

Here are just a few of the key issues Central Basin shares along with six other MWD member agencies regarding MWD's proposed Water Allocation Plan:

- **Preferential Rights.** As stated in MWD's staff report, Section 135 of the Metropolitan Water District Act grants each member agency preferential rights to a percentage of MWD's available water supplies. During times of shortage allocation, each member agency's preferential right, which is based on a specific formula, determines how much water they would get. To date, there is no acceptable rationale for why this formula is not being used to allocate water supplies in a shortage.

Currently, Central Basin is receiving water significantly below its preferential right. Under the proposed Plan, the communities in its service area stand to lose more water while having to pay higher prices to subsidize those areas that are experiencing greater economic growth and developing beyond their water supply availability. The Plan benefits areas of growth and agencies that are highly dependent on MWD water while placing the financial burden on the shoulders of inner city residents who make up the majority of Central Basin's service area.

- **Agricultural Water.** Sections 25 and 132 of the Metropolitan Water District Act clearly state MWD was formed for the purpose of supplying municipal and domestic water and other surplus deliveries such as agricultural water are only allowed if actual surplus conditions exist. Continuing to serve agricultural water during a shortage, at a discount rate, when allocating and financially penalizing your municipal and domestic customers at the same time, does not appear to be consistent with MWD's Act.
- **Equity.** While MWD continues to use the word "equity" as the basis for the Plan, there is nothing equitable in terms of socio-economic impact to the communities in the Southeast Los Angeles County region. Central Basin recognizes that in times of shortage, we must all make sacrifices; however, when a majority of the sacrifice is shouldered by disadvantaged communities to subsidize growth in other areas and agriculture, it goes against the very definition of equity.

Under the proposed Plan, communities in Central Basin can potentially be hit with \$37.2 million in penalties alone within a 12-month period. This is on top of the 10 to 20 percent rate increase that MWD is projecting for next year. Given that the per capita water consumption in Central Basin's service area is already below the Southern California average due to cities' and residents' determined efforts to curtail their water use, the prospect of having to cut water use even further is dismal. To have to pay substantially more at the same time is extremely unfair and disastrous to already financially distressed communities.