA	475.00	173.66	457.20	62.64			1,168.50
REINHARDT	JEFF	3/4-3/5/14	ACWA LEGISLATIVE SYMPOSIUM	SACRAMENTO, CA	210.00	196.55	309.50	6.47	26.00	PRKG/INTERNET	748.52
REINHARDT	JEFF	5/6-5/8/14	ACWA SPRING CONFERENCE	MONTEREY, CA	695.00	343.55	696.12	34.50	51.00	PARKING	1,820.17
REINHARDT	JEFF	5/16-5/18/14	SOLAR CUP EVENT	LAKE SKINNER, CA		182.56	188.16				370.72
REYES	CARLOS	1/17-1/18/13	DIRECT POTABLE REUSE CONF	NEWPORT BEACH, CA	525.00	98.31	188.88	33.69	21.00	PARKING	686.88
REYES	CARLOS	5/4-5/9/14	CUSTOMER SERVICE CONFERENCE	SAN ANTONIO, TX	925.00	397.80	1,488.57		99.08	PARKING	2,910.45
Sub-Total											6,872.91
Sub-Total											866.88
Sub-Total											2,910.45
Sub-Total											3,777.33
Grand Total											71,519.62



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

Regular Board Meeting

December 9, 2014

12:00 p.m. -- Board Room

Tuesday, December 9, 2014 Meeting Schedule		
7:00-8:00 a.m.	Rm. 2-413	Dirs. Computer Training
9:00 a.m.	Rm. 2-145	L&C
10:00 a.m.	Rm. 2-456	OP&T
12:00 p.m.	Board Room	Board Meeting

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. Call to Order

- (a) Invocation: Duane Cave, Director, Moulton Niguel Water District
- (b) Pledge of Allegiance: Director Don Calkins

2. Roll Call

3. Determination of a Quorum

4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Gov. Code § 54954.3(a))

5. OTHER MATTERS

- A. Approval of the Minutes of the Meeting for November 18, 2014. (A copy has been mailed to each Director)
Any additions, corrections, or omissions
- B. Report on Directors' events attended at Metropolitan expense for month of November

- C. Reappointment of Director Michael Touhey from Upper San Gabriel Valley Municipal Water District
- D. Presentation of five-year service pins to:
 - Director Brett Barbre, representing Municipal Water District of Orange County
 - Laura Friedman, representing city of Glendale
- E. Approve committee assignments
- F. Chairman's Monthly Activity Report

6. DEPARTMENT HEADS' REPORTS

- A. General Manager's summary of Metropolitan's activities for the month of November
- B. General Counsel's summary of Legal Department activities for the month of November
- C. General Auditor's summary of activities for the month of November
- D. Ethics Officer's summary of activities for the month of November

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Adopt final resolution for annexation of the Campus Park West Annexation to San Diego County Water Authority and Metropolitan. (F&I)

Recommendation:

Option #1:

Review and consider information provided in the certified Final Environmental Impact Report and adopt the Lead Agency's findings related to the proposed actions, and

- a. **Adopt resolution granting approval for the Campus Park West Annexation concurrently to SDCWA and Metropolitan and establish Metropolitan's terms and conditions for the annexation, conditioned upon approval by San Diego County's Local Agency Formation Commission, and upon receipt of annexation fee of \$454,530.12; and**
- b. **Approve SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines.**

ITEM 11A

- 7-2** Appropriate \$880,000; and authorize design of seismic upgrades for 12 structures throughout the distribution system (Approps. 15458 and 15441). (E&O)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is exempt from CEQA, and

- a. Appropriate \$880,000;**
- b. Authorize design of seismic upgrades to the Foothill Hydroelectric Plant and Carbon Creek Pressure Control Structure; and**
- c. Authorize design of seismic upgrades to service connection structures on the Allen-McColloch Pipeline.**

(END OF CONSENT CALENDAR)

8. OTHER BOARD ITEMS — ACTION

- 8-1** Authorize: (1) increase of \$40 million for conservation incentives; and (2) increase to the contract authority of the five-year agreement with Electric and Gas Industries Association for administration of Metropolitan's regional conservation rebate program. (WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

- a. Authorize the increase in conservation budget of \$40 million, from \$60 million to \$100 million; and**
- b. Authorize the General Manager to amend Agreement No. 129415 with EGIA to increase contract capacity authority from \$90 million to \$290 million to allow for the increased activity in Metropolitan's regional rebate program.**

ITEM 11A

- 8-2 Approve adjustments to Metropolitan's Water Supply Allocation Plan.
(WP&S)

Recommendation:

Option #1:

Adopt the CEQA determination that the item is categorically and statutorily exempt, and approve adjustments to the Water Supply Allocation Plan.

- 8-3 Adopt Legislative Priorities for 2015/16 (C&L) **(To be mailed separately)**

- 8-4 Authorize increase in maximum amount payable under contract with Van Ness Feldman LLP for legal services related to preparation of the Bay Delta Conservation Plan by \$150,000 to an amount not to exceed \$250,000. (L&C)

Recommendation:

Option #1:

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize the General Counsel to amend the existing agreement with Van Ness Feldman LLP to increase the maximum amount payable by \$150,000 to \$250,000.

9. BOARD INFORMATION ITEMS

- 9-1 Overview of proposed memorandum of understanding for Colorado River-related pilot drought response actions. (WP&S)

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

ITEM 11A

NOTE: At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g. (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation

ITEM 11A