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For Immediate Release
March 1, 2005

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Central Basin and WRD Sign Spreading Water Agreement *Districts Concur on Flat Rate for Purchase of Imported Water*

Carson, CA – The Central Basin Municipal Water District Board of Directors approved an agreement on Monday, February 28th with the Water Replenishment District of Southern California (WRD) governing the sale of untreated imported water (spreading water) to WRD for the replenishment of the groundwater basin. The agreement includes terms that will allow WRD to purchase a virtually unlimited amount of spreading water at a single annual payment of \$800,000 to Central Basin. The WRD Board approved the agreement last month.

The annual payment was agreed upon by both Districts based on Central Basin's current spreading water surcharge of \$37 per acre-foot and the 10-year historical average amount of spreading water that has been purchased by WRD (21,622 acre-feet). In addition to the annual payment, WRD will still pay the Metropolitan Water District of Southern California wholesale rate for each acre-foot of spreading water purchased.

“Since this area experiences frequent dry periods, we often purchase a higher than normal amount of spreading water from Central Basin,” said WRD Director Norm Ryan. “Even with the recent wet weather we will continue to experience dry weather conditions and continue to expand in population. This agreement will allow WRD to maintain superior levels of groundwater storage at a reasonable rate, ensuring adequate water supplies without an additional cost.”

“As precipitation levels could vary greatly from year to year, it was difficult to predict how much spreading water WRD would be purchasing at any given time,” said Central Basin Board President Bob Apodaca. “By setting a single annual payment, we are able to financially plan for the revenue every year.”

The agreement will be retroactive to the beginning of the fiscal year, July 1, 2004. WRD has purchased 27,758 acre-feet of spreading water from Central Basin since that date, paying approximately \$1.1 million in surcharges. Since the new agreement is retroactive, Central Basin will present WRD with a refund check for \$227,031 at the WRD Board Meeting on March 2nd.

Every five years, the agreement may be renewed and the annual payment adjusted to reflect a new average amount of spreading water purchased.

Central Basin is a public agency that wholesales imported water to cities, mutual water companies, investor-owned utilities and private companies in southeast Los Angeles County, serving a population of more than 1.5 million. In addition, Central Basin provides the region with recycled water for municipal, commercial and industrial uses. Formed in 1952, Central Basin is committed to ensuring a safe and reliable water supply for the region.

The WRD is responsible for managing and safeguarding two of the most utilized groundwater basins in Southern California, the Central and West Coast Basins. These basins provide 40 percent of the total water demand used by almost four million people living in the WRD’s region, which covers 420-square miles and includes 43 cities in southern Los Angeles County. The mission of the WRD is to provide a sufficient supply of high quality groundwater through progressive, cost-effective and environmentally sensitive basin management.

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