



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

**MINUTES  
SPECIAL MEETING**

9:00 AM

August 13, 2015

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led by Carlos Reyes, Director of Resource Conservation and Public Outreach.

**1. CALL TO ORDER AND ROLL CALL**

**A** Call to order and roll call

The meeting was called to order at **9:03 a.m.**, by Board President Peterson in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road in Calabasas. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Caspary, Lewitt, Polan, Renger, and Board President Peterson.

Absent: None.

**2. APPROVAL OF AGENDA**

**A** Approval of agenda

General Manager David Pedersen indicated that there were no proposed changes to the agenda.

Director Polan moved to approve the agenda as presented. Motion seconded by Director Caspary. Motion carried unanimously.

### 3. PUBLIC COMMENTS

None

### 4. RATES WORKSHOP

Mr. Pedersen provided introductory remarks. He introduced Habib Isaac from Raftelis Financial Consultants, and Tom Ash, the District's strategic advisor.

Mr. Pedersen reviewed the guiding principles: (1) to ensure the rates are fair and equitable to the customers; (2) to improve revenue stability for the District; (3) to provide a strong price signal to drive an efficiency ethic with the customers; (4) to minimize the impact of rate adjustments to the efficient customers; and (5) to ensure the rates are legal and compliant with Proposition 218.

Mr. Isaac provided an interactive and detailed PowerPoint presentation, which included the following: recycled water budget framework; defining efficiency – outdoor water budget; proposed water budget factors; water budget tier definitions, recycled water bi-monthly readiness-to-serve charge; and recycled water commodity rates with various approaches. A discussion ensued and staff responded to questions posed by the Board.

Director of Finance and Administration Don Patterson continued the PowerPoint presentation, which included the following: phase-in recycled water rates discussion; and phase-in recycled water rates options including one-year, five-year, and 10-year phase-in options for a readiness-to-serve charge for recycled water rates. A discussion ensued and staff responded to questions posed by the Board.

The Board recessed to a break at 10:32 a.m. and reconvened at 10:42 a.m.

Director of Resource Conservation and Public Outreach Carlos Reyes continued the PowerPoint presentation, which included the following: customer impact analysis; Options 1 and 2 comparison; revenue impacts; overall customer impacts; and customer examples. He presented conclusions and staff recommendations for recycled water rates based on the water budget structure to promote efficiency: applying monthly readiness-to-serve charges to recycled water rates to enhance revenue stability (Option 2); and establishing water rates based on a cost of service analysis to comply with Proposition 218 requirements. A discussion ensued and staff responded to questions posed by the Board.

Mr. Patterson continued the Power Point presentation, which included follow-up on questions from the June 3, 2015 workshop: cost of service analysis before

revenue adjustment; and Zone 5 – Box and Woolsey Canyons, blended and non-blended rates. Following a brief discussion, Mr. Pedersen stated that staff would bring back proposed rates that would represent the cost to serve Zone 5 from the Las Virgenes system.

Mr. Patterson presented the following conclusions and staff recommendations:

Proceed with Proposition 218 Notice for:

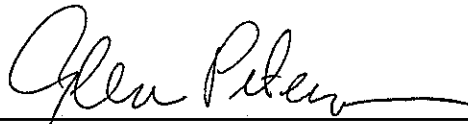
- Sanitation rates based on cost of service analysis
  - Residential rates: Based on household size
  - Commercial rates: Based on strength factors
  
- Water rates based on water budget structure to promote efficiency:
  - Gradually increasing bi-monthly readiness-to-serve charges to recover more fixed costs from Fiscal Year 2016 through Fiscal Year 2020
  - Establishing water rates based on a cost of service analysis to comply with Proposition 218 requirements
  
- Recycled water rates based on water budget structure to promote efficiency:
  - Applying a bi-monthly readiness-to-serve charge to recycled water to enhance stability (Option 2)
  - Establishing water rates based on a cost of service analysis to comply with Proposition 218 requirements

A discussion ensued and staff responded to questions posed by the Board.

Hal Helsley inquired regarding the amount of potable water used to supplement the recycled water system during the summer. Director of Facilities and Operations David Lippman responded that approximately 200 acre feet of potable water is used to supplement the recycled water system. Mr. Helsley expressed concern with recycled water storage cost versus potable water supplement, and the cost to maintain the District's recycled water system. He also expressed concern with recycled water rates potentially reaching the same amount as potable water rates by the year 2020. He commended the Board, staff, and consultants for their efforts, and he recommended staff conduct public outreach to the cities of Westlake Village, Agoura Hills, and Calabasas.

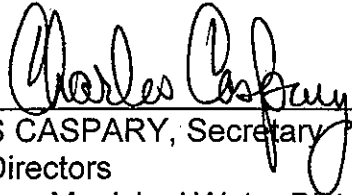
## 5. ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at 12:09 p.m.



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GLÉN PETERSON, President  
Board of Directors  
Las Virgenes Municipal Water District

ATTEST:



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

(SEAL)

