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*For More Information:
Jeff Reinhardt 818-251-2150*

LVMWD Board of Directors Adopts Two-Year Budget for 2016-18

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HEADQUARTERS
4232 Las Virgenes Road
Calabasas, CA 91302
(818) 251-2100
Fax (818) 251-2109

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CALABASAS, CA June 15, 2016 – At its June 14 meeting, the Las Virgenes Municipal Water District (LVMWD) Board of Directors approved a two-year budget for Fiscal Years 2016-17 and 2017-18 that takes effect July 1. The operating budget for each respective Fiscal Year (FY) is balanced, with total spending for 2016-17 at \$84.4 million; FY 2017-18 decreases to \$70.9 million, a 16 percent reduction year over year. The new budget covers all District services including potable water, sanitation (wastewater treatment) and recycled water distribution along with capital projects.

The adoption of a two-year budget reflects a change in policy for LVMWD, which had previously planned its finances on a year-to-year basis. The new approach provides greater continuity and smoother program planning, according to General Manager David W. Pedersen.

Significant features of the budget include the final phases of the District's "Backbone Improvements Program", a multi-year \$40 million effort designed to provide increased reliability in LVMWD's main distribution system that runs parallel to the US 101 corridor. Improvements at the Westlake Pump Station and Westlake Filtration Plant are already underway, with completion slated for 2017. Other projects include an interconnection with Calleguas Municipal Water District, and implementing an Information Systems Master Plan.

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Mr. Pedersen said, “We are taking a conservative approach to spending and revenues. This is the first full year of the District’s new Water Budget program that’s designed to help customers achieve consistent water-use efficiency. While northern reservoirs were replenished last winter, the drought is not over; last year provided some needed relief, but the trend is that we’re in a sustained drought cycle in the west. We must plan for lower per capita water use.”

Mr. Pedersen added the District must also prepare for renewal of the operating permit for the Tapia Water Reclamation Facility. In the past, this permit renewal process has resulted in new water quality mandates that often require significant investments in new processes.

According to Donald Patterson, LVMWD’s Director of Finance and Administration, the two-year budget cycle allows for smoother long-term planning, while allowing for budget adjustments that may be needed along the way. “The significant decrease in the budget’s second year reflects the completion of certain capital improvement projects, which draw from reserves set aside for that purpose. While financial forecasts currently call for general stability, we are prepared and able to respond to changes in the economy, in water supply and at all times maintain the reliability of our core services.”

The adopted budget also provides funding for conservation programs including customer and school education programs, conservation incentives and outreach to homeowner groups and business interests.

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In a cost-saving measure, the Board of Directors also authorized the “prepayment” of \$1,992,743, to the CalPERS retirement system. Early payment results in a savings of \$73,377, or a 3.55% discount to the District.

Las Virgenes Municipal Water District is a public agency that provides potable water, wastewater treatment services, recycled water and biosolids composting for residents and businesses in the cities of Agoura Hills, Calabasas, Hidden Hills, Westlake Village and surrounding unincorporated portions of western Los Angeles County.

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