



Central Basin

Municipal Water District

March 11, 2009

The Honorable Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

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RE: California Water Bond Proposals

Dear Governor Schwarzenegger and Members of the Legislature:

Board of Directors

Division I
Edward C. Vasquez

Division II
Robert Apodaca

Division III
Arturo Chacon

Division IV
Rudy C. Montalvo

Division V
Phillip D. Hawkins

General Manager

Art Aguilar

Central Basin Municipal Water District (Central Basin) is aware of the several water bond proposals introduced this year—AB 1187 (Huffman); SB 301 (Flores); SB 371 (Cogdill); SB 456 (Wolk) and SB 735 (Steinberg). As water providers across the state prepare for yet another year of drawing down reserves, increasing water rates and managing reductions in imported supplies, Central Basin shares in the view that unprecedented action is needed to avert a major crisis in water supply and demand.

California has reached a critical point in the management of its water resources. Resolving the current supply challenges that face California will require a statewide approach that is sensitive to the diversity of the state's water needs. Effective, long-term solutions can only be achieved through collaboration, compromise and by giving all stakeholders and communities an equal voice at the table. As a provider of imported water to more than 2 million Californians in southeast Los Angeles County, Central Basin is committed to joining the statewide effort in finding solutions that work.

Since 1952, Central Basin has made lasting contributions to the water supply reliability of the region through water recycling, conservation and education. In addition to delivering more than 60,000 acre-feet of imported water each year for municipal and industrial use, Central Basin manages a 50-mile long recycled water system that spans across 14 cities. Plans for its expansion are underway, which once completed will bring the District's recycled water deliveries to more than 23,000 acre-feet annually. In 2006, the District adopted a Conservation Master Plan (CMP) to expand long-term water-saving efforts and introduce new, regionally tailored programs. Approaching its third year of implementation, the CMP has enabled the District to achieve 6,078 acre-feet in water savings, exceeding the targeted goal by 178 percent.

Serving the Cities of

- | | |
|------------------|------------------|
| Artesia | La Mirada |
| Bell | Lynwood |
| Bellflower | Maywood |
| Bell Gardens | Montebello |
| Carson | Monterey Park |
| Cerritos | Norwalk |
| Commerce | Paramount |
| Compton | Pico Rivera |
| Cudahy | Santa Fe Springs |
| Downey | Signal Hill |
| East Los Angeles | South Gate |
| Florence-Graham | Walnut Park |
| Hawaiian Gardens | Whittier |
| Huntington Park | Willowbrook |
| La Habra Heights | Vernon |
| Lakewood | |

As you deliberate on water bond legislation this year, we respectfully ask that you consider the following guiding principles:

➤ **A successful water policy must balance the diverse needs of the state.**

The water bond measure must strike a fair and reasoned balance between the state's diverse water needs. While these needs have represented conflicting priorities for the Legislature, the diversification of the California water supply will be fundamental to long-term sustainability. The key areas to be addressed are:

- Water recycling
- Public assistance to lower-income and disadvantaged communities
- Conservation and water-use efficiency
- Conveyance
- Water quality
- Water storage
- Technological development

➤ **The allocation of funds must be based on a project's impact to the regional water supply and to the overall economy.**

Guidelines for allocating funds should reflect the following concepts:

- **Project readiness.** Projects that have been through the planning and permitting process will be positioned to have an immediate impact on managing the drought as well as create jobs for the troubled economy.
- **Cost-effectiveness.** The cost-effectiveness of projects must be assessed to ensure that state funds are utilized judiciously in achieving statewide sustainability.
- **Needs-based grant programs.** Implementing a needs-test for grants will help "close the gap" in water sustainability measures throughout the state.
- **The applicant's track record.** By reviewing the recent project history of applicants, the state will be able to determine an applicant's ability to deliver projects expeditiously.

Additionally, the allocation of funding should be streamlined to enable immediate response. Funding dispersed directly to grantees and not through Integrated Regional Water Management Planning (IRWMP) committees or related working groups will expedite project implementation and the achievement of subsequent results.

➤ **There should be an emphasis on local solutions.**

Based on experience, Central Basin urges the Legislature to craft a bond measure that rewards local self-reliance and that will ultimately:

- Reduce dependence on imported water;
- Target financial assistance programs within lower-income and disadvantaged communities;

- Provide help to customers who stand to benefit the most from conservation, water-use-efficiency and recycling;
- Provide financial incentives to all customer classes for conservation, water-use efficiency and recycling; and
- Recognize past accomplishments when setting conservation, water-use efficiency and recycling goals.

Central Basin looks forward to working with the Administration and the Legislature in developing a workable bond measure that will bring solutions to California's water crisis. If you would like to discuss the positions outlined here, please feel free to call Central Basin's General Manager, Art Aguilar at (323) 201-5505.

Sincerely,



Ed Vasquez
President

cc: Timothy Brick, Metropolitan Water District of Southern California
Charles Hoppin, California State Water Resources Control Board
Lester Snow, California Department of Water Resources