

# Drought and Your Water Supply



Popular Annual Financial  
Report FY 2013-14



# Board of Directors for Fiscal Year 2013-14



Charles P. Caspary  
Division 1



Glen D. Peterson  
Division 2



Lee Renger  
Division 3



Leonrad E. Polan  
Division 4



Barry S. Steinhardt  
Division 5

# A Letter from the General Manager

## Drought and Your Water Supply

“Normal” seems to be a fleeting term when applied to managing California’s water resources. The 122 square miles served by Las Virgenes Municipal Water District (LVMWD) rely entirely upon imported potable water resources. This report covers Fiscal Year (FY) 2013-14 (July 1, 2013 – June 30, 2014), a period that found California entering a third consecutive year of record drought conditions.

In “normal times”, a water agency is focused on its primary mission: providing high-quality reliable service, protecting public health and safety, delivering water to where it is needed, maintaining systems and providing “around the clock” services to its customers. However, in a time of drought, the District takes on additional functions to encourage greater water-use efficiency. It serves as the buffer between dwindling reserves and customer demand. It must continue its core mission, but amplify its conservation efforts by offering additional incentive and rebate programs to promote water-use efficiency, educating customers, restricting usage and enforcing those restrictions, when necessary.

Time and again, Californians have shown they are resilient. They adapt and make collective efforts in the face of a crisis. LVMWD customers are no different. Over time, they have repeatedly responded to the call to conserve, as they did during the last period of shortage, reducing their usage by more than 20 percent.

Yes, there has been a persistent drought – but during FY 2013-14, LVMWD met the challenge, managing the available water resources, personnel, outreach programs and importantly, its financial and administrative functions, in a manner that maintained services without the need for water allocations, unscheduled rate increases, rationing or penalty structures.

Along with 25 others, LVMWD is a member agency of the Metropolitan Water District of Southern California (MWD). Serving some 19 million people, MWD has made substantial investments in water storage that have been instrumental in reducing the effects of drought. A portion of each customer’s water bill has financed these investments, helping Southern California bridge the gap between periods of reduced supplies and customer demands.

Apart from drought management, LVMWD must operate each of its three enterprises, Potable Water, Sanitation and Recycled Water, in a manner that is reliable and financially sound. Each enterprise must function as an independent financial entity; however, customers benefit through the use of shared personnel and administrative resources. In FY 2013-14, the District also engaged in forward-looking planning, invested in needed infrastructure and executed scheduled maintenance programs for its existing assets.

This report illustrates how LVMWD used its financial resources to provide services that make a high quality of life possible for the residents, businesses and educational institutions in its Western Los Angeles County service area. As a governmental entity, LVMWD does not have shareholders or investors who expect a dividend on their investments. Instead, the District is operated for the benefit of you, its customers, who pay for the cost of operating the system. I invite you to examine this document for an overview of how your funds were used. Readers who seek more detail may also view our Comprehensive Annual Financial Report and the District’s annual budget; both are available on the District’s website at [www.LVMWD.com](http://www.LVMWD.com).

Sincerely,



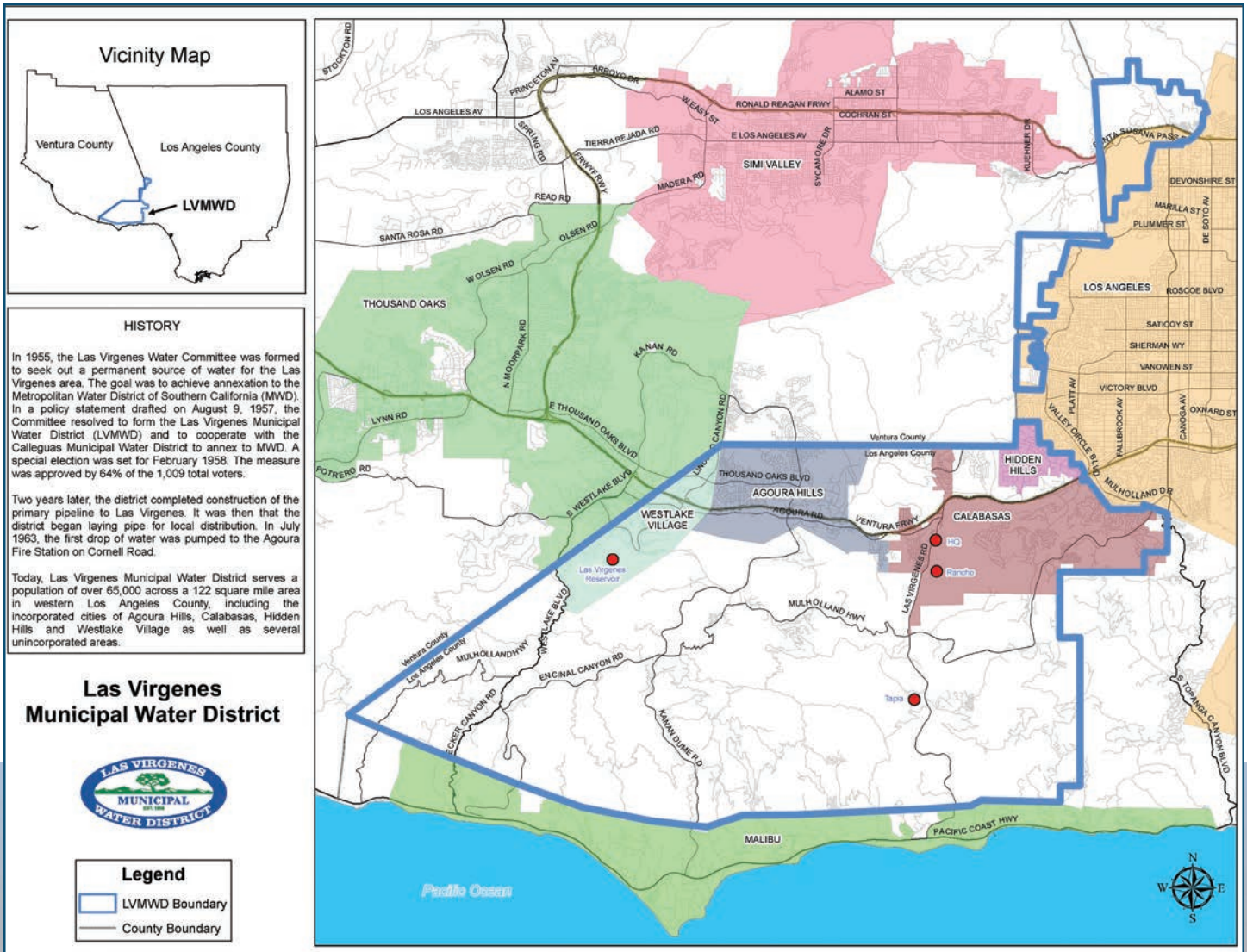
David W. Pedersen, P.E.  
General Manager



# About Las Virgenes Municipal Water District

Founded in 1958, Las Virgenes Municipal Water District (LVMWD) provides potable water, wastewater treatment and recycled water services in a 122 square-mile service area in Western Los Angeles County. The District is bordered on the north and west by the Ventura County line, to the south by the City of Malibu and to the east by the City of Los Angeles. LVMWD serves a population of approximately 70,000 in the cities of Agoura Hills, Calabasas, Hidden Hills, Westlake Village and surrounding unincorporated areas of Los Angeles County.

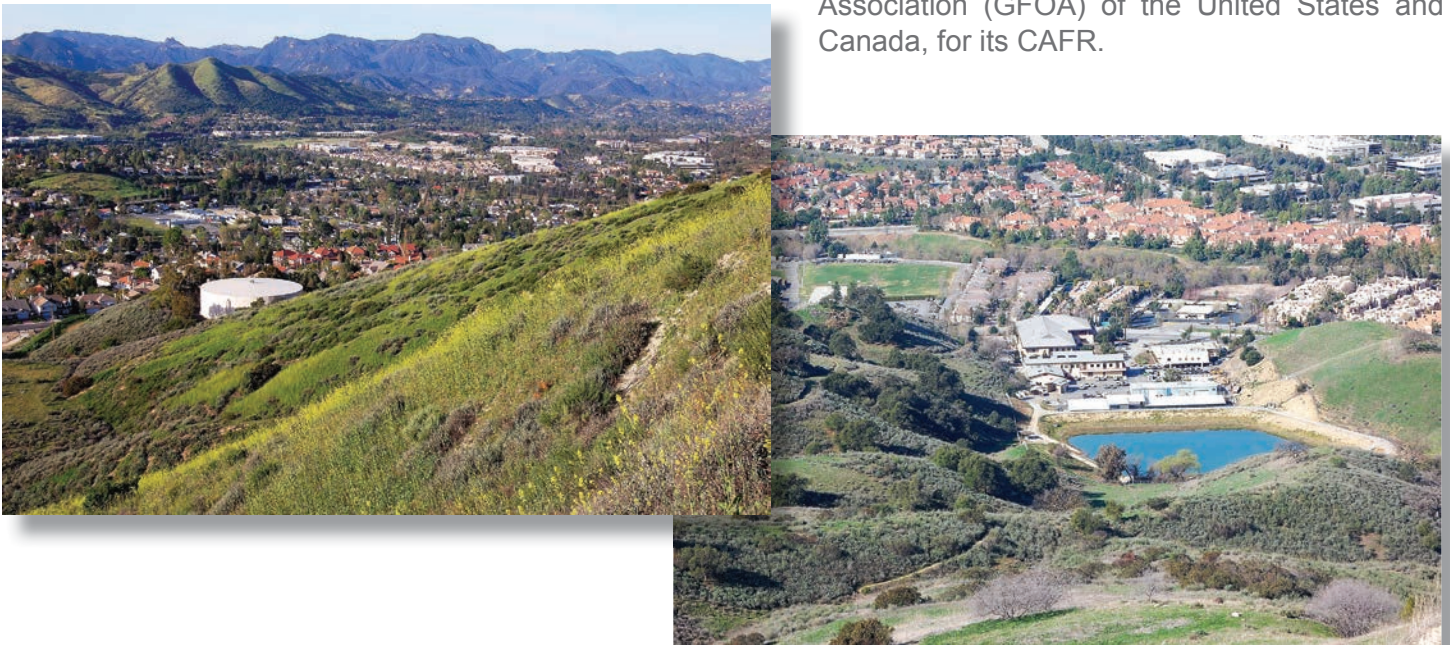
LVMWD is organized under the Municipal District Law of 1911 (California Water Code 71000). A five-member Board of Directors governs the district, each representing one of five divisions. The directors serve overlapping four-year terms. The board selects, from among its members, officers and a representative to the Board of Directors of Metropolitan Water District of Southern California. Board meetings are open to the public and held on the second and fourth Tuesday of each month at 5 p.m. at LVMWD Headquarters. Board meetings are also recorded and can be viewed online through the District's website.



LVMWD provides potable water, recycled water, and sanitation services to its customers. Because of regulations passed over the last several decades, most notably Proposition 218 in 1996 and, more recently, Proposition 26 in 2011, the rates and fees the District charges must have a direct link to each service it provides. In other words, potable water revenue must be used to manage and operate the potable water service, recycled water revenue must be used to manage and operate the recycled water service, and sanitation revenue must be used to manage and operate the sanitation service. The District, through its financial systems and processes ensures compliance with these requirements.

With the restrictions noted above, it is important that the District report each enterprise separately in its various financial reports. This Popular Annual Financial Report summarizes financial information for each of the District's three enterprises. Readers who seek additional detail should review the District's Comprehensive Annual Financial Report at <http://www.lvmwd.com/about-us/adopted-budget-and-annual-financial-reports>.

This Popular Annual Financial Report represents LVMWD's latest commitment to transparency in its operations and governance. Additional information, including the District's Annual Budget, Comprehensive Annual Financial Reports (CAFR), planning documents and more can be found at [www.LVMWD.com](http://www.LVMWD.com). In FY 2013-14, LVMWD was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation and the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) of the United States and Canada, for its CAFR.



**THE LAS VIRGENES – TRIUNFO JOINT POWERS AUTHORITY (JPA) PROVIDES SANITATION SERVICES FOR ITS CUSTOMERS AND TREATS WASTEWATER AT THE TAPIA WATER RECLAMATION FACILITY. BIOSOLIDS REMOVED DURING THE WASTEWATER TREATMENT PROCESS ARE FURTHER TREATED AT THE RANCHO LAS VIRGENES COMPOSTING FACILITY. BOTH OF THOSE FACILITIES ARE JOINTLY OWNED AND OPERATED BY THE LAS VIRGENES TRIUNFO JOINT POWERS AUTHORITY THAT IS COMPRISED OF LVMWD AND THE TRIUNFO SANITATION DISTRICT, THE LATTER OF WHICH SERVES ADJACENT AREAS OF SOUTHEASTERN VENTURA COUNTY. THIS PARTNERSHIP CREATES EFFICIENCIES IN THE DELIVERY OF SANITATION SERVICES FOR BOTH SERVICE AREAS. THE SANITATION ENTERPRISE CHARGES REFLECTED IN THIS REPORT REFLECT THE TOTAL COST AND REVENUE TO PROVIDE THESE SERVICES FOR LVMWD CUSTOMERS.**

# The Potable Water Enterprise

In FY 2013-14, LVMWD provided potable water service to some 20,000 customers, most of which (18,000) are residential. In addition to drinking water, the potable water system also provides fire protection for the service area.

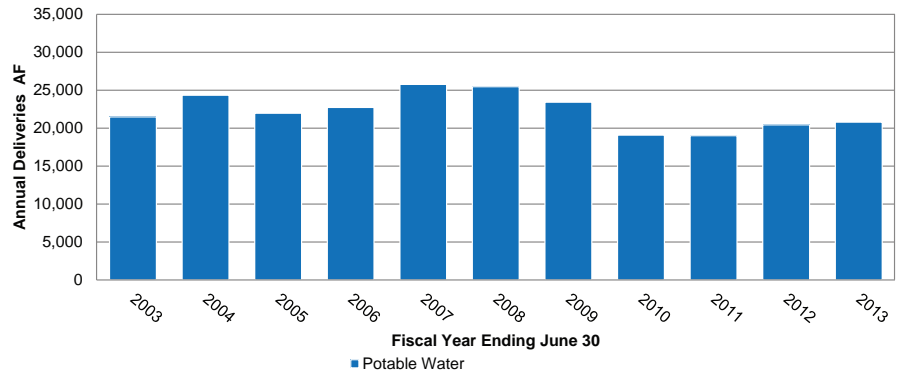
## Drought Response and Water Use Efficiency

As California's statewide drought extended into a third year, Las Virgenes Municipal Water District called upon its customers to again reduce their usage.

LVMWD is entirely dependent upon imported potable water resources; there are no local supplies, such as groundwater aquifers or streams that can provide drinking water

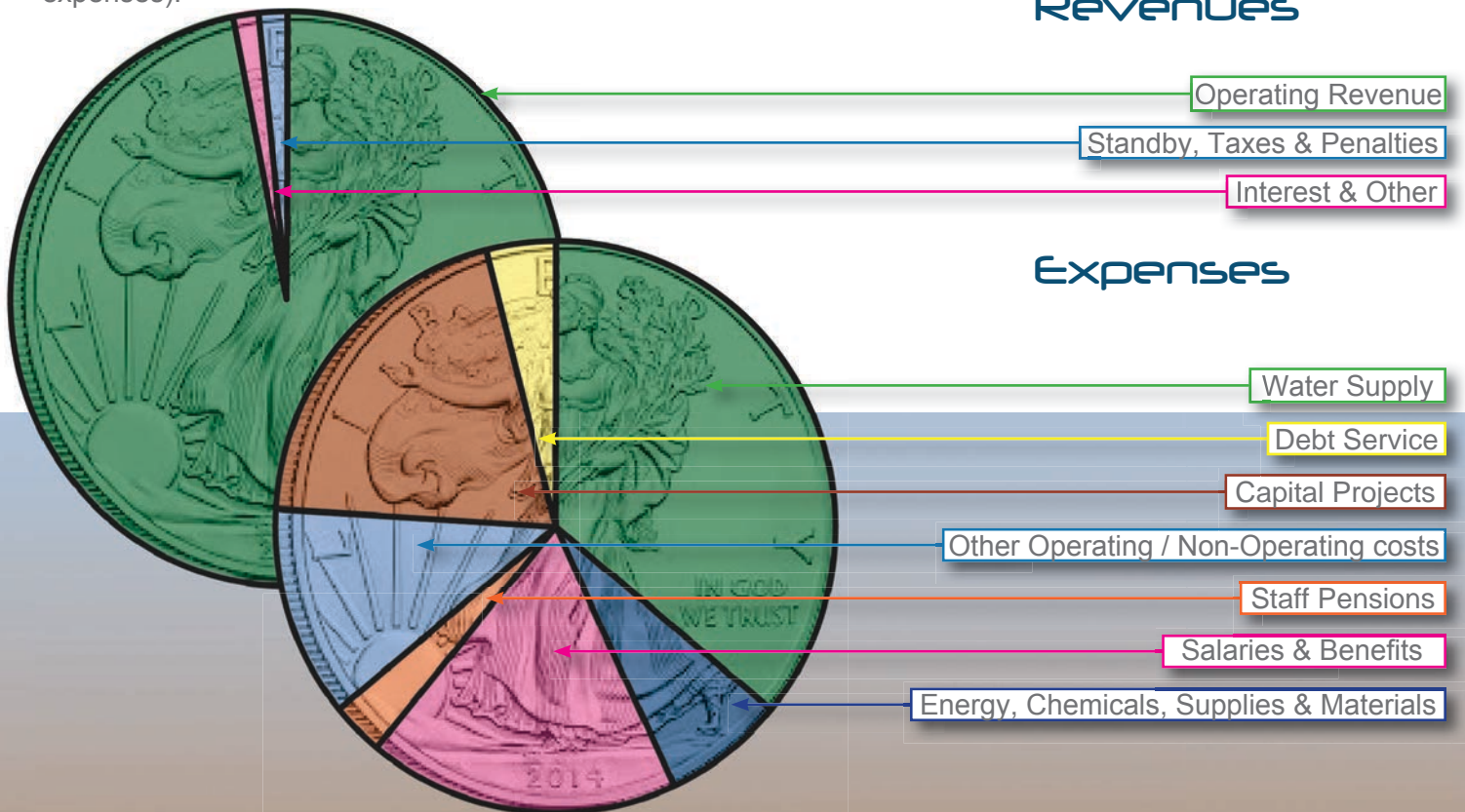
The previous drought of 2009 saw customers decrease water use by more than 20 percent. A significant number of customers made permanent changes in their usage patterns and greater water use efficiency.

L V M W D  
POTABLE WATER  
2003 - 2013



## Impact on Revenues

Typically, when customers reduce usage, water utilities are pressed to cover operating expenses at a time when customer billings are decreasing. LVMWD adopted a new three-year rate schedule in 2012, which was instrumental in helping to recover a greater portion of the District's fixed costs (labor, maintenance, utility expenses).



## Supply and Demand

In contrast to drought periods prior to 2001, Southern California was better equipped to mitigate the impacts of drought through a number of measures that were put in place for the conditions experienced in FY 2013-14.

- The Metropolitan Water District of Southern California (MWD) had significant storage in place, including the large Diamond Valley Lake reservoir near Hemet.

- The State Water Project had significant reserves at Lake Oroville in Northern California.
- MWD's supply portfolio includes the Colorado River Aqueduct, bringing in resources stored at Lake Mead.

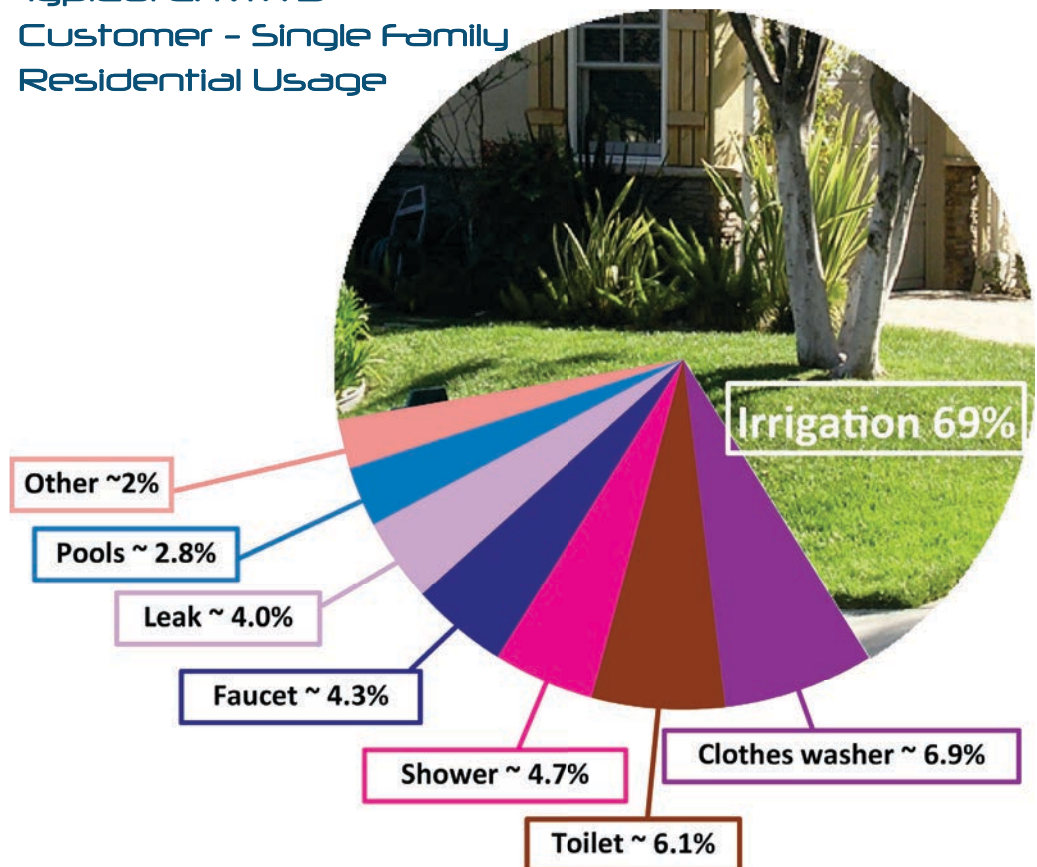
These investments and others assured MWD's member agencies reliable supplies through FY 2013-14.

## Water Use Efficiency Measures

In FY 2013-14 LVMWD increased its conservation messaging to customers through a number of methods, including customer billing statement mailings, rebate programs for water saving devices and lawn replacement, newspaper advertising, the LVMWD website, social media, garden and landscape classes, school education programs and information booths at community events throughout the year. The main focus in the District's conservation efforts is outdoor water usage, which is the largest single category of how water is used.

While drought intensifies the focus on greater water use efficiency, in 2009 the state passed a comprehensive package of water legislation that requires urban water suppliers to achieve a 20 percent reduction in use by 2020, based on usage measured in the 2004-06 base years. Failure to comply with the goal would make an agency ineligible for state grants or loans. While LVMWD has made significant progress toward the goal, more remains to be done in order to gain compliance.

Typical LVMWD Customer - Single Family Residential Usage



20%  
by 2020

# The Potable Water Supply System

LVMWD has no local potable water source; all drinking water must be imported. As a member agency of the Metropolitan Water District of Southern California, the District typically receives water delivered through Metropolitan from the State Water Project, traveling nearly 500 miles to reach customers in the service area.

Reliable delivery to customers can only be achieved through a well-engineered and maintained distribution system. Medium and long-term needs are continually evaluated and the findings are published in the Infrastructure Investment Plan and the Potable Water Master Plan. These forward-looking documents are the foundations for projects that may be needed to address the District's needs. These documents are available for review on the District's website (<http://www.lvmwd.com/other-services/technical-services-planning-engineering/master-plans-and-engineering-documents>).

In FY 2013-14, LVMWD engaged in significant construction efforts aimed at improving the flow of water along its "backbone" supply lines.

**Calabasas Pipeline** – a new 30-inch pipeline was installed along Mureau Road and then south to Agoura Road in Calabasas, providing greater flow to and from the 8-million gallon Calabasas Tank. (See photos on next page)

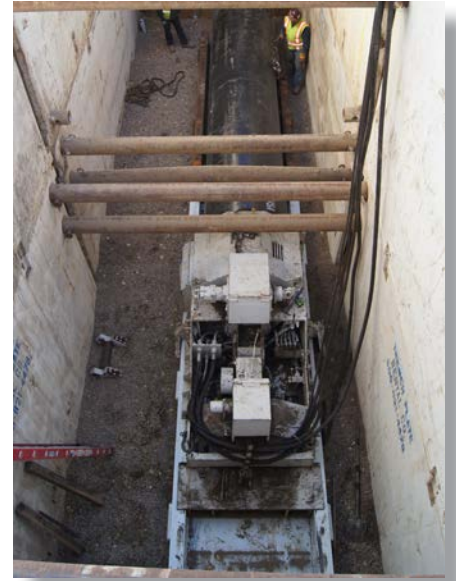
**5-Million Gallon Storage Tank** at Las Virgenes Reservoir in Westlake Village. This project is at the terminal end of the "backbone" and will provide a ready source of potable water to meet demands for daily usage, fire suppression and emergencies. Completion is expected by June 2015. (See photos below)



*Open House visitors were briefed on every aspect of the 5-Million Gallon Tank Project at Las Virgenes Reservoir*







In addition to scheduled capital projects, the District engaged in ongoing system maintenance and responded to an unanticipated situation on a busy commercial section of Calabasas Road in that city, where two significant water main breaks occurred. To avoid future problems, a “slip lining” technique was used, where a new line was drawn through the existing main, eliminating the need to use conventional trenching to replace the line. The work was done at night to minimize disruption, earning the praise of city officials and recognition from the American Public Works Association as its “Project of the Year” for 2013.



## The Sanitation (Wastewater Treatment) Enterprise

Each day, the Tapia Water Reclamation Facility is prepared to treat some nine million gallons of wastewater to stringent standards that are protective of public health and the environment. Under the terms of a National Pollutant Discharge Elimination System permit issued by the Los Angeles Regional Water Quality Control Board, the District must treat and recycle wastewater to stringent state standards. The facility's location within the sensitive environment of the Malibu Creek watershed brings challenges to its operation.

As with many agencies across the country, aging infrastructure built in the 1960s and 70s presents a cost driver that saw the District invest in rehabilitating its Primary Sedimentation Tanks at the Tapia Water Reclamation Facility.

During FY 2013-14, the District also commenced construction on a third biosolids digester at the Rancho Las Virgenes Composting Facility. The Facility treats all the biosolids generated from wastewater treatment at Tapia.



*Primary Sedimentation Tank Rehabilitation Project*

The new digester will add to the capacity of the process and will also allow for maintenance to be performed on the two original digester units, which have been in continual operation since their construction in 1993.

The drought has also had cost impacts on operations at the wastewater treatment enterprise. Under “normal” operating conditions, excess treated effluent may not be discharged to Malibu Creek from April 15 to November 15

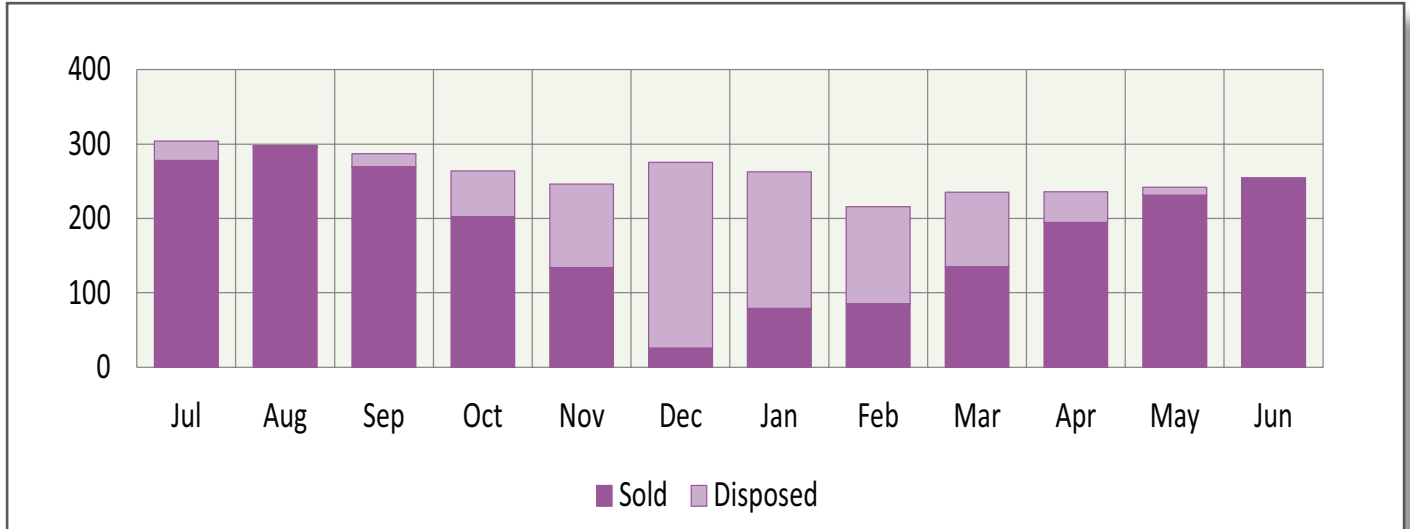


each year. One exception to this rule is when the flows measured at the L.A. County station fall below 2.5 cubic feet per second for a sustained period the District must discharge in order to provide aquatic habitat for threatened species such as the steelhead trout and the tidewater gobi downstream. In the past, this requirement has resulted in temporary discharges until creek flow levels increased beyond the threshold. In FY 2013-14, the creek augmentation discharge of Recycled Water began in June 2013 and was sustained through the remainder of the “prohibition” period in mid-November.

During times of peak demand, (July, August, September) the District normally sells its entire supply of recycled water to customers. However, with the required discharge to the creek, that water had to be supplemented with potable water in order to provide reliable water service to recycled water customers. This required activity represented an unanticipated additional operating cost.

## The Recycled Water Enterprise

LVMWD was a pioneer in developing Recycled Water (RW) as a resource that makes use of tertiary-treated, Title-22 compliant water that is processed at the Tapia Water Reclamation Facility. In FY 2013-14, nearly 20 percent of all the water delivered by LVMWD was RW, reducing the demand for potable water on a gallon-for-gallon basis. In the LVMWD service area, RW is used to irrigate golf courses, highway landscapes, parks, school grounds, commercial properties and common areas of multi-family housing developments.



During FY 2013-14, discussions were conducted with the City of Los Angeles regarding the supply of RW to the Woodland Hills Golf Course at the west end of the San Fernando Valley. The location is far from the City’s RW supply system, yet the facility uses a significant amount of potable water. Negotiations with Los Angeles have identified LVMWD as a possible supplier of RW to that location. However, it will be necessary for LVMWD to extend its RW supply line along the Mulholland Highway corridor in order to reach the Woodland Hills location.



A successful agreement will include an allowance for construction costs, help LVMWD place more RW in the community and assist the District’s Malibu Creek avoidance efforts during the creek prohibition period. It is also possible a pipeline extension could open RW service to additional potential customers within the LVMWD service area.

During FY 2013-14, a solar power generating facility came online, with the power generated used to help pump RW in the LVMWD service area. Installed by Solar City, the solar panels occupy approximately six acres adjacent to the LVMWD Headquarters facility in Calabasas. At peak, one megawatt of power is generated. Solar City owns and maintains the solar installation; LVMWD has entered a fixed-cost power purchase agreement covering a span of 20 years. The projected savings in power costs are expected to exceed \$1 million over the term of the power purchase agreement.



*State Senator Fran Pavley presents Sustainability Award to LVMWD Board President Charles Caspary and Triunfo Sanitation District Chair Michael McReynolds.*



# FINANCIAL SUMMARY

## FY 2013-14 Budget Performance

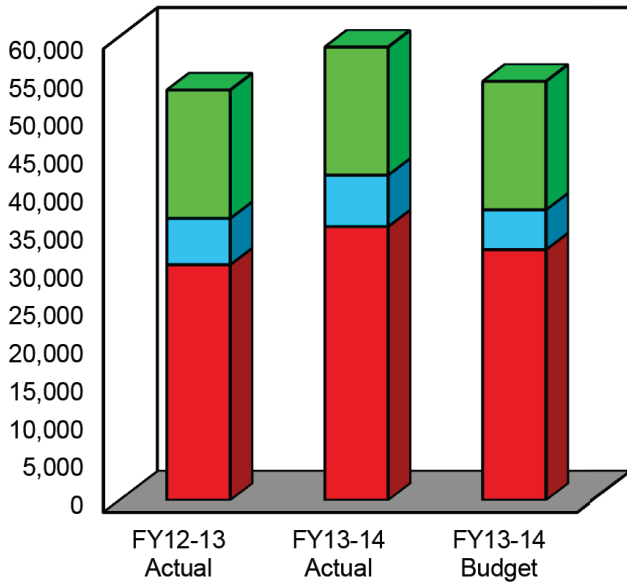
Las Virgenes Municipal Water District (LVMWD or the “Agency”) uses the accrual method of accounting in accordance with generally accepted accounting principles to produce its financial statements. The following table illustrates how the Agency uses the adopted budget to monitor and compare actual financial performance. GAAP and auditing standards do not require the adopted budget to be included in the audited financial statements.

### FY 2013-14 Condensed Statement of Operating Revenues and Expenses: Budget to Audited Actuals

Las Virgenes Municipal Water District			
Operating Revenue			
(Dollars in Thousands)			
	FY12-13	FY13-14	FY13-14
	Actual	Actual	Budget
Potable Water Operations	30,472	35,402	32,420
Recycled Water Operations	6,002	6,663	5,159
Sanitation Operations	16,587	16,552	16,604
Total Operating Revenue	53,061	58,617	54,183

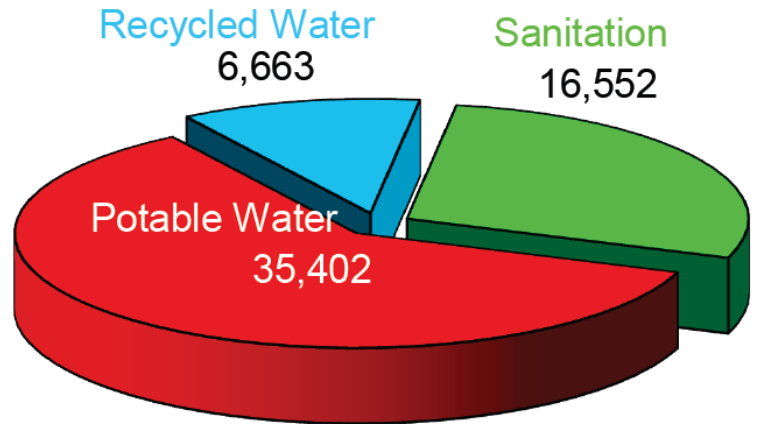
Las Virgenes Municipal Water District			
Operating Expenses			
(Dollars in Thousands)			
	FY12-13	FY13-14	FY13-14
	Actual	Actual	Budget
Potable Water Operations	31,228	34,966	32,332
Recycled Water Operations	2,942	3,119	2,494
Sanitation Operations	10,235	10,722	11,032
Total Operating Expenses	44,405	48,807	45,858

**LVMWD  
Operating Revenue**

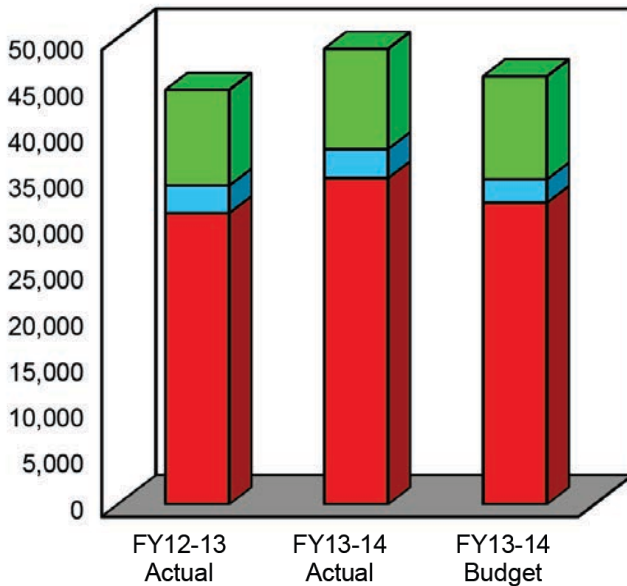


■ Potable Water Operations ■ Recycled Water Operations ■ Sanitation Operations

**LVMWD  
FY 2013-14 Operating Revenue  
(Dollars in Thousands)**

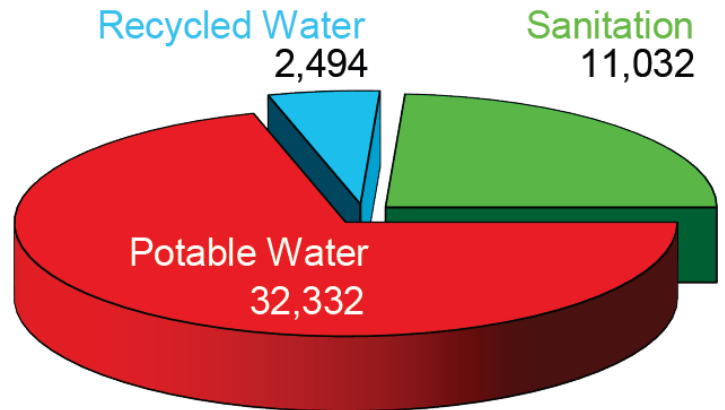


**LVMWD  
Operating Expenses**



■ Potable Water Operations ■ Recycled Water Operations ■ Sanitation Operations

**LVMWD  
FY 2013-14 Operating Expenses  
(Dollars in Thousands)**



# Audit of Agency's Financial Statements by Independent Auditor

State statute requires an annual audit by independent Certified Public Accountants which is filed with the California State Controller's Office. The Agency's FY 2013-14 financial statements were audited by the Agency's auditor, Pun & McGeady LLP, Irvine, CA, in accordance with GAAP auditing standards, and the statements met the State Controller's Minimum

Audit Requirements for California Special Districts. The Agency's Audited Financial Statements and accompanying Independent Auditor's Report can be found in the Agency's Comprehensive Annual Financial Report (CAFR), available online at <http://www.lvmwd.com/about-us/adopted-budget-and-annual-financial-reports>

## FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position is a useful indicator of financial position. The largest portion of LVMWD's net assets reflects its investment in capital assets (land, buildings, machinery, equipment, vehicles). The agency increased its Net Position by \$3.4M in FY 2013-14 as a result of an increase in plant and facility assets placed into service at the end of FY 2013-14.

Condensed Statement of Net Position as of June 30, 2014					
(In thousands of dollars)					
	FY 2014		FY 2013		Percent Change
Current and Other Assets	\$	87,770	\$	88,608	-0.90%
Capital Assets		113,119		107,288	5.40%
Investment in JPA		68,788		69,066	-0.40%
<b>Total Assets</b>	<b>\$</b>	<b>269,677</b>	<b>\$</b>	<b>264,962</b>	<b>1.80%</b>
Deferred Outflow of Resources	\$	1,503	\$	1,662	-9.60%
Long-Term Debt Outstanding		22,281		24,293	-8.30%
Other Liabilities		14,647		11,460	27.80%
<b>Total Liabilities</b>	<b>\$</b>	<b>36,928</b>	<b>\$</b>	<b>35,753</b>	<b>3.30%</b>
Net Position:					
Net Investment in Capital Assets,	\$	90,476	\$	82,870	9.20%
Restricted		4,106		7,208	-43.00%
Unrestricted		139,671		140,793	-0.80%
<b>Total Net Position</b>	<b>\$</b>	<b>234,253</b>	<b>\$</b>	<b>230,871</b>	<b>1.50%</b>

### Definitions

**Capital Assets:** Includes land, buildings, water and sewer lines, wastewater facilities, reservoirs, tanks, distribution facilities, compost facility, maintenance and administration facilities, vehicles, and equipment net of depreciation

**Currents and Other Assets:** Assets easily converted to cash or consumed within one year: cash, investments, receivables, and prepaid expenses.

**Deferred Outflow of Resources:** Represents outflow of resources that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Long-Term Debt Outstanding:** Payments due

on LVMWD's 2009 Sanitation Refunding Bond that are more than 12 months in the future.

**Other Liabilities:** Payments due on obligations owed by LVMWD within the next 12 months.

**Restricted Assets:** Cash and investments set aside for a specific purpose

**Total Net Position:** Equity associated with general government assets and liabilities

**Unrestricted Assets:** Agency-owned assets that can be used for any purpose.



The Condensed Statement of Revenues, Expenses, and Net Position summarizes LVMWD's operating and non-operating revenues and expenses. The largest source of revenue is water sales to customers. Total revenues increased by 10.3% in FY 2013-14, while expenses increased by 5.8% during the same period. The net income before capital contributions was \$1.8M.

Condensed Statements of Revenues, Expenses, & Net Position  
as of June 30, 2014  
(In thousands of dollars)

	FY 2014	FY 2013	Percent Change
<b>Operating Revenues:</b>			
Water Sales	\$ 41,177	\$ 35,637	15.50%
Sanitation and Other	17,503	17,429	0.40%
<b>Non-operating Revenues:</b>			
Taxes and Penalties	892	888	0.40%
Interest Income and Other	1,013	965	5.00%
<b>Total Revenues</b>	<b>\$ 60,585</b>	<b>\$ 54,920</b>	<b>10.30%</b>
<b>Expenses:</b>			
Depreciation Expense	\$ 4,617	\$ 4,729	-2.40%
Other Operating Expenses	39,532	35,339	11.90%
Share of JPA Net Expenses	13,602	13,644	-0.30%
Non-Operating Expenses	994	1,788	-44.40%
<b>Total Expenses</b>	<b>\$ 58,745</b>	<b>\$ 55,501</b>	<b>5.80%</b>
Income (Loss) Before Capital Contributions	\$ 1,841	\$ (581)	--
Capital Contributions	1,540	2,168	-29.00%
Change in Net Position	\$ 3,381	\$ 1,587	113.00%
Net Position - Beginning of Year	\$ 230,871	\$ 229,284	0.70%
<b>Net Position - End of Year</b>	<b>\$ 234,253</b>	<b>\$ 230,871</b>	<b>1.50%</b>

## Definitions

**Capital Contributions:** Funds that are used for capital and expansion projects.

**Change in Net Position:** The total of net income (loss) plus capital contributions.

**Depreciation Expense:** If an asset is expected to produce a benefit in future periods, some of these costs must be deferred rather than treated as a current expense. LVMWD records depreciation expense in its financial reporting as the current period's allocation of such costs.

**Income (Loss) Before Capital Contributions:** The difference between total revenue less total expenses.

**Net Position:** The sum of total net position at the beginning of the fiscal year plus the change in net position resulting in ending net position at the end of the fiscal year.

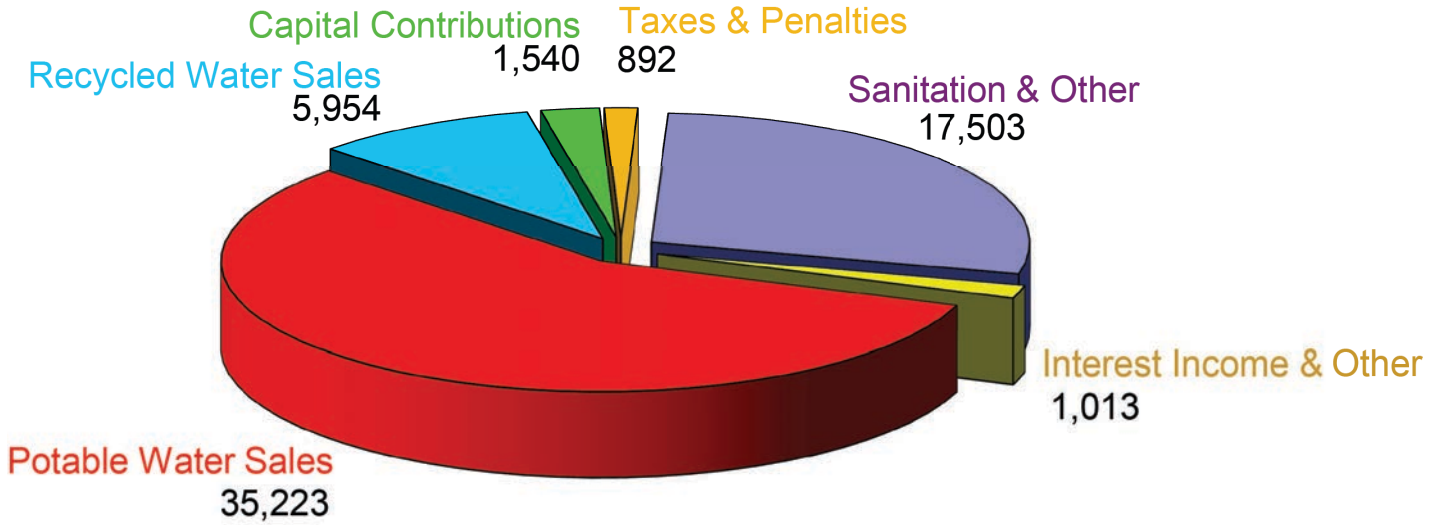
**Non-Operating Revenues and Expenses:** Revenues and expenses that are incidental to LVMWD's main purpose and derived from activities not directly related to LVMWD's operations: taxes and penalties, interest earnings and rental income, and costs associated with debt.

**Operating Expenses:** Expenses incurred in the provision of potable water, sanitation, and recycled water services.

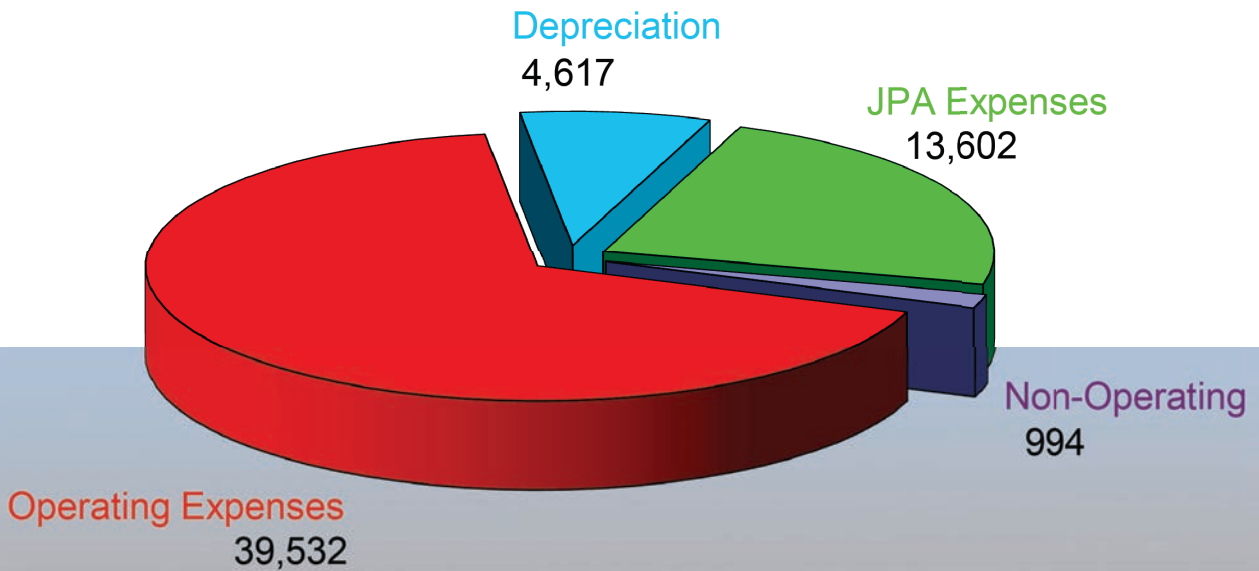
**Operating Revenues:** Revenues received for the sale of water to customers, services, inspections, and programs provided by LVMWD.

**JPA Expense:** LVMWD and Triunfo Sanitation District established a Joint Powers Authority "JPA" to construct, operate, maintain and provide for the replacement of a joint sewerage system. The share of JPA net expenses is LVMWD's allocation of combined net revenue and expenditure activity within the JPA.

**LVMWD  
FY 2013-14 Revenues  
(Where the Money Comes From)  
[Dollars in Thousands]**



**LVMWD  
FY 2013-14 Expenses  
(Where the Money Goes)  
[Dollars in Thousands]**



## 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.

	Capital Assets (In thousands of dollars)			
	<u>FY 2014</u>	<u>FY 2013</u>	<u>Dollar Change</u>	<u>Total Per- cent 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	11,527	2,994	8,533	285.00%
<b>Subtotal</b>	<b>210,179</b>	<b>200,320</b>	<b>9,859</b>	<b>4.92%</b>
Less Accumulated Depreciation	97,060	93,032	4,028	4.12%
<b>Net Property, Plant and Equipment</b>	<b>113,119</b>	<b>107,288</b>	<b>5,831</b>	<b>5.43%</b>
<b>Investment in Joint Venture</b>	<b>68,788</b>	<b>69,066</b>	<b>(278)</b>	<b>-0.40%</b>
<b>Total Capital Assets</b>	<b>\$181,907</b>	<b>\$176,354</b>	<b>5,553</b>	<b>3.15%</b>

## LONG TERM DEBT

LVMWD 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%.

	Debt Coverage Ratio (In thousands of dollars)		
	<u>FY 2014</u>	<u>FY 2013</u>	<u>Total Percent Change</u>
<b>Revenues:</b>			
Revenues from Operations	\$16,552	\$16,588	-0.20%
Interest Income and Other	472	570	-17.20%
Capacity Fees	1,125	1,085	3.70%
<b>Total Revenues</b>	<b>18,149</b>	<b>18,243</b>	<b>-0.50%</b>
Total Operating Expenses (less depreciation)	10,692	10,209	4.70%
<b>Net Earnings</b>	<b>7,457</b>	<b>8,034</b>	<b>-7.20%</b>
Maximum Annual Debt Service	2,756	2,756	0.00%
<b>Debt Coverage Ratio</b>	<b>2.71</b>	<b>2.92</b>	<b>-7.20%</b>



Las Virgenes Municipal Water District  
4232 Las Virgenes Road  
Calabasas, CA, 91302

818-251-2200

[www.LVMWD.com](http://www.LVMWD.com)

*Cover photos credit: California Department of Water Resources; photographer John Chacon  
Front: Extremely low water levels at Folsom Lake. 1/31/14. Back: Waterways, and wetlands of the San Joaquin Delta and Sherman Island. 7/12/12*