



## **Central Basin Municipal Water District**

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**FOR IMMEDIATE RELEASE**  
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### **CENTRAL BASIN MUNICIPAL WATER DISTRICT TAKING STEPS TO PROTECT RATEPAYERS FOLLOWING WEST BASIN ACTION**

**Carson, CA** - Central Basin Municipal Water District is taking steps to minimize negative impacts and protect its ratepayers following West Basin Municipal Water District's unilateral decision to end the two Districts' partnership of more than 15 years.

The two districts have been operating together since 1990 when they made the decision to combine staff, consolidate their headquarters and operate jointly. West Basin's action, taken in closed session Feb. 24, effectively ends those arrangements and forces the two Districts to begin transition plans that will include hiring separate staffs and performing necessary functions. While West Basin has determined the move will cost its customers an estimated \$1.3 million in the first year alone, Central Basin is working to minimize the effects on its ratepayers.

“Although the study is the third in recent years to examine whether a split would be beneficial to them (West Basin), it still caught us somewhat by surprise” said Central Basin Board President Robert Apodaca. “Since they had threatened to split in the past and then opposed the idea, we thought that this recent go-around would draw the same

conclusions as the past – that the Districts should stay together. However, for their own reasons, they have apparently decided otherwise,” Apodaca continued. “We now owe it to our customers and staff to begin planning to function as a separate district.”

Apodaca added, “We are now conducting a study of our own to streamline our operations. It is our intent to minimize any financial impacts that have been forced upon us. We also view this as an opportunity to improve upon our efficiency as a public entity, while delivering the same high quality service to our customers.”

The West Basin vote was taken as a result of a study that was conducted solely by West Basin to examine how the two agencies could be split.

Apodaca expressed concern about the split, saying that he didn’t understand the urgency of taking the action now.

“West Basin took the option, under the management agreement, of a March 1 trigger date to unilaterally split the districts and they now must complete the split by July 1 of this year. However, the agreement also says that we could mutually agree to split at any time allowing us to set a more reasonable timetable for ending the partnership,” he said. “We would have been open to that discussion. Now the decision is out of our hands.”

According to the study conducted by Red Oak Consulting the split will cost West Basin \$1,392,000 in the first year alone. In addition to the one-time costs to the District, the agency will also have to pay out an additional \$918,000 annually.

*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.*

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