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Districts Move Forward with Settlement Agreement ***Central Basin's efforts to reach out-of-court agreement results in success***

Carson, CA – The Central Basin Municipal Water District Board of Directors has entered into an out-of-court settlement agreement this week with its former partner, West Basin Municipal Water District.

The much-anticipated settlement ends a 13-month negotiation process resulting from West Basin's decision to end the two Districts' partnership of more than 15 years, effective July 1, 2006.

The agreement addresses Central Basin's key concerns, including bookkeeping discrepancies related to accounting of employee time, payment of employee vacation and sick leave, bond repayment, and confirms Central Basin as the property owner of the building both agencies continue to occupy in Carson, CA.

Under the terms of the settlement, West Basin has agreed to pay Central Basin \$2.4 million for the title to the building. Once building ownership is transferred, Central Basin expects to relocate to its new headquarters in Commerce, CA, by the end of the year.

"Although the decision to split the Districts was not ours, we knew from the beginning that reaching a settlement would be in the best interest of our mutual communities and purveyors," said Central Basin Board President Robert Apodaca. "Our main goal was to resolve these issues in a fair and amicable way, outside of court."

The dedicated and tireless efforts of the Central Basin Board of Directors and staff made the settlement possible, resolving the lawsuit West Basin filed against Central Basin on June 30, 2006, just one day before the two agencies officially separated.

“With this ordeal behind us, we can now focus 100 percent on what matters to us most: serving our community through innovative programs and partnerships.” said Director Apodaca.

The two Districts began operating together in 1990, when they made the decision to combine staff, consolidate their headquarters and operate jointly in an effort to streamline operations and reduce costs.

Central Basin is a public agency that wholesales imported water to cities, mutual water companies, investor-owned utilities and private companies in Southeast LA County, serving a population of 2 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 regional water supply.

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