

**CALL AND NOTICE OF REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY**

**August 1, 2012**

A Regular Meeting of the Board of Directors of Calleguas – Las Virgenes Public Financing Authority is hereby called and notice of said Regular Meeting is hereby given for 4:30 p.m. on Wednesday, August 1, 2012 at Calleguas Municipal Water District, 2100 Olsen Road, Thousand Oaks, 91360, to consider the following:

**CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY  
BOARD OF DIRECTORS MEETING AGENDA**

- A. CALL TO ORDER AND ROLL CALL (4:30 p.m.)
- B. ORAL COMMUNICATION

**MEMBERS OF THE PUBLIC MAY ADDRESS THE BOARD ON ITEMS THAT DO NOT APPEAR ON THE AGENDA, AND ON ITEMS WITHIN THE JURISDICTION OF THE BOARD. NO ACTION SHALL BE TAKEN ON ANY ITEM NOT APPEARING ON THE AGENDA UNLESS AUTHORIZED BY SUBDIVISION (B) OF GOVERNMENT CODE SECTION 54954.2. THE PRESIDENT OF THE BOARD MAY LIMIT THE TIME AVAILABLE FOR EACH SUBJECT AND EACH SPEAKER.**

- C. REGULAR BUSINESS
  - 1. Report on Status of Funds
  - 2. Minutes
    - 1. May 4, 2011
    - 2. May 22, 2012

- D. OTHER BUSINESS
- E. ADJOURNMENT

**PURSUANT TO SECTION 202 OF THE AMERICANS WITH DISABILITIES ACT OF 1990 (42 U.S.C. SEC. 12132), AND APPLICABLE FEDERAL RULES AND REGULATIONS REQUESTS FOR DISABILITY-RELATED MODIFICATION OR ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, IN ORDER TO ATTEND OR PARTICIPATE IN A MEETING, SHOULD BE MADE TO THE SECRETARY OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF THE REQUESTED SERVICE OR ACCOMMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN APPROPRIATE ALTERNATIVE FORMAT UPON REQUEST.**

By Order of the Board of Directors

  
\_\_\_\_\_  
Charles Caspary, Secretary

Dated: July 24, 2012

C: Each Director

TED GRANDSEN  
DIVISION 1

GAIL L. PRINGLE, TREASURER  
DIVISION 4

SCOTT H. QUADY, DIRECTOR  
DIVISION 2



WILLIAM R. SEAVER, VICE PRESIDENT  
DIVISION 5

DONALD G. HAUSER, SECRETARY  
DIVISION 3

SUSAN B. MULLIGAN  
GENERAL MANAGER

web site: [www.calleguas.com](http://www.calleguas.com)

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**To: Calleguas-Las Virgenes Public Financing Authority**  
**From: Dan Smith, Finance Manager, Calleguas Municipal Water District**  
**Subject: Annual Status Report on Bond Financing**  
**Date: August 1<sup>st</sup>, 2012**

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#### 2003 Series A Revenue Bonds

In March 2003, the Calleguas-Las Virgenes Public Financing Authority (Authority) issued Series A Revenue Bonds, in the principal amount of \$46,280,000 to fund Capital Improvements, with the final payment due on July 1, 2033. In 2006, Series A Refunding Revenue Bonds were issued to advance refund \$36,950,000 of the bonds. (see 2006 Series A)

#### 2003 Series B Refunding Revenue Bonds

In March 2003, the Authority issued Series B Refunding Revenue Bonds, in the principal amount of \$52,760,000 to refund the 1993 Revenue Bonds. A Reserve Fund of \$4,452,887 was required and as of March 31<sup>st</sup>, 2011 the fund had a balance of \$4,559,567. The final payment is due on July 1, 2021. In June 2012, Taxable Water Revenue Refunding Bonds were issued by Calleguas Municipal Water District to refund \$34,315,000 of the bonds remaining principal.

#### 2006 Series A Refunding Revenue Bonds

In October 2006, the Authority issued Series A Refunding Revenue Bonds in the principal amount of \$36,250,000, with the final payment due on July 1, 2032. The Bonds were used to purchase U.S. government securities to pay accrued interest and advance refund \$36,950,000 of the 2003 Series A Revenue Bonds. The securities were deposited in an irrevocable trust with Bank of New York to provide for debt service and refunding of the 2003 Series A Revenue Bonds on July 1, 2013. The advance refunding decreased the total debt service payments by approximately \$8.9 million over twenty six years, resulting in an approximate gain of \$4.3 million.

#### 2007 Series A Revenue Bonds

In August 2007, the Authority issued Series A Revenue Bonds in the principal amount of \$58,265,000 to fund capital improvements, with the final payment due on July 1, 2027. The reserve requirement is covered under a surety bond policy in the amount of \$3,656,668.76.

### 2008 Series A Refunding Revenue Bonds

In April 2008, the Authority issued Series A Variable Rate Refunding Revenue Bonds in the principal amount of \$40,300,000 to refund the 2007 B Auction Rate Revenue Bonds, with the final payment due July 1, 2037. The Bonds are backed by a letter of credit from Wells Fargo in the amount \$40,909,469 originally expiring in April 2011. The letter of credit has been renewed with Wells Fargo and will expire in April 2014. The refunding of the 2007 B Bonds has resulted in an interest savings of approximately \$7.4 million as of June 30, 2012.

### 2010 Series A Tax- Exempt Revenue Bonds

In February 2010, the Authority issued Series A Revenue Bonds, in the principal amount of \$21,355,000 to fund capital improvements, with the final payment due on July 1, 2020. There is not a debt service reserve account requirement.

### 2010 Series B Build America Bonds

In February 2010, the Authority issued Series B Revenue Bonds, in the principal amount of \$77,400,000 to fund Capital Improvements, with the final payment due July 1, 2040. The District receives a cash subsidy from the U.S. Treasury equal to 35% of the interest paid bi-annually. There is not a debt service reserve account requirement.

### General Information

The 2012 Series A, Taxable Water Revenue Refunding Bonds were issued by Calleguas Municipal Water District only and are therefore not included in the debt listed in the balances below. The 2012 Series A Bonds were issued with a principal amount of \$29,115,000.

All bond covenants have been met, including principal and interest payments made on schedule. As of June 30, 2011<sup>[1]</sup>, the ratio of net operating income to debt service expense was 1.26<sup>[2]</sup> compared to 1.96 on June 30, 2010. The District does not anticipate issuing new bonds in the next year.

Principal balances as of year ending June 30, 2011 and June 30, 2012 are as follows:

|                      | <u>June 30, 2011</u> | <u>June 30, 2012</u> |
|----------------------|----------------------|----------------------|
| 2003 Series A        | \$3,100,000          | \$2,105,000          |
| 2003 Series B        | \$36,885,000         | \$0                  |
| 2006 Series A        | \$35,800,000         | \$35,680,000         |
| 2007 Series A        | \$55,280,000         | \$54,200,000         |
| 2008 Series A        | \$40,300,000         | 40,300,000           |
| 2010 Series A        | \$21,355,000         | \$19,550,000         |
| <u>2010 Series B</u> | <u>\$77,400,000</u>  | <u>\$77,400,000</u>  |
| Total Principal:     | \$270,120,000        | \$229,145,000        |

[1] Source: Calleguas Municipal Water District Audited Financial Statements June 30, 2011.

[2] Calculation: Net Operating Revenues/Principal & Interest



## August 1, 2012 Public Financing Authority Meeting

TO: Board of Directors  
FROM: Finance and Administration

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Subject **STATUS REPORT FOR CALLEGUAS-LAS VIRGENES PUBLIC FINANCING AUTHORITY MEETING**

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On December 1, 2009, the Calleguas-Las Virgenes Public Financing Authority issued sanitation refunding revenue bonds (2009 bonds) totaling \$29,415,000. The purpose of the 2009 bonds was to advance refund the then outstanding 1998 Installment Purchase Refunding Revenue Bonds.

The 2009 bonds mature through November 1, 2023 (the same date as the refunded bonds) and bear interest at rates ranging from 1.00% to 5.00%, beginning May 1, 2010. The 2009 bonds are subject to optional early redemption provisions.

Las Virgenes Municipal Water District (LVMWD) completed the refunding to reduce its debt service over the next 14 years by approximately \$7.6 million and to obtain an economic gain (i.e. the difference between the present values of the old and new debt service payments) of approximately \$4.796 million.

The interest payment for May, 2012 was paid timely and the outstanding principal as of June 30, 2012 was \$26,075,000.

All of the bond covenants have been met and all necessary reports have been filed. As of June 30, 2011, the date of our latest Comprehensive Annual Financial Statement, the ratio of net operating income to debt service expense was 2.35, that is, net operating income was 235% of debt service expense. The attached page from the Comprehensive Annual Financial Statement for June 30, 2011, shows the bond coverage over the past ten years. Please note that the former bond issue included revenue from potable water, recycled water and sanitation funds. The new issue is based upon sanitation revenue only.

At this time, staff does not anticipate any new bond financing in 2012 or 2013.

Director of Finance and Administration Sandra Hicks prepared this report.

Attachment: LVMWD Bond Coverage from Comprehensive Annual Financial Statement for June 30, 2011

Schedule 10  
Las Virgenes Municipal Water District  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(dollars in thousands except coverage)

| Fiscal Year | Refunding Revenue Bonds |                          |                       |              |          |      | Coverage |
|-------------|-------------------------|--------------------------|-----------------------|--------------|----------|------|----------|
|             | Gross Revenues          | Less: Operating Expenses | Net Available Revenue | Debt Service |          |      |          |
|             |                         |                          |                       | Principal    | Interest |      |          |
| 2002        | \$ 44,436               | \$ 27,541                | \$ 16,895             | \$ 1,335     | \$ 2,487 | 4.42 |          |
| 2003        | 37,191                  | 27,923                   | 9,268                 | 1,390        | 2,434    | 2.42 |          |
| 2004        | 42,256                  | 29,959                   | 12,297                | 1,445        | 2,377    | 3.22 |          |
| 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 |          |

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.

CALLEGUAS - LAS VIRGENES PUBLIC FINANCING AUTHORITY  
MINUTES - May 4, 2011

The Special Meeting of the Board of Directors of Calleguas - Las Virgenes Public Financing Authority was held at Las Virgenes Municipal Water District on Wednesday, May 4, 2011 at 4:00 p.m.

CALL TO ORDER AND ROLL CALL

The meeting was called to order by Vice Chair Hauser at 4:09 p.m. and the Pledge of Allegiance was given.

Secretary Lee Renger called roll and the following members were present:

Members Present:

William R. Seaver  
Donald G. Hauser  
Lee Renger  
Gail Pringle  
Scott H. Quady  
Joseph Bowman  
Charlie Caspary  
Barry Steinhardt

Members Absent:

Ted Grandsen  
Glen Peterson

Legal Counsel Present:

Douglas E. Kulper  
Wayne Lemieux

Staff Present:

Susan Mulligan  
John Mundy  
Sandra Hicks  
Sue Taylor

Vice Chair Hauser declared a quorum present.

ORAL COMMUNICATION

General Manager Mundy stated that from now on the agenda format will be as it was published for this meeting. One agenda with supporting documentation from each entity. Mr. Mundy stated that the Authority would be more efficient to have an Administering Agent for the Authority.

REGULAR BUSINESS

1. Election of Officers and Legal Counsel:

Motion moved by Director Pringle, seconded by Director Renger. William Seaver was elected to Chair of the Authority by a unanimous vote. Las Virgenes Municipal Water District General Manager Mundy called the roll:

|                  |     |
|------------------|-----|
| Director Seaver  | Aye |
| Director Hauser  | Aye |
| Director Quady   | Aye |
| Director Pringle | Aye |

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|                     |  |
|---------------------|--|
| Director Renger     | Aye                                    |
| Director Bowman     | Aye                                    |
| Director Caspary    | Aye                                    |
| Director Steinhardt | Aye                                    |
| Nays                | None                                   |
| Directors Absent:   | Director Grandsen<br>Director Peterson |

Motion carried.

Motion moved by Director Pringle, seconded by Director Renger, carried unanimously to elect Director Bowman as Vice Chair of the Authority. Las Virgenes MWD General Manager Mundy called the roll.

|                     |  |
|---------------------|--|
| Director Seaver     | Aye                                    |
| Director Hauser     | Aye                                    |
| Director Quady      | Aye                                    |
| Director Pringle    | Aye                                    |
| Director Renger     | Aye                                    |
| Director Bowman     | Aye                                    |
| Director Caspary    | Aye                                    |
| Director Steinhardt | Aye                                    |
| Nays                | None                                   |
| Directors Absent:   | Director Grandsen<br>Director Peterson |

Motion carried.

Motion moved by Director Renger, seconded by Director Pringle that Director Caspary was elected to Secretary of the Authority. Secretary Caspary appointed Las Virgenes MWD General Manager John Mundy as Deputy Secretary for the Authority. A unanimous vote carried the motion.

Deputy Secretary Mundy called the roll.

|                     |  |
|---------------------|--|
| Director Seaver     | Aye                                    |
| Director Hauser     | Aye                                    |
| Director Quady      | Aye                                    |
| Director Pringle    | Aye                                    |
| Director Renger     | Aye                                    |
| Director Bowman     | Aye                                    |
| Director Caspary    | Aye                                    |
| Director Steinhardt | Aye                                    |
| Nays                | None                                   |
| Directors Absent:   | Director Grandsen<br>Director Peterson |

Motion carried.

Treasurer is established by the Public Financing Authority agreement as the Treasurer of Calleguas MWD and is Director Pringle.



Legal Counsel is designated by the bond activity taking place. It is presently Legal Counsel Kulper.

2. Report on Status of Funds:

Director of Finance & Administration Hicks reported for Las Virgenes Municipal Water District that they have met bond covenants, and no bond activity is expected in the next 2 years.

Interim Manager of Finance Taylor reported for Calleguas Municipal Water District that they are up to date and no bond activity is expected in the next 2 years.

3. Minutes:

November 24, 2009, January 20, 2010, February 3, 2010. Minutes of January 20, 2010 were corrected and approved as amended. A motion was moved by Director Steinhardt, and seconded by Director Seaver and carried unanimously.

Deputy Secretary Mundy called the roll:

|                     |  |
|---------------------|--|
| Director Seaver     | Aye                                    |
| Director Hauser     | Aye                                    |
| Director Quady      | Aye                                    |
| Director Pringle    | Aye                                    |
| Director Renger     | Aye                                    |
| Director Bowman     | Aye                                    |
| Director Caspary    | Aye                                    |
| Director Steinhardt | Aye                                    |
| Nays                | None                                   |
| Directors Absent:   | Director Grandsen<br>Director Peterson |

Motion carried and approved as amended.

OTHER BUSINESS

Las Virgenes MWD General Manager Mundy introduced Director Barry Steinhart as a new member of the Las Virgenes Municipal Water District Board.

ADJOURNMENT

Chair Seaver declared the meeting adjourned at 4:20 p.m.

\_\_\_\_\_  
Charles Caspary, Secretary



BOARD OF DIRECTORS  
CALLEGUAS – LAS VIRGENES PUBLIC FINANCING AUTHORITY

May 22, 2012

MINUTES

The regular meeting of the Board of Directors of Calleguas – Las Virgenes Public Financing Authority was held at Las Virgenes Municipal Water District, 4232 Las Virgenes Road, Calabasas, California 91302 at 4:30 p.m. on Tuesday, May 22, 2012.

CALL TO ORDER

The meeting was called to order by Director Seaver, President of the Authority, at 4:37 p.m. The following members were present:

Members Present: Glen Peterson;  
Lee Renger;  
Joseph Bowman;  
Ted Grandsen;  
William Seaver;  
Donald Hauser

Directors Absent: Charlie Caspary;  
Barry Steinhardt;  
Gail Pringle;  
Scott Quady

Legal Counsel Present: Wayne Lemieux

Staff Present: Susan B. Mulligan;  
John Mundy

Guests: Jeff Stava, Nossaman LLP

ORAL COMMUNICATION

NONE

NEW BUSINESS

1. President Seaver presented proposed Resolution No. 12:

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**A RESOLUTION OF THE  
CALLEGUAS-LAS VIRGENES PUBLIC  
FINANCING AUTHORITY AUTHORIZING AND DIRECTING  
EXECUTION OF ESCROW INSTRUCTIONS AND PROVIDING  
OTHER MATTERS PROPERLY RELATING THERETO**

President Seaver requested that Calleguas General Manager Susan Mulligan address the business before the Board. Ms. Mulligan reviewed Resolution No. 12, which would enable Calleguas to refund the Calleguas-Las Virgenes Public Financing Authority's (PFA's) 2003 Series B Revenue Bonds in order to pay a lower interest rate. The new bonds would be issued by Calleguas, not by the PFA, and would pay off the 2003 Series B Revenue Bonds previously issued by the PFA. Jeff Stava of Nossaman LLP, Calleguas' bond counsel, responded to questions raised by the Board.

Director Grandsen moved, seconded by Director Renger, that the proposed Resolution No. 12 be adopted. President Seaver said a roll call vote would take place. Calleguas' General Manager called roll:

|                   |     |
|-------------------|-----|
| Director Peterson | Aye |
| Director Renger   | Aye |
| Director Bowman   | Aye |
| Director Grandsen | Aye |
| Director Seaver   | Aye |
| Director Hauser   | Aye |

|      |      |
|------|------|
| Nays | None |
|------|------|

|                   |                     |
|-------------------|---------------------|
| Directors Absent: | Director Caspary    |
|                   | Director Steinhardt |
|                   | Director Pringle    |
|                   | Director Quady      |

Motion carried. Resolution No. 12 is attached and made part of these minutes.

**ADJOURNMENT**

President Seaver declared the meeting adjourned at 4:45 p.m.

\_\_\_\_\_  
Charles Caspary, Secretary

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