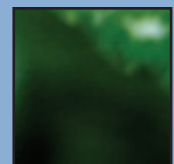
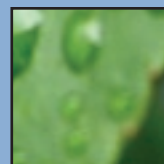
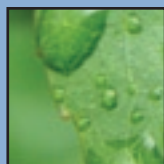


**CENTRAL BASIN**  
MUNICIPAL WATER DISTRICT

**FISCAL YEAR**  
**2005-2006**  
**BUDGET**







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## **SECTION 1: TRANSMITTAL LETTER**





MAY 23, 2005

## TO THE CENTRAL BASIN MUNICIPAL WATER DISTRICT BOARD OF DIRECTORS:

DURING THE PAST SEVERAL YEARS, Central Basin sought diversity and the willingness to expand its water supply portfolio. These efforts were achieved by developing working relationships, not only with Metropolitan Water District of Southern California (MWD) but also its constituents in the service area. This collective effort provided the region a more reliable resource, a diverse outlook on this resource and a voice on topics that could impact Central Basin's efforts on the delivery of safe and reliable water.

In developing the budget for Fiscal Year 2005-2006, Central Basin identified its accomplishments for Fiscal Year 2004-2005, its objectives to be accomplished in Fiscal Year 2005-2006 and its efforts to maintain the financial strength of the agency.

### FISCAL YEAR 2004-2005 ACCOMPLISHMENTS:

- Continued to provide an effective water recycling program to deliver approximately 3,800 acre-feet per year.
- Obtained additional funding resources to offset ongoing program costs or develop new programs.
- Developed new educational programs to increase outreach efforts from grade school to high school level students.
- Maintained or reduced ongoing overhead costs through competitive pricing or service contracts.
- Updated administrative policies that have a financial impact.
- Continued to develop relationships with customer agencies to enhance conservation efforts.
- Completed construction efforts toward Hollydale Pump Station to increase recycled water efforts.
- Began delivery of drinking water to the cities of Whittier and Santa Fe Springs through the Water Quality Protection Project

### FISCAL YEAR 2005-2006 HIGHLIGHTS:

- Continue to seek innovative uses for recycled water by updating Central Basin's master plan and marketing toward these customers.
- Update District publications and other resources to enhance outreach efforts.
- Increase conservation efforts by developing a Conservation Master Plan in the overall context of Water Resource Planning.
- Expand into the City of Vernon and Rose Hills to increase recycled water deliveries.



## FINANCIAL STRENGTHS

### BUDGET PROCESS

Annually Central Basin approves the operating budget of the District. The budget cycle begins with the development of the proposed budget, budget workshops and adoption of rates and charges, and concludes with the adoption of the final budget. Developing the budget requires involvement of all departments from labor allocations to development of project budgets. Comparisons to projected and actual costs are made to ensure that all appropriate costs are included. Budget requests are evaluated at several levels to ensure that debt coverage is attained and that the inclusion of program costs are deemed necessary to accomplish the goals and objectives set by the Co-General Managers and the Board of Directors.

### CREDIT RATING AND DEBT COVERAGE

The latest credit rating from Moody's and Standards & Poor's is A1 and AA-, respectively. In order to maintain these ratings, Central Basin has internally set budgeted debt coverage goals, updated financial policies and updated rates as appropriate. These efforts provide strong ratings and allow the District to obtain low cost financing for its capital projects.

To maintain its financial strength, Central Basin establishes its revenues and expenses to meet budgeted debt coverage. In addition, a long term financial plan is produced to ensure that Central Basin maintains a financially healthy organization. A five-year outlook is included within this annual budget.

### RATE PROJECTIONS

For Fiscal Year 2005-2006, a proposed increase in the District's administrative surcharge and recycled water rates of approximately 3% (or cost of living) is recommended. In addition, Central Basin will pass through the rate increases as adopted by the MWD Board of Directors.

**ART AGUILAR**  
CO-GENERAL MANAGER

**RICH NAGEL**  
CO-GENERAL MANAGER

## **SECTION II: DISTRICT BACKGROUND**





## OUR MISSION STATEMENT

“To acquire, sell and conserve imported and other water that meets all required standards and to furnish it to our customers in a planned, timely and cost-effective manner that anticipates future needs. The District serves as the official representative for its public at the Metropolitan Water District. It also provides leadership, support, advice and communication on water issues to the people and agencies within and without its boundaries, as appropriate.”

## OUR SERVICE AREA

Central Basin Municipal Water District serves a population of 1.5 million people living within 24 cities in southeast Los Angeles County as well as unincorporated County areas. Five publicly elected directors govern Central Basin’s 227 square-miles. Voters in each of the five divisions elect one director to serve a four-year term. District headquarters is located at 17140 South Avalon Boulevard, Suite 210, Carson, CA 90746-1296; telephone (310) 217-2222; fax (310) 217-2414 or [www.centralbasin.org](http://www.centralbasin.org).

## SERVING THE PUBLIC

Central Basin Municipal Water District is a public agency that purchases imported water from the Metropolitan Water District of Southern California (MWD). Central Basin wholesales the imported water to cities, mutual water companies, investor-owned utilities and private companies in southeast Los Angeles County. Imported water is transported through the expansive Colorado River Aqueduct system and from Northern California. Central Basin also supplies water used for groundwater replenishment and provides the region with recycled water for municipal, commercial and industrial use.

There are 24 cities in Central Basin’s service area. To operate efficiently, Central Basin shares a modest-sized staff with its sister agency, West Basin Municipal Water District.

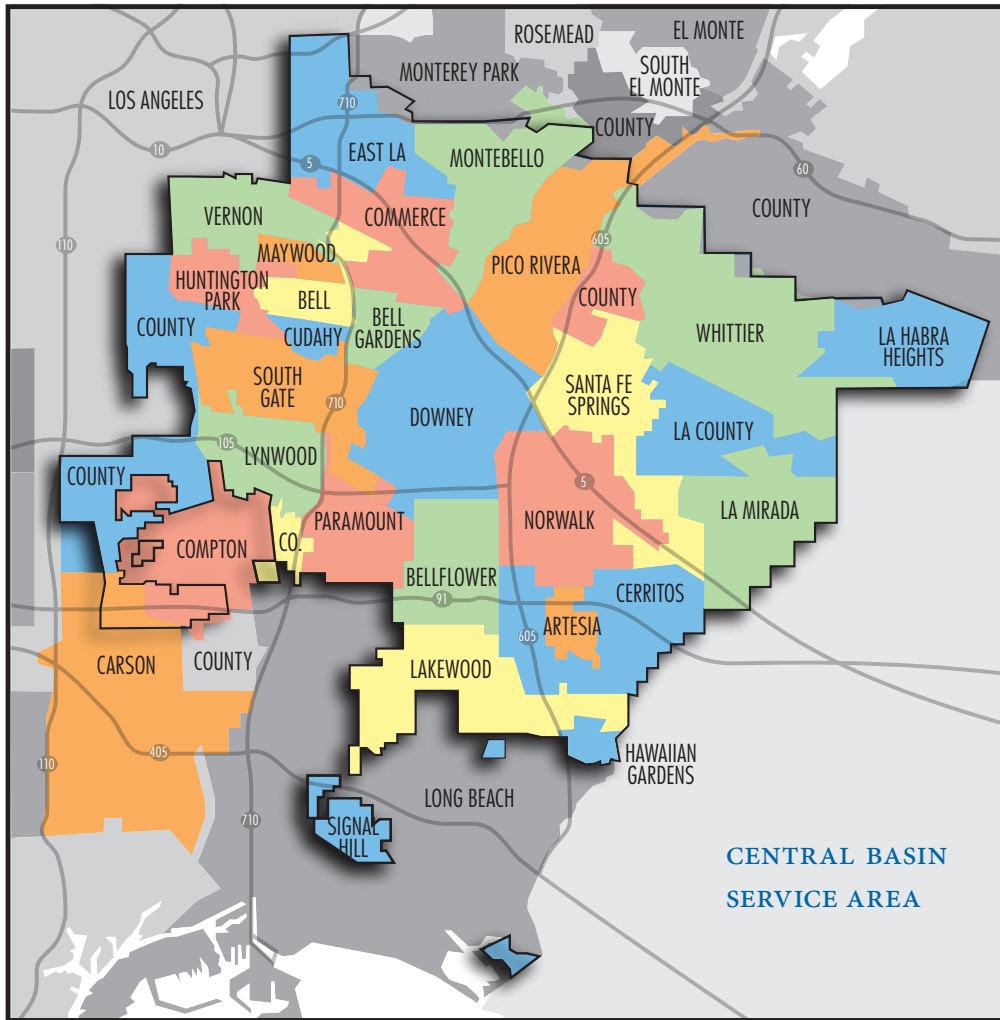
## VOTE OF THE PEOPLE

Central Basin was established in 1952 by a vote of the people to help mitigate the over-pumping of underground water resources in southeast Los Angeles County. District founders realized they would have to curtail the use of relatively inexpensive yet diminishing local groundwater by providing the region with imported water. In 1954, Central Basin became a member agency of MWD, an agency which provides the region with imported water. The five Central Basin Directors appoint two representatives to the 37-member MWD Board of Directors.

## WATER RECYCLING PROJECT

In addition to imported water and groundwater, Central Basin provides recycled water for irrigation, commercial applications and industrial processes. Central Basin obtains recycled water from the San Jose Creek Water Reclamation Plant in Whittier and the Los Coyotes Water Reclamation Plant in Cerritos. These plants are owned and operated by County Sanitation Districts of Los Angeles County.

Central Basin’s water recycling program is comprised of two distribution systems: the E. Thornton Ibbetson Century Water Recycling Project and the Esteban Torres Rio Hondo Water Recycling Project. This combined 50-mile distribution system operates as one recycled water supply system. The combined projects are referred to as the “Central Basin Water Recycling Project” and deliver about 3,500 acre-feet (approximately 326,000 gallons) of recycled water to 196 industrial, commercial and landscape irrigation sites throughout southeast Los Angeles County.



**DIVISION I: AREA REPRESENTED BY DIRECTOR EDWARD C. VASQUEZ:**

Bell Gardens, Downey, Montebello, Norwalk and Vernon

**DIVISION II: AREA REPRESENTED BY DIRECTOR ROBERT APODACA:**

La Habra Heights, La Mirada, Pico Rivera, Santa Fe Springs and Whittier

**DIVISION III: AREA REPRESENTED BY DIRECTOR GEORGE COLE:**

Bell, Commerce, Huntington Park, Maywood, Walnut Park, portions of Cudahy and Monterey Park, and unincorporated areas of East Los Angeles

**DIVISION IV: AREA REPRESENTED BY DIRECTOR OLGA E. GONZALEZ:**

Lynwood, South Gate, Florence-Graham and Willowbrook, and portions of Cudahy, Compton and Carson

**DIVISION V: AREA REPRESENTED BY DIRECTOR PHILLIP D. HAWKINS:**

Artesia, Bellflower, Cerritos, Hawaiian Gardens, Lakewood, Paramount and Signal Hill

## **SECTION III: SOURCE OF REVENUE**



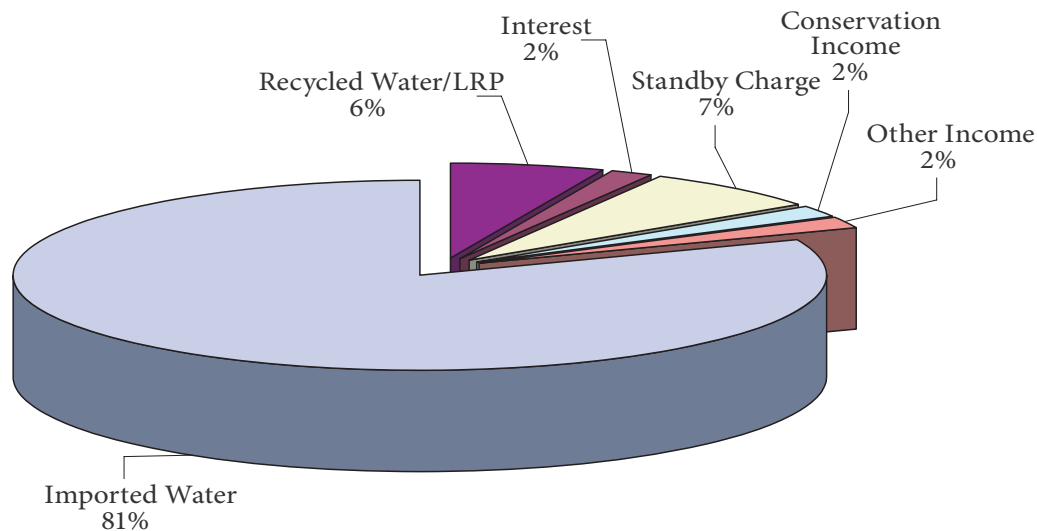


Central Basin primarily receives its source of revenue from its imported and groundwater clean-up sales. In addition, Central Basin initiated efforts in the early 1990s to drought-proof Central Basin's region by constructing distribution pipelines and pump stations to serve recycled water to industrial, commercial and landscape irrigation sites throughout southeast Los Angeles County. These efforts have resulted in serving recycled water to 196 sites. Central Basin has a separate rate schedule for recycled water sales. In order to fund these construction efforts and future expansion to the overall recycled water system, Central Basin imposes a standby charge. This annual charge to area residents generates approximately \$3,200,000.

Summarized below are anticipated revenues from imported and recycled water sales, MWD capacity charges, standby charge, interest earnings and conservation receipts.

REVENUES	FY 2003-2004 ACTUAL	FY 2004-2005 PROJECTED	FY 2004-2005 BUDGET	FY 2005-2006 BUDGET	BUDGET INCR (DECR)
Imported Water Sales	\$36,668,784	\$39,578,186	\$32,993,725	\$34,447,600	\$1,453,875
Water Service Charge	289,620	289,620	295,920	289,620	(6,300)
Capacity Charge	874,575	961,095	868,245	973,345	105,100
Recycled Water / LRP	1,969,892	2,033,000	2,777,840	2,717,450	(60,390)
General Fund Interest	562,507	515,000	425,000	580,000	155,000
Bond Fund Interest	128,725	125,074	130,000	127,000	(3,000)
Standby Charge	3,270,742	3,200,000	3,200,000	3,200,000	—
Conservation Income	303,810	866,500	998,000	842,000	(156,000)
Other Income	626,608	959,000	1,416,500	845,453	(571,047)
<b>Total Revenues</b>	<b>\$44,695,263</b>	<b>\$48,527,475</b>	<b>\$43,105,230</b>	<b>\$44,022,468</b>	<b>\$917,238</b>

### SOURCES OF REVENUE FISCAL YEAR 2005-2006





## IMPORTED AND RECYCLED WATER RATES AND CHARGES

Central Basin establishes rates and charges annually through a resolution by the Board of Directors. In Fiscal Year 2003, Central Basin implemented a new potable pricing structure that incorporates MWD's new rates. The highlights of the new rate structure include:

- Two price tiers for non-interruptible service;
- Purchase agreements with purveyors for implementing tiered pricing;
- Baseline usage for determining when the higher priced second tier applies;
- Flow-based fixed charge to limit summertime peaking and
- Uniform surcharge regardless of type of water service.

All Central Basin's rates and charges are shown and are described below:

RATES EFFECTIVE JULY 1, 2005 TO DECEMBER 31, 2005				
	MWD COMMODITY	MWD RTS	CB MWD SURCHARGE	TOTAL
Non-Interruptible & Barrier (Tier 1)	\$443/AF	\$8/AF	\$38/AF	\$489/AF
Non-Interruptible & Barrier (Tier 2)	\$524/AF	\$8/AF	\$38/AF	\$570/AF
Seasonal Spreading	\$238/AF	—	\$38/AF	\$276/AF
Seasonal Storage Long Term	\$325/AF	—	\$38/AF	\$363/AF

RATES EFFECTIVE JANUARY 1, 2006				
	MWD COMMODITY	MWD RTS	CB MWD SURCHARGE	TOTAL
Non-Interruptible & Barrier (Tier 1)	\$453/AF	\$7/AF	\$38/AF	\$498/AF
Non-Interruptible & Barrier (Tier 2)	\$549/AF	\$7/AF	\$38/AF	\$594/AF
Seasonal Spreading	\$238/AF	—	\$38/AF	\$276/AF
Seasonal Storage Long Term	\$335/AF	—	\$38/AF	\$373/AF

MWD NON-INTERRUPTIBLE COMMODITY RATE		
EFFECTIVE DATES		
	JULY 1-DEC 31, 2005	JANUARY 1, 2006
Supply Rate Tier 1	\$73	\$73
Supply Rate Tier 2	\$154	\$169
System Access Rate	\$152	\$152
Water Stewardship Rate	\$25	\$25
Treatment Rate	\$112	\$122
Power Rate	\$81	\$81
<b>Total Tier 1</b>	<b>\$443</b>	<b>\$453</b>
<b>Total Tier 2</b>	<b>\$524</b>	<b>\$549</b>



CB MWD RECYCLED WATER RATES EFFECTIVE JULY 1, 2005		
VOLUME (AF/MONTH)	CBMWD SERVICE AREA	OUTSIDE OF CBMWD SER- VICE AREA
0-25	\$308/AF	\$328/AF
25-50	\$286/AF	\$306/AF
50-100	\$266/AF	\$286/AF
100+	\$244/AF	\$264/AF

CAPACITY CHARGE DESIGNATED AMOUNT <sup>1</sup>	
Effective July 1, 2005 to Dec. 31, 2005	Effective January 1, 2006
\$5,300/cfs	\$5,300/cfs
(1) Designated amount is an agency's highest peak (per cfs) from the past three summer periods (May 1-Sept. 30)	

MONTHLY WATER SERVICE CHARGE EFFECTIVE JULY 1, 2005
CBMWD Water Service Charge
\$30/cfs <sup>2</sup>
(2) Per cfs as determined by agency's meter capacity

## PURCHASE ORDER COMMITMENT

### *MWD's Purchase Order*

In the fall of 2002, Central Basin agreed to sign a 10-year voluntary Purchase Order with MWD that entitled Central Basin to purchase annually a set amount of non-interruptible water (Annual Tier 1 Maximum) at the lower Tier 1 rate. It also committed Central Basin to purchase a minimum amount more than the 10-year term of the Purchase Order (Purchase Commitment). The table below displays Central Basin's Purchase Order terms with MWD:

INITIAL BASE ALLOCATION	ANNUAL TIER 1 MAXIMUM (90% OF BASE)	PURCHASE COMMITMENT (60% OF BASE X 10)
80,400AF	72,360AF	482,400AF

### *Central Basin's Purchase Agreement*

In order to meet the conditions above with MWD and without solely bearing the liability of exceeding the Annual Tier 1 Maximum and/or the Purchase Commitment, Central Basin established its own purchase contract policy with its customer agencies. Central Basin's Imported Water Purchase Agreements mimic the MWD version in terms of an Annual Tier 1 Maximum and total Purchase



Commitment but offer more flexibility to the customer. Central Basin required only a five-year commitment, as opposed to a ten-year term. Additionally, customer agencies have the option to adjust their Tier 1 and Purchase Commitment amounts annually if certain conditions are favorable and can also reduce their commitment by offsetting imported water demand with recycled water purchased from Central Basin. For purchases above the Tier 1 limit, or in the absence of a Purchase Agreement, the customer agency pays the Tier 2 rate (currently \$81 above the Tier 1 rate).

Currently, Central Basin projects to be below its Annual Tier 1 Maximum and above its minimum Purchase Commitment average with MWD.

### NON-INTERRUPTIBLE AND SEASONAL SPREADING SALES

Central Basin sales are comprised of three components: MWD's commodity charge, Central Basin's uniform surcharge and the readiness-to-serve charge. Central Basin anticipates that the net impact for non-interruptible sales will increase by \$10 per acre-foot (AF). This increase is due to a \$10 per AF charge from MWD. The MWD rate increase will be effective January 1, 2006. Seasonal Spreading charges will remain unchanged from the prior year. In order to keep up with inflation and labor costs, Central Basin has proposed a 3% (\$1/AF) increase effective July 1, 2005. As MWD's readiness-to-serve charge is based on a calendar year (January to December), Central Basin has proposed a \$1 decline effective January 1, 2006

In 2004, Central Basin and the Water Replenishment District (WRD) entered into a five-year purchase agreement for the sale of seasonal spreading water. This agreement provides Central Basin an annual fixed payment (\$800,000) for its surcharge revenues and WRD a price discount for purchases above the baseline quantity (21,622 AF). Additionally, Central Basin receives a predictable revenue stream from this spreading water agreement even when future purchases from WRD might be below the baseline.

### WATER SERVICE CHARGE

In January 2003, MWD discontinued its fixed Meter Connection Maintenance charge and replaced it with the Capacity Charge. As one of the fixed charges within the rate structure, Central Basin continued its collection of a monthly fixed charge and renamed it the "Water Service Charge." The \$30/cubic feet per second (cfs) charge on each customer's meter capacity provides a small consistent revenue stream to Central Basin's budget.

### CAPACITY CHARGE

As part of MWD's new rate structure, a Capacity Charge was developed to recover the costs in providing distribution capacity use during peak summer demands. The aim of this new charge is to encourage customer agencies to reduce peak day demands during the summer months (May 1 thru September 30) and shift usages to the winter months (October 1 thru April 30), which will result in more efficient utilization of MWD's existing infrastructure and defer capacity expansion costs.

Central Basin assesses this charge by multiplying each customer agency's highest daily average usage (per cfs) for the past three summer periods by the Capacity Charge Rate (\$5,300/cfs).



## RECYCLED WATER CHARGES

Central Basin’s water recycling program is comprised of two distribution systems: the E. Thornton Ibbetson Century Water Recycling Project and the Esteban Torres Rio Hondo Water Recycling Project. For FY 2005-2006, Central Basin proposes a 3% or approximately \$9/AF increase to adjust for cost of living increases and to meet long-term financial goals. Central Basin will continue to use the declining tiered rate structure. This rate structure encourages maximum use of recycled water by industrial, commercial and landscape irrigation sites. Central Basin also serves recycled water to sites outside its service area. The rate out of Central Basin’s service area is \$20/AF more for each tier.

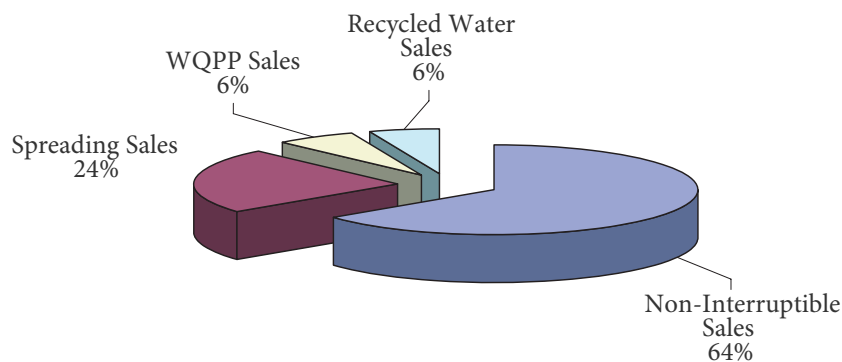
As means to keep Central Basin recycled water rate lower than the imported rate, Central Basin participates in MWD’s Local Resources Program (LRP), which provides a \$250 per AF rebate to Central Basin for each acre-foot of recycled water sold.

## HISTORIC AND PROJECTED SALES

Central Basin anticipates sales projections for FY 2005-2006 as follows:

WATER TYPE	FY 03-04 ACTUAL	FY 04-05 PROJECTED	FY 04-05 BUDGET	FY 05-06 BUDGET
Non-Interruptible Sales	65,903	67,100	55,500	57,600
Spreading Sales	21,788	27,758	22,870	21,000
WQPP Sales	—	775	5,600	5,600
Recycled Water Sales				
In Service	3,695	3,740	3,800	4,500
Out Service	35	60	1,370	500
<b>Total Sales</b>	<b>91,421</b>	<b>99,433</b>	<b>89,140</b>	<b>89,200</b>

## PROJECTED AF SALES





## OTHER SOURCES OF REVENUE

### INTEREST INCOME

Central Basin receives interest income from both its general and bond funds. For FY 2005-2006, general fund interest income has been projected at approximately \$580,000. Central Basin has adopted an investment policy in accordance with California Government Code 53600 *et seq.* and internal procedures to conservatively invest its funds to ensure that the following criteria of principal, liquidity and yield are met.

In addition, Central Basin receives interest earnings from its bond funds as it relates to its bond financings. Central Basin's two debts have established reserve funds that are restricted for the purpose of the bondholders. All bond fund interest earnings are applied toward Central Basin's annual debt payments. For FY 2005-2006, bond fund interest earnings are estimated to be \$127,000.

### STANDBY CHARGE

For FY 2005-2006 there are two standby charges assessed. First, a \$10 per parcel standby charge administered by Central Basin will be assessed. Based on the count of approximately 324,000 benefiting units and previous annual collections, it is estimated that the gross revenues will be approximately \$3,200,000. These funds are used to pay Central Basin's debt service obligations on the Central Basin Water Recycling System.

Second, a \$10.44 per parcel charge administered by MWD for their readiness-to-serve (RTS) charge will be assessed. The difference between the MWD standby charge collection and Central Basin's RTS obligation will be collected through a surcharge on the commodity rate approved by the Board.

### CONSERVATION INCOME

Central Basin is active in conservation efforts in its service area. It continues to expand its conservation program to include rebates for Ultra-Low-Flush Toilets, High-Efficiency Clothes Washers and water-free sanitation devices. Central Basin currently receives a rebate from MWD of \$60 per toilet and \$110 per clothes washer. Central Basin has also receives 100% funding source from the Department of Water Resources (DWR) for its water-free sanitation devices. Central Basin anticipates approximately \$842,000 in conservation receipts for FY 2005-2006.

### OTHER INCOME

Central Basin currently shares ownership in its headquarters with its sister agency, West Basin. The agencies have leased certain portions of its headquarters to two outside tenants. These leases generate approximately \$20,500 for each agency. Revenues and expenses are shared equally between the two agencies.

In addition, Central Basin has entered into an agreement with the United States Bureau of Reclamation (USBR) for its Water Quality Protection Project. The USBR has agreed to reimburse the District 100% of the cost to construct and operate the facility. The District currently has \$10 million dollars authorized and is currently seeking additional funding to completely offset the operational costs.

## **SECTION IV: USE OF FUNDS**



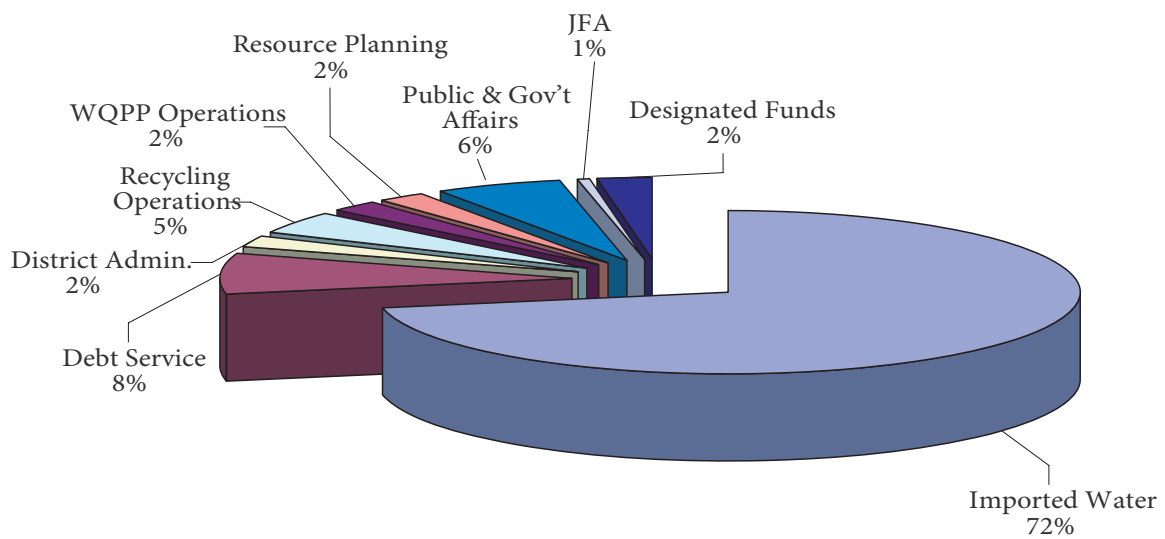


Central Basin's use of funds is divided among water purchases, debt service and operating expenses. Central Basin maintains a balanced budget between sources of revenue and uses. The balance generated is placed into Central Basin's designated funds.

Detailed below are the anticipated operating expenses:

EXPENDITURES	FY 2003-2004 ACTUAL	FY 2004-2005 PROJECTED	FY 2004-2005 BUDGET	FY 2005-2006 BUDGET	BUDGET INCR (DECR)
Imported Water Purchases / RTS	\$32,279,493	\$35,289,762	\$29,185,695	\$30,657,795	\$1,472,100
District LRP Rebate	6,111	10,800	300,600	250,000	(50,600)
Debt Service	2,580,168	3,422,763	3,563,000	3,561,700	(1,300)
Capacity Charge	693,265	813,150	845,790	962,200	116,410
Program Expenses:					
District Administration	863,987	854,238	1,029,300	961,904	(67,396)
Water Recycling Operations	1,492,614	1,550,500	1,900,580	1,742,436	(158,144)
WQPP Operations	163,162	903,000	1,360,500	1,048,953	(311,547)
Water Resource Planning	768,934	781,578	852,100	959,788	107,688
Public and Governmental Affairs	1,914,759	2,639,410	2,721,200	2,497,421	(223,779)
Joint Financing Authority	364,431	371,603	385,250	335,113	(50,137)
Designated Funds	3,568,339	1,890,671	961,215	1,045,158	83,943
<b>Total Expenditures</b>	<b>\$44,695,263</b>	<b>\$48,527,475</b>	<b>\$43,105,230</b>	<b>\$44,022,468</b>	<b>\$917,238</b>

### FISCAL YEAR 2005-2006 USE OF FUNDS





## MWD WATER PURCHASES

As described under Source of Revenue, Central Basin has signed a 10-year voluntary purchase order with MWD that entitles Central Basin to purchase annually a set amount of non-interruptible water (Annual Tier 1 Maximum) at the lower Tier 1 rate. It also commits Central Basin to purchase a minimum amount more than the 10-year term of the Purchase Order (Purchase Commitment). Based on anticipated sales and MWD charges, Central Basin has determined its cost of water deliveries.

## DISTRICT LOCAL RESOURCES PROGRAM (LRP) REBATE

Central Basin has been able to expand its recycled water system within and outside its service area through partnering with the City of Vernon and Upper San Gabriel Municipal Water District. These two partnerships resulted from the desire to expand into their respective areas. The difference is that each of the agencies has taken the construction efforts upon themselves with an understanding that Central Basin will reimburse actual construction costs or up to a specified period of time.

For each acre-foot of recycled water sold, Central Basin receives a LRP rebate from MWD. Central Basin has agreed to rebate a portion of the LRP to these agencies based on their actual water sales.

## DEBT SERVICE

In the early 1990s, Central Basin's Board of Directors had the vision to drought-proof its service area by constructing facilities and pipelines to bring recycled water to industrial, commercial and irrigation sites. These sales would reduce this area's reliance on the more expensive potable water. To accomplish these construction efforts, Central Basin issued debt. Through the years, Central Basin has refinanced its debt to take advantage of the low interest rate environment. Central Basin currently has two issuances outstanding: the 1997 Refunding Revenue Certificates of Participation and the 2003 Refunding Revenue Certificates of Participation.

## OPERATING PROGRAM EXPENSES

Central Basin tracks operating expenses through the following functional budget categories: Finance and Support Services, District Administration, Water Recycling Operations and Maintenance, Water Quality Protection Project, Water Resources Planning, Public and Governmental Affairs, Joint Financing Authority and the Title 22 Water Quality Monitoring Program. Section V describes in detail the various program budgets.

## CAPITAL IMPROVEMENT PROGRAM

In addition, Central Basin has budgeted \$1,270,000 for capital improvements during fiscal year 2005-2006. Section VII discusses the Capital Improvement Program. Central Basin funds its current projects through its Pay-as-You-Go Designated Fund.



## DESIGNATED FUNDS

Central Basin's funds are categorized into either unrestricted or restricted. Unrestricted consist of undesignated (operating) funds or designated funds. Designated and undesignated funds can be used for any lawful purpose at the discretion of the Board of Directors. The monies held within designated funds can be shifted or re-allocated at any time at the Board of Director's discretion. At this time, Central Basin has identified the following designated funds: Facility Replacement Fund, which includes Capital Asset Replacement, Emergency Repairs, and System Enhancements, the PayGo Fund, the Rate Stabilization Fund and the Bond Defeasance Fund.

Restricted funds consist of funds with external restrictions imposed by creditors, grantors, contributors, laws or regulations of government and can only be used for a designated purpose. Currently, Central Basin's only restricted funds are the Bond Reserve Funds.

## **SECTION V: OPERATING PROGRAM EXPENSES**





## FINANCE AND SUPPORT SERVICES

The Finance and Support Services category represents all indirect expenses to support the general operations of Central Basin. The budget also includes financial and legal services and insurance. These expenses are proportionally allocated to all Central Basin operating and capital programs as Finance and Administrative Overhead Expense. Direct labor is used as the primary basis for allocating these expenses to each program. The allocation provides management with a better understanding of the overall cost of each program.

Central Basin maintains memberships to the Association of California Water Agencies and to the Central Basin Water Association, which are reflected in this budget.

### FY 04-05 ACCOMPLISHMENTS:

- Continued to recognized savings with a centralized purchasing function and through participation in various organizations such as Western States Contracting Alliance (WSCA).
- Continued to provide support in performing more copy jobs in-house, resulting in reduced costs and greater flexibility in report generation.
- Obtained needs assessment on the District's data infrastructure to identify improvements to data access, program management and records management.
- Conducted a cost benefit analysis on the District's health benefits to identify improved benefits while reducing overall costs.

### FY 05-06 HIGHLIGHTS:

- Anticipate savings within General Liability Insurance as a result of no claims within the last three years.
- Support the efforts of the "Green Team" in the purchasing of recyclable goods from recycled paper to kitchen supplies.
- Anticipate savings by switching cellular phones to a National Shared Plan account.
- Continue to review the designated fund policy for appropriate funds and target levels.
- Continue to seek new financial opportunities for Central Basin.



CENTRAL BASIN MWD ALLOCATED-FINANCE & SUPPORT SERVICES					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	18,086	—	—	—	—
Overhead	—	—	—	—	—
Finance/Administration	141,894	192,300	172,500	162,000	(10,500)
Legal Services	95,129	102,000	77,000	77,000	—
Financial Services	47,700	51,125	50,000	53,000	3,000
Insurance	128,998	109,500	139,000	71,000	(68,000)
Org. Dues & Memberships	12,115	12,094	13,200	13,700	500
Office Supplies / Postage	89,249	98,800	110,100	87,500	(22,600)
Employee Development	10,698	15,200	15,200	15,200	—
Meetings/Events	6,405	5,000	7,500	7,500	—
Financial Services – Bond	11,665	13,500	20,000	25,000	5,000
<b>Total</b>	<b>\$561,939</b>	<b>\$599,519</b>	<b>\$604,500</b>	<b>\$511,900</b>	<b>(\$92,600)</b>



## DISTRICT ADMINISTRATION

District Administration accounts for expenses directly related to the Board of Directors and the Office of the Co-General Managers. The expenses identified in this budget category represent the services that the Board of Directors and the Co-General Managers provide through their involvement with Central Basin programs and external activities.

In addition, District Administration also includes the cost to manage the Standby program through which Central Basin receives \$3,200,000. Central Basin hires a consultant to assist with taxpayer inquiries and keep Central Basin abreast of potential legislative impacts. Most importantly, the consultant is responsible for the annual submission of parcel information to Los Angeles County.

Central Basin maintains memberships to the California Special District Association, Colorado River Water Users Association, Los Angeles and San Gabriel River Watershed Council, Mono Lake Committee, Association of Metropolitan Water Agencies, National Water Resources Association and the Public Officials for Water and Environmental Reform, which are reflected within this budget.

### FY 04-05 ACCOMPLISHMENTS:

- Hosted successful annual barbeque for the Board of Directors during which the City of Paramount and City of South Gate were recognized as partners in recycled water.
- Performed re-bid of standby consulting service contract reducing annual cost.

### FY 05-06 HIGHLIGHTS:

- Maintain program costs to cost of living increases.
- Monitor costs including Directors' Per Diem, expense reimbursements and benefits.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
1.33	2.52	1.72

CENTRAL BASIN MWD DISTRICT ADMINISTRATION					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	199,952	163,000	243,312	163,836	(79,476)
Overhead	48,001	40,000	70,200	40,368	(29,832)
Standby Charge Program	59,900	39,560	44,000	42,000	(2,000)
Directors' Benefits	120,157	117,446	161,300	179,400	18,100
Directors' Fees/Expense	206,834	241,181	262,100	270,200	8,100
Retired Employee Benefits	25,958	26,700	32,500	42,500	10,000
Organization Dues	36,070	37,069	34,900	42,600	7,700
Office Expense	14,878	12,881	10,000	10,000	—
Meetings/Events	7,290	7,500	6,000	6,000	—
Directors Outreach	4,899	—	—	—	—
Special Events (External)	13,563	18,900	15,000	15,000	—
Director Elections	125,000	150,000	150,000	150,000	—
<b>Total</b>	<b>\$862,502</b>	<b>\$854,238</b>	<b>\$1,029,312</b>	<b>\$961,904</b>	<b>(\$67,408)</b>



## WATER RECYCLING OPERATIONS AND MAINTENANCE

Central Basin started delivering recycled water in February 1992. The recycled water system consists of about 40 miles of pipelines, the Rio Hondo Pump station in Pico Rivera, which is the main source of recycled water for the distribution system, the Cudahy Pump Station and a pressure reducing station in Santa Fe Springs. A third pump station, the Hollydale Pump Station in South Gate, became operational at the end of January 2005. The Hollydale Pump Station is designed to boost recycled water to the City of Vernon; however, the City of Vernon will not be ready to take recycled water until May 2005. During high demand periods, Central Basin also receives recycled water from a pump station owned by the City of Cerritos and operated by County Sanitation Districts of Los Angeles County. Central Basin pays Cerritos a prorated share of the costs to operate the pump station.

Central Basin contracts with California Water Service Company (CWSC) to operate and maintain facilities in the northern half of the system that includes the Esteban E. Torres Water Recycling Distribution System and with Park Water Company (PWC) to operate and maintain facilities in the southern half of the system that includes the E. Thornton Ibbetson Water Recycling Distribution System. Central Basin staff manages the program, administers the operations and maintenance agreements, and oversees compliance with permits Central Basin holds to enable it to operate the system.

### FY 04-05 ACCOMPLISHMENTS:

- Started the Hollydale recycled water pump station. This pump station serves recycled water to the City of Vernon's Malburg Generating Station.
- Completed super chlorination and flushing of the west side of the distribution system to improve water quality and system hydraulics in anticipation of service to the Malburg Generating Station.
- Performed water quality analyses of the distribution system to better predict which areas might experience odor problems in the future.

### FY 05-06 HIGHLIGHTS:

- Initiate recycled water service to the City of Vernon's Malburg Generating Station.
- Work with California Department of Transportation and the City of Santa Fe Springs to relocate recycled water transmission mains in Firestone and Norwalk Boulevards.
- Continue annual visual inspections and periodic cross connection testing of the recycled water sites.
- Incorporate anticipated increase in the cost of recycled water from County Sanitation Districts of Los Angeles County.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
2.39	3.04	2.26

CENTRAL BASIN MWD WATER RECYCLING O&M					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	324,328	366,000	420,922	321,001	(99,921)
Overhead	77,859	81,000	95,795	64,335	(31,459)
Water Reclamation Prog.	72,825	5,000	90,000	57,800	(32,200)
Rio Hondo Pump Station	473,199	489,000	554,000	582,700	28,700
Cerritos Pump Station	48,810	53,000	81,000	81,000	—
Cudahy Pump Station	11,861	9,500	9,500	11,500	2,000
Esteban E. Torres Dist. Sys.	241,836	227,500	319,500	314,600	(4,900)
Ibbetson Dist. System	241,895	304,500	254,380	249,000	(5,380)
Hollydale Pump Station	—	15,000	75,500	60,500	(15,000)
<b>Total</b>	<b>\$1,492,614</b>	<b>\$1,550,500</b>	<b>\$1,900,597</b>	<b>\$1,742,436</b>	<b>(\$158,160)</b>



## WATER QUALITY PROTECTION PROJECT

The Water Quality Protection Plan (WQPP) was developed to protect the Central Basin groundwater from the migration of volatile organic compounds (VOCs) through the Whittier Narrows. The WQPP takes groundwater contaminated with VOCs and treats it to meet drinking water standards using granular-activated carbon (GAC). The contaminated groundwater is extracted through two wells in the City of Pico Rivera. The water is pumped to the GAC treatment facility located on the City of Whittier's site next to the District's Rio Hondo Pump Station in the City of Pico Rivera. The treated water will be sold to the Cities of Pico Rivera, Whittier and Santa Fe Springs.

Central Basin contracts with American States Utility Services (ASUS) to operate and maintain the WQPP facilities, which include two wells and the GAC Treatment Plant. Central Basin also has an agreement with the City of Whittier to use a portion of their facilities to distribute the treated water. Central Basin reimburses Whittier for power at the Treatment Plant site, use of their pump station and distribution system to distribute the water to Pico Rivera and Santa Fe Springs, chlorine use, operational assistance, lease of their land and water lost through their system.

Central Basin has received authorization from the United States Bureau of Reclamation (USBR) to reimburse 100% capital and operating costs up to \$10 million. These amounts are appropriated each year by the federal government. To date, Central Basin has received \$7,780,000 in appropriations. For Fiscal Year 2005-2006, staff anticipates the operations costs to be reimbursed by the USBR. Central Basin is currently seeking additional funding to support future reimbursements of operating costs.

### FY 04-05 ACCOMPLISHMENTS:

- Began operations in March 2004.
- Began delivering water to Whittier and Santa Fe Springs in November 2004 after receiving the appropriate permits.

### FY 05-06 HIGHLIGHTS:

- Maintain operational costs to amounts appropriated to Central Basin from the USBR.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
0.87	0.16	0.39

CENTRAL BASIN MWD WQPP OPERATIONS					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	69,524	138,000	21,169	49,816	28,647
Overhead	16,690	30,000	4,818	9,984	5,166
WQPP Operations	76,947	735,000	1,334,500	989,153	(345,347)
<b>Total</b>	<b>\$163,162</b>	<b>\$903,000</b>	<b>\$1,360,487</b>	<b>\$1,048,953</b>	<b>(\$311,534)</b>



## WATER RESOURCES PLANNING

The Water Resources Planning budget represents the efforts for a wide variety of technical and policy development functions in the water resources arena. Key responsibilities include producing planning reports, researching and providing technical and policy analysis on MWD programs and policies, providing outreach and technical support for Central Basin customer agencies, supporting Central Basin's involvement and representation on key member agency working groups and other collective efforts and providing analytical support on Central Basin's long-term financial planning.

Reports and analysis generated include the Urban Water Management Plan and the Water Use Report, resource programs and agreements including conjunctive use, recycled water and ocean desalination, and water rates and administration of Central Basin's rate structure, including Imported Water Purchase Agreements with customer agencies.

Central Basin remains active in Research and Development. It is currently involved in a project aimed at protecting water supplies. For Fiscal Year 2005-2006, Central Basin will continue the valuable work previously done in salinity management. The fate of saline soils in California is an emerging issue for Southern California.

Central Basin participates in many regional, statewide and national planning, policy and technical support organizations to continue to provide local access and influence. These memberships include the American Water Works Association Research Foundation, California Association of Sanitation Agencies, Southern California Salinity Coalition, San Gabriel Valley Protective Association, Urban Water Institute, Water Education Foundation, WaterReuse Association and the WaterReuse Foundation.

### FY 04-05 ACCOMPLISHMENTS:

- Hosted a Proposition 50 workshop for customer agencies and submitted two Proposition 50 grant applications to the Department of Water Resources in areas of water use efficiency and water recycling.
- Coordinated Central Basin's role with five other MWD member agencies in executing a cooperative agreement related to conjunctive use storage.
- Hosted the 2005 Urban Water Management Plan workshop in coordination with the California Urban Water Conservation Council.
- Produced and distributed the FY 2003-2004 Annual Water Use Report to all customer agencies.
- Worked cooperatively with the City of Vernon to establish retail recycled water rates within the city.



**FY 05-06 HIGHLIGHTS:**

- Complete the 2005 Urban Water Management Plan, a state-mandated 25-year water resources planning document as well as provide assistance to customer agencies in the development of their plans.
- Continue to coordinate Central Basin’s role in Integrated Regional Watershed Planning including efforts to secure additional Proposition 50 funding for water reliability projects.
- Complete a Conservation Master Plan to enhance District-wide efforts in water conservation and continue to manage the development and implementation of specific projects and programs.
- Continue to research state and federal grant funding opportunities.

**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
3.87	4.22	4.96

CENTRAL BASIN MWD WATER RESOURCES PLANNING					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	553,518	553,000	567,024	602,112	35,089
Overhead	132,879	125,000	129,045	120,676	(8,369)
Planning	72,036	103,578	106,000	237,000	131,000
Salinity Mgmt Study	10,500	—	50,000	—	(50,000)
<b>Total</b>	<b>\$768,934</b>	<b>\$781,578</b>	<b>\$852,069</b>	<b>\$959,788</b>	<b>\$107,720</b>





## PUBLIC AND GOVERNMENTAL AFFAIRS

Central Basin's Public and Governmental Affairs department focuses on three areas: Water Education, Public Outreach and Government Relations.

For the past 10 years, Central Basin's youth education program, Planet Protector Water Explorations, has grown in popularity among schools in the service area. Having reached more than 25,000 students, the program has received national recognition and numerous awards. The recent programs, which include Conservation Connection for middle school students and Sewer Science for high school students, continue to expand Central Basin's efforts to instill the importance of water conservation and environmental responsibility in the future generation.

Public outreach serves an integral function of reaching out to the community and informing stakeholders about Central Basin programs and water issues that impact the region. The goal is to develop long-lasting relationships with the public and the media through participating in community events, promoting conservation through such programs as the Ultra-Low-Flush Toilet distribution events and coordinating tours at its facilities. Through the Speakers' Bureau, Directors and staff have an opportunity to work with local civic organization and service clubs to provide information on a variety of projects and activities taking place in Central Basin. To ensure that community concerns about the impacts of construction projects are addressed in a timely manner, Central Basin continues to conduct construction awareness programs to engage and inform those who live and work near construction projects. Through Central Basin's web site and a variety of publication materials, Central Basin strives to be accountable and accessible to the community at large.

The goal of Government Relations is to build strong relationships with local, state and federal legislators and to develop policies that ensure a safe and reliable supply of water for the region. By providing input and guidance on policies regarding resource management and water supply diversification, Central Basin is able to voice the concerns of its communities. Directors and staff participate in numerous local and statewide organizations to steer the industry in the right direction. As funding is a critical component of any project, Central Basin works with cities and retailers to secure funds for programs that benefit the region.

Central Basin maintains memberships in various Chambers of Commerce, California Water Awareness Campaign, California Urban Water Conservation Council, California Contract Cities and Think Earth.



#### FY 04-05 ACCOMPLISHMENTS:

- Continued to focus on education community outreach programs through utilizing District facilities, expanding Central Basin's web site and participating in community sponsored events.
- Managed the construction awareness program for Central Basin projects.
- Implemented a Speakers' Bureau program to increase public awareness among community members as well as civic and environmental groups.
- Began developing a collaborative recycled water science program for high school students in conjunction with Sanitation Districts of Los Angeles County.
- Organized legislative roundtables with new and returning Assembly members and U.S. Congress members.
- Continued to research state and federal grant funding opportunities with political staffs, state water agency officials and foreign delegations.
- Received funding through MWD's Proposition 13 grant for the purchase and installation of weather-based irrigation controllers.

#### FY 05-06 HIGHLIGHTS:

- Expand education/outreach programs by hosting tours at District facilities and projects.
- Develop a closer relationship with the media through increased contact and editorial meetings.
- Increase the distribution of water and energy conservation curriculum to middle school teachers and students.
- Participate in "Think Earth It's Magic" shows for elementary schools.
- Implement a collaborative school visitation program in partnership with the S.E.A. Lab to teach elementary students about water awareness, conservation, recycling and local marine life.
- Host public and governmental agencies and groups at Central Basin facilities to promote conservation and water reuse.
- Continue to offer High-Efficiency Clothes Washer (HECW) and Ultra-Low-Flush Toilet (ULFT) rebates to residents in the service area.
- Tier II Funds have been identified to fund all or a portion of the Sewer Science, Water Wanderings, ULFT distribution and HECW budgets.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
6.30	6.04	6.59

CENTRAL BASIN MWD PUBLIC & GOVERNMENTAL AFFAIRS					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	702,448	810,000	719,088	763,083	43,995
Overhead	168,632	165,000	163,652	152,938	(10,714)
Water Education	3,500	3,500	3,500	3,500	—
Certificates	—	—	400	—	(400)
Environmental Ed.	1,406	20,000	20,000	10,050	(9,950)
Tours/Field Trips	26,023	39,000	42,500	36,500	(6,000)
Activity Books	3,068	10,000	15,000	—	(15,000)
Water Wanderings	—	—	—	—	—
Think Earth	—	—	—	24,500	24,500
Sewer Science	—	—	—	—	—
Government Relations	350,321	299,250	294,250	328,550	34,300
Annual Report	5,651	31,000	20,000	35,000	15,000
Project Events	24,319	11,500	12,500	31,100	18,600
Publications	2,980	24,000	24,000	35,000	11,000
Clipping Service	1,559	2,000	2,000	—	(2,000)
Web Site	6,325	18,000	17,000	25,000	8,000
Conservation	—	2,700	2,700	2,700	—
Low-Flow Showerheads	4,609	3,019	5,500	4,000	(1,500)
ULFT Rebates	35,242	66,000	70,000	60,000	(10,000)
Large Landscape	—	—	—	11,000	11,000
ULFT Distribution	385,118	320,042	317,000	176,000	(141,000)
CII Marketing	—	—	—	5,000	5,000
HECW Rebates	94,625	210,000	375,000	330,000	(45,000)
WaterFree Urinals	—	468,000	468,000	312,000	(156,000)
Newsletters	17,163	36,000	36,000	53,000	17,000
Public Outreach	76,191	93,999	108,100	93,500	(14,600)
Media Outreach	5,580	6,400	5,000	5,000	—
Conservation Credits	(303,810)	(866,500)	(998,000)	(842,000)	156,000
<b>Total</b>	<b>\$1,610,949</b>	<b>\$1,772,910</b>	<b>\$1,723,190</b>	<b>\$1,655,421</b>	<b>(\$67,769)</b>



## JOINT FINANCING AUTHORITY

The Authority was formed in August 1992 by Central Basin Municipal Water District and West Basin Municipal Water District as a public entity in order to plan for, develop, finance, acquire, manage and control facilities. Central Basin and West Basin equally share the revenues and expenses for the administrative headquarters located in Carson, California.

The Building Improvements and Maintenance category represents minor repairs to the facilities. Building maintenance remains fairly consistent from year to year. This category includes anticipated cost for air conditioning repairs and maintenance, interior and exterior landscape service, elevator repairs and maintenance, and janitorial expense. Office Equipment budget represents primarily the costs to lease its copiers, computers and various other equipment needs by staff. This helps maintain low and consistent costs. The Security budget represents the guard service and the fire, burglar and access control system. Utility costs such as electricity and water are also paid by the Authority. A *pro rata* share of the electricity costs are offset by one of the tenants. This amount is reflected as additional income.

### FY 04-05 ACCOMPLISHMENTS:

- Continued to review the building services to enhance services while maintaining costs.
- Initiated the process to redesign the third floor public area space to enhance the appearance of the public meeting rooms in a more distinguished manner, taking into consideration conservation components.
- Completed installation of new phone system.

### FY 05-06 HIGHLIGHTS:

- Generate operating revenues from office space leased to Southern California Water Company and ExPert, Inc. Both leased spaces are set to end during the next fiscal year.
- Maintain consistent operating costs through equipment leasing and service contracts.
- Redesign and construct public area space as well as enhance the data infrastructure for financial reporting, project management and records management that are planned and budgeted within each District's PAYGO funds.
- Budget \$335,113 for Central Basin's share of the JFA budget for fiscal year 2005-2006.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
0.42	0.58	0.62

DESCRIPTION	JOINT FINANCING AUTHORITY				
	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	51,882	38,600	47,215	49,672	2,458
Overhead	28,734	21,000	30,307	35,652	5,345
Building	120,194	182,825	165,000	59,000	(106,000)
Building Maintenance	73,919	96,000	111,000	107,400	(3,600)
Financial Services	22,605	23,280	24,000	24,000	—
Legal Services	86,305	40,000	30,000	30,000	—
Office Equipment	195,039	160,000	182,000	169,000	(13,000)
Security	66,098	85,000	85,000	98,500	13,500
Utilities	84,085	96,500	96,000	97,000	1,000
<b>Total</b>	<b>\$728,862</b>	<b>\$743,205</b>	<b>\$770,522</b>	<b>\$670,225</b>	<b>(\$100,297)</b>



## OTHER PROGRAMS

### SAN GABRIEL RIVER WATERMASTER

The three-member San Gabriel River Watermaster Board was established under the Central Basin Judgment to monitor the annual inflow across Whittier Narrows and make determinations of when the Upper San Gabriel Valley Municipal Water District should purchase additional water from Central Basin. The San Gabriel River Watermaster invoices Central Basin annually. Monies paid by Central Basin are reimbursed by the Long Beach Trust Fund for which Central Basin is the custodian.

### TITLE 22 WATER QUALITY MONITORING PROGRAM

Central Basin and its sister agency, West Basin Municipal Water District, jointly administer the Cooperative Basin-wide Title 22 Groundwater Quality Monitoring Program. The budgeted amounts are consolidated to reflect that both agencies share program activities. Program activities include compliance sample scheduling, contracting wellhead sampling and laboratory services, reviewing water quality data for compliance, maintaining water quality databases and preparing compliance and non-compliance reports.

#### FY 04-05 ACCOMPLISHMENTS:

- Completed laboratory services required to comply with federal Safe Drinking Water Act and California Title 22 Drinking Water regulation such as analyses of all inorganic and organic compounds and radioactivity.

#### FY 05-06 HIGHLIGHTS:

- Budgeted \$254,771 for FY 2005-2006 compared to \$253,986 for FY 2004-2005.
- Earned complete reimbursement for all laboratory expenses from the water agencies participating in the Title 22 program.



**PERSONNEL – FULL TIME EQUIVALENTS (FTE)**

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
0.73	1.34	0.91

CENTRAL & WEST BASIN MWD TITLE 22 WATER QUALITY MONITORING PROGRAM					
DESCRIPTION	2003-2004 ACTUALS	2004-2005 PROJECTED	2004-2005 BUDGET	2005-2006 BUDGET	INCREASE (DECREASE)
Labor	72,046	106,000	59,651	108,858	49,207
Overhead	21,593	36,000	15,595	24,922	9,327
Water Quality Monitoring	68,346	224,000	168,000	115,000	(53,000)
Monitoring	—	1,420	—	—	—
Reports	91	11,070	10,740	5,990	(4,750)
<b>Total</b>	<b>\$162,076</b>	<b>\$378,490</b>	<b>\$253,986</b>	<b>\$254,771</b>	<b>\$785</b>

## **SECTION VI: FINANCIAL FORECAST**





CENTRAL BASIN MUNICIPAL WATER DISTRICT PROJECTED FIVE-YEAR OPERATING RESULTS					
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
<b>REVENUES</b>					
Water Sales	34,447,600	35,312,000	36,525,000	37,174,000	37,528,000
Water Service Charge	289,620	289,620	289,620	289,620	289,620
Capacity Charge	973,345	1,022,900	1,022,900	1,022,900	1,022,900
Recycled Water Project Revenues					
Recycled Water Sales	1,467,450	1,951,502	2,070,995	2,195,929	2,260,907
MWD LRP Rebate	1,250,000	1,600,000	1,650,000	1,700,000	1,700,000
Standby Charges	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Other Revenues					
Interest Earnings	580,000	631,355	773,883	821,072	867,588
Federal Funding	824,953	856,422	888,834	922,219	956,606
Conservation Credits	842,000	530,000	530,000	530,000	530,000
JFA Lease Income	20,500	—	—	—	—
<b>Total Revenues</b>	<b>\$43,895,468</b>	<b>\$45,393,798</b>	<b>\$46,951,233</b>	<b>\$47,855,740</b>	<b>\$48,355,620</b>
<b>EXPENSES</b>					
Water Purchases/RTS from MWD	30,657,795	31,422,930	32,470,855	33,167,655	33,574,350
District LRP Rebate	250,000	486,000	486,000	486,000	486,000
Capacity Charge	962,200	1,017,280	1,017,280	1,017,280	1,017,280
Water Quality Protection Operations	1,048,953	1,080,422	1,112,834	1,146,219	1,180,606
District Administration	961,904	990,761	1,020,484	1,051,098	1,082,631
Water Resources Planning	959,788	988,582	1,018,239	1,048,786	1,080,250
JFA Support	335,113	338,464	341,848	345,267	348,719
Public and Governmental Affairs	2,497,421	2,455,344	2,529,004	2,604,874	2,683,020
RW Operations & Maintenance	1,742,436	2,102,936	2,154,436	2,205,936	2,205,936
Designated Funds	1,045,158	1,065,781	1,348,252	1,329,024	1,243,228
Debt Service					
Series 1997 JFA	2,074,600	2,078,200	2,079,700	2,082,900	2,082,900
Series 2003 Refunded	1,487,100	1,494,100	1,499,300	1,497,700	1,497,700
Reserve Fund Interest Earnings	(127,000)	(127,000)	(127,000)	(127,000)	(127,000)
<b>Total Expenses</b>	<b>\$43,895,468</b>	<b>\$45,393,799</b>	<b>\$46,951,232</b>	<b>\$47,855,740</b>	<b>\$48,355,621</b>
<b>NET REVENUES</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Coverage</b>	<b>1.30</b>	<b>1.31</b>	<b>1.39</b>	<b>1.38</b>	<b>1.36</b>



CENTRAL BASIN MUNICIPAL WATER DISTRICT PROJECTED FIVE-YEAR OPERATING RESULTS ASSUMPTIONS					
	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
<b>COST (SALES PRICE) OF WATER (\$/AF)</b>					
MWD Treated NonInt & Bar-Tier 1 (Jul)	443	453	465	475	485
MWD Treated NonInt & Bar-Tier 2 (Jul)	524	549	561	571	581
MWD Treated NonInt & Bar-Tier 1 (Jan)	453	465	475	485	485
MWD Treated NonInt & Bar-Tier 2 (Jan)	549	561	571	581	581
MWD RTS Surcharge (ni & barrier - Jul)	8	7	7	7	7
MWD RTS Surcharge (ni & barrier - Jan)	7	7	7	7	7
MWD Spreading Rates (Jul)	238	238	238	238	238
MWD Spreading Rates (Jan)	238	238	238	238	238
Recycled Water - Average Rate	291	300	309	319	328
Recycled Wtr-Out of Svc. Area-Ave Rate	311	320	329	339	348
CB Surcharge - Treated	38	39	40	41	42
CB Surcharge - Spreading	—	—	—	—	—
CB Treated Groundwater Surcharge	40	40	40	40	40
MWD LRP Rebate	250	250	250	250	250
Capacity Charge(\$/cfs) - MWD (Jul)	6,800	6,800	6,800	6,800	6,800
Capacity Charge (\$/cfs) - MWD (Jan)	6,800	6,800	6,800	6,800	6,800
Capacity Charge (\$/cfs) - Cust. (Jul)	5,300	5,300	5,300	5,300	5,300
Capacity Charge (\$/cfs) - Cust. (Jan)	5,300	5,300	5,300	5,300	5,300
<b>SALES VOLUME (AFY)</b>					
Treated Non Interruptible (Jul)	28,800	29,000	29,500	29,500	29,500
Treated Non Interruptible (Jan)	28,800	29,000	29,500	29,500	29,500
Spreading (Jul)	10,500	10,500	10,500	10,500	10,500
Spreading (Jan)	10,500	10,500	10,500	10,500	10,500
Treated Groundwater	5,600	5,600	5,600	5,600	5,600
Recycled Water	4,500	4,900	5,100	5,300	5,300
Recycled Water - Out of Service Area	500	1,500	1,500	1,500	1,500
Capacity Charge (cfs) - MWD	133	150	150	150	150
Capacity Charge (cfs) - MWD (Jan)	150	150	150	150	150
Capacity Charge (cfs) - Cust.	174	193	193	193	193
Capacity Charge (cfs) - Cust. (Jan)	193	193	193	193	193
<b>WATER REVENUES (\$)</b>					
Treated Non Interruptible (Jul)	13,852,800	14,268,000	14,897,500	15,222,000	15,546,500
Treated Non Interruptible (Jan)	14,140,800	14,616,000	15,192,500	15,517,000	15,546,500
Spreading (Jul)	3,299,000	3,299,000	3,299,000	3,299,000	3,299,000
Spreading (Jan)	2,499,000	2,499,000	2,499,000	2,499,000	2,499,000
Seawater Barrier - WRD Surcharge	—	—	—	—	—
MWD RTS Surcharge Charge (Jul)	230,400	203,000	206,500	206,500	206,500
MWD RTS Surcharge Charge (Jan)	201,600	203,000	206,500	206,500	206,500
Treated Groundwater	224,000	224,000	224,000	224,000	224,000
Recycled Water	1,467,450	1,951,502	2,070,995	2,195,929	2,260,907
MWD LRP Rebate	1,250,000	1,600,000	1,650,000	1,700,000	1,700,000
Capacity Charge	973,345	1,022,900	1,022,900	1,022,900	1,022,900
<b>TOTAL REVENUES</b>	<b>\$38,138,395</b>	<b>\$39,886,402</b>	<b>\$41,268,895</b>	<b>\$42,092,829</b>	<b>\$42,511,807</b>
<b>WATER COST (\$)</b>					
Treated Non Interruptible / Net RTS Charge	25,659,795	26,424,930	27,472,855	28,169,655	28,576,350
Spreading	4,998,000	4,998,000	4,998,000	4,998,000	4,998,000
District LRP Rebate	250,000	486,000	486,000	486,000	486,000
Capacity Charge	962,200	1,017,280	1,017,280	1,017,280	1,017,280
<b>TOTAL COST</b>	<b>\$31,869,995</b>	<b>\$32,926,210</b>	<b>\$33,974,135</b>	<b>\$34,670,935</b>	<b>\$35,077,630</b>

**SECTION VII: CAPITAL IMPROVEMENT PROGRAM**





The Central Basin Municipal Water District Capital Improvement Program is ongoing and anticipates initiating the following projects during the next five years.

#### FY 2004-2005 ACCOMPLISHMENTS:

- Completed construction of the Hollydale Recycled Water Booster Pump Station, located within the City of South Gate. The Pump Station is designed to boost Central Basin's existing distribution system pressure to provide adequate recycled water service to the City of Vernon. The primary customer within the City of Vernon is the Malburg Generating Station.
- Began evaluating the need for a storage facility in the southeastern reach of the Central Basin recycled water distribution system. If the evaluation determines that a storage facility is required to better meet the needs of the recycled water customers, then a site for the reservoir and pump station must be identified and procured. With the site location determined, the new facilities can then be designed and constructed.

#### FY 05-06 HIGHLIGHTS:

- Initiate preliminary design and design efforts for recycled water pipeline relocation for proposed Caltrans improvements along Interstate 5 Freeway. A proposed widening of Interstate 5 Freeway will impact existing recycled water facilities that will require relocation.
- Evaluate storage requirements in the southeastern reach of Central Basin's recycled water distribution system. If it is determined that a storage facility is required to improve distribution system service to existing and future recycled water customers, then a site for the reservoir and pump station will be identified and procured. Once a site location is determined, the new facilities will then be designed and constructed.



## PERSONNEL – FULL TIME EQUIVALENTS (FTE)

FY 2004-2005 PROJECTED FTE	FY 2004-2005 BUDGETED FTE	FY 2005-2006 BUDGETED FTE
1.67	3.97	3.62

## SUMMARY OF EXPENDITURES

The following table summarizes the planned expenditures for the next five years.

CENTRAL BASIN MUNICIPAL WATER DISTRICT FISCAL YEARS 2006-2010					
FISCAL YEAR	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
<b>RECYCLING PROJECT EXPENDITURES</b>					
<b>TREATMENT FACILITIES</b>					
Groundwater Protection Program*	20,000	20,000	10,000	—	—
<b>DISTRIBUTION FACILITIES</b>					
Southeast Water Reliability Project**	—	339,900	1,359,600	8,475,123	8,475,123
Central/West Basin Interconnect	—	250,000	—	—	—
Rio Hondo RW Reservoir	—	—	—	2,000,000	2,000,000
Southeast System RW Reservoir & Pump Station	150,000	850,000	—	—	—
Caltrans Pipeline Relocation	200,000	2,000,000	—	—	—
RW System Improvements - Los Amigos GC	100,000	150,000	—	—	—
Miscellaneous T-22 Retrofits, Laterals***	250,000	250,000	250,000	250,000	250,000
<b>OTHER PROJECTS</b>					
Minor Facility Improvements	50,000	50,000	50,000	50,000	50,000
District Headquarter Improvements	500,000	200,000	—	—	—
<b>TOTAL EXPENDITURES</b>	<b>1,270,000</b>	<b>4,109,900</b>	<b>1,669,600</b>	<b>10,775,123</b>	<b>10,775,123</b>

\* Federal Grant Funding not included here; anticipate 100% reimbursement from the Bureau of Reclamation.

\*\* State and Federal Grand Funding included here; anticipate 50% reimbursement from State and Federal Agencies.

\*\*\* On-Site retrofits reimbursed by customers over time.



## CAPITAL PROJECT SUMMARY

### GROUNDWATER PROTECTION PROGRAM

Contaminated groundwater from the San Gabriel Basin has entered the Central Basin. The District has constructed a capture well system to prevent contaminated groundwater from migrating south into the main Central Basin aquifers. This project includes two 1,800 gallon per minute capture wells, a collector pipeline and a treatment facility that will clean the groundwater to meet drinking water quality standards. Central Basin has been appropriated approximately \$8 million in federal grants for the project.

### SOUTHEAST WATER RELIABILITY PROJECT

The proposed Southeast Water Reliability Project (SWRP) will provide recycled water for large industrial sites in Vernon, Montebello and the Los Angeles region. In addition, the SWRP will improve Central Basin's distribution system capacity and overall system reliability by "looping" an existing system that is currently limited in its ability to hydranautically serve existing and future customers.

### CENTRAL / WEST BASIN INTERCONNECT

The Central / West Basin Interconnect will provide a connection between the recycled water distribution systems of Central Basin and West Basin. This connection will increase the reliability of both systems and will also provide West Basin with an alternative and less expensive supply of recycled water. This project, though not currently included in the scope of the Harbor / South Bay Water Recycling Project, may be included in future authorizations of federal funds.

### RIO HONDO RECYCLED WATER RESERVOIR

The Rio Hondo Recycled Water Reservoir will provide much needed storage capacity and operational flexibility to Central Basin's existing distribution system. The reservoir would be located in the northern portion of Central Basin's system and would complement future transmission improvements.

### SOUTHEAST SYSTEM RECYCLED WATER RESERVOIR AND PUMP STATION

Central Basin's existing recycled water system is under evaluation to determine the need for a new storage reservoir and pump station. If determined necessary, a site would be procured, followed by design and contraction of the facilities.

### CALTRANS PIPELINE RELOCATION

Due to proposed widening of Interstate 5 Freeway by Caltrans, a portion of Central Basin's existing recycled water distribution system will require relocation.



### RECYCLED WATER SYSTEM IMPROVEMENTS AT LOS AMIGOS GOLF COURSE

Pipeline and system improvements are planned to serve the existing Los Amigos Golf Course in Downey. A tie-in connection and pipeline laterals will be designed and constructed as part of this improvement.

### MISCELLANEOUS RETROFITS AND LATERALS

The customer development effort continues to identify additional potential recycled water customers. Customer retrofit costs have been estimated and used to evaluate the economic viability of each site. Potential customers have been prioritized based on cost effectiveness, difficulty of retrofit, customer interest, institutional issues and other factors.

The expansion of the E. Thornton Ibbetson Water Recycling System and Esteban E. Torres Water Recycling System is continuing through the construction of recycled water laterals. Laterals typically are pipelines with diameters of 12 inches or less and serve customers that are in close proximity to existing portions of the distribution system. The “10-Year Guideline” has been applied to determine the feasibility of each lateral. Estimated lateral costs are compared with the 10 year projected revenue of the customers served. If the projected revenue in 10 years equals or exceeds the estimated construction cost of a lateral, it is then prioritized on the list of potential laterals for construction.

### MINOR FACILITY IMPROVEMENTS

Minor improvements to existing facilities including pipelines, pump stations, reservoirs and other facilities are done as needed to enhance the safety, reliability and efficiency of the water quality or other regulatory requirements and may not result in an actual cost savings. Other improvements are identified that will result in lower operating costs or improved equipment life.

## **SECTION VIII: SUPPLEMENTAL INFORMATION**





## ASSOCIATIONS

MEMBERSHIP	FY 04-05			FY 05-06		
	AMOUNT	PROG	DEPT	AMOUNT	PROG	DEPT
American Water Works Assn Research Fndn	17,500	WR	WQ	17,500	WR	WQ
Association of California Water Agencies	8,500	FSS	DA	10,000	FSS	GM
Association of Metropolitan Water Agencies	—	—	—	3,500	DA	GM
California Association of Sanitation Agencies	700	WR	WQ	700	WR	WQ
California Contract Cities	1,200	PGA	PGA	1,200	PGA	PGA
California Special Districts Associations	2,400	DA	PGA	2,400	DA	PGA
California Urban Water Conservation Council	2,000	PGA	PGA	2,000	PGA	PGA
California Water Awareness Campaign	650	PGA	PGA	650	PGA	PGA
Central Basin Water Association	200	FSS	ENG	200	FSS	ENG
Chambers of Commerce						
— Bell	250	PGA	PGA	250	PGA	PGA
— Bellflower	500	PGA	PGA	500	PGA	PGA
— Cerritos	110	PGA	PGA	110	PGA	PGA
— Downey	200	PGA	PGA	200	PGA	PGA
— Greater East Los Angeles	500	PGA	PGA	500	PGA	PGA
— Huntington Park	300	PGA	PGA	300	PGA	PGA
— Industrial Council (City of Commerce)	100	PGA	PGA	100	PGA	PGA
— La Habra Area	500	PGA	PGA	500	PGA	PGA
— La Mirada	—	—	—	365	PGA	PGA
— Lakewood	300	PGA	PGA	300	PGA	PGA
— Lynwood	250	PGA	PGA	250	PGA	PGA
— Maywood	200	PGA	PGA	200	PGA	PGA
— Montebello	200	PGA	PGA	200	PGA	PGA
— Paramount	50	PGA	PGA	50	PGA	PGA
— Pico Rivera	100	PGA	PGA	100	PGA	PGA
— Santa Fe Springs	500	PGA	PGA	500	PGA	PGA
— South Bay Latino	300	PGA	PGA	300	PGA	PGA
— South Gate	150	PGA	PGA	150	PGA	PGA
— Vernon	300	PGA	PGA	300	PGA	PGA
— Whittier Area	500	PGA	PGA	500	PGA	PGA
Colorado River Water Users Association	120	DA	PGA	120	DA	PGA
Design-Build Institute	100	FSS	ENG	—	FSS	ENG
L. A. & San Gabriel River Watershed Council	2,500	DA	WQ	2,500	DA	WQ
Mono Lake Committee	5,000	DA	PGA	5,000	DA	PGA
National Water Resources Association	350	DA	GM	350	DA	GM
Public Officials For Water & Environ. Reform	1,500	DA	GM	1,500	DA	GM
San Gabriel Valley Protective Association	16,500	WR	PLN	22,500	WR	PLN
Southern CA Salinity Coalition	5,000	WR	WQ	5,000	WR	WQ
Think Earth	3,500	PGA	PGA	3,500	PGA	PGA
Urban Water Institute, Inc	1,250	WR	GM	1,250	WR	GM
Water Education Foundation	5,000	WR	PGA	5,000	WR	PGA
WateReuse Association	5,000	WR	WQ	5,000	WR	WQ
WateReuse Foundation	5,000	WR	WQ	10,000	WR	WQ
<b>Totals</b>	<b>\$89,280</b>			<b>\$105,545</b>		

District Administration (DA), Engineering (ENG), Finance (FIN), Finance/Support Services (FSS), Office of the General Manager (GM), Human Resources (HR), Operations (OPS), Planning (PLN), Public & Governmental Affairs (PGA), Water Quality (WQ), Water Resources (WR)



Provided below is a summary description of the organizations to which Central Basin belongs and the association fees that are paid.

### AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION (AWWARF)

*Orientation:* Technical

*Description:* AWWARF manages more than \$30 million per year of drinking water research in the areas of water quality, treatment, management, resources and health effects. Central Basin is considered a “subscriber” to this organization. The yearly subscription amount is based on the volume of imported water sold to retail water agencies. By Central Basin subscribing to the full amount, all of the retail water agencies in Central Basin’s service area are also considered by AWWARF to be subscribers.

*Central Basin Involvement:* Staff is on a Project Advisory Committee (PAC) examining the correlation of arsenic levels in drinking water to cancer incidences and on another PAC determining microbial growth in water distribution systems.

*Value:* Central Basin and its customers receive continuing research benefits in water quality issues such as arsenic and radon, both of which occur naturally in the central groundwater basin at concentrations potentially higher than the anticipated new standards.

*Association Fee:* \$17,500

### ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)

*Orientation:* Policy Development and Legislation

*Description:* ACWA is the largest and oldest association of public water agencies in California. This association is dominated by agencies that serve agricultural areas of California but has functioned as an effective forum for developing consensus on statewide policy issues. A Board of Directors governs ACWA with various committees consisting of its member agency Directors and staff. The core strength of ACWA in recent years has been in leveraging key agencies around the state to develop a consensus on tough policy issues such as CALFED, water transfers and water district consolidations.

*Central Basin Involvement:* Cheryl Ross serves on the Water Quality Committee, Suja Lowenthal serves on the State Legislative Committee and Art Aguilar serves on the Communications Committee. Directors and staff attend two semi-annual conferences.

*Value:* Directors and staff participate in ACWA forums to become informed of key statewide and industry issues that could impact Central Basin.

*Association Fee:* \$10,000



### ASSOCIATION OF METROPOLITAN WATER AGENCIES (AMWA)

*Orientation:* Policy Development and Legislation

*Description:* Formed in 1981, AMWA is composed of metropolitan, county or city agencies serving a population greater than 100,000 people. Its primary goals are to encourage the establishment of environmentally safe and cost effective drinking water policies by the Congress and federal agencies, encourage sound policies related to water treatment regulations, exchange scientific and technical information and provide information to the public concerning the reliable provision of safe water.

*Central Basin Involvement:* Central Basin receives timely and informative publications on legislation and regulatory matters from AMWA.

*Value:* AMWA has provided extensive leadership in representing the water industry's position on various legislative issues including the reauthorization of the Safe Drinking Water Act.

*Association Fee:* \$3,500

### CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA)

*Orientation:* Policy/Technical

*Description:* CASA provides its members with current technical information, state and federal legislative advocacy, and representation before the State Water Resources Control Board and other State entities on issues affecting sanitation agencies.

*Central Basin Involvement:* Staff uses CASA to stay on top of emerging issues through its publications.

*Value:* Publications allow staff to stay abreast of issues affecting the water industry.

*Association Fee:* \$700

### CALIFORNIA URBAN WATER CONSERVATION COUNCIL (CUWCC)

*Orientation:* Policy/Technical

*Description:* CUWCC is an association formed in 1991 with the signing of a Memorandum of Understanding (MOU) regarding Best Management Practices (BMP) for urban water conservation. Central Basin and West Basin are two of the original signatory agencies. CUWCC is made up of three "groups:" the urban water agency, environmental organizations with an interest in water and other interested parties, such as non-profit and private companies. CUWCC's specific purpose is to oversee the implementation of the 14 BMPs within those agencies responsible for water management, and develop firm conservation savings from these practices. In return for implementation of these practices, the environmental groups agree to support the urban agencies needed to ensure a safe and reliable water supply.

*Central Basin Involvement:* Gus Meza represents Central Basin at CUWCC.

*Value:* Participation in CUWCC provides Central Basin with direct input into conservation strategies impacting statewide water policy.

*Association Fee:* \$2,000



## CALIFORNIA WATER AWARENESS CAMPAIGN

*Orientation:* Outreach

*Description:* The Campaign is an organization created to promote water awareness throughout California using innovative and creative marketing methods that focus on “May is Water Awareness Month”. Agencies that are ACWA members are given the opportunity to join the Campaign through providing funding (10% of their ACWA dues) and/or through direct participation.

*Central Basin Involvement:* For fiscal years 2005-2006, Art Aguilar is on the Steering Committee.

*Value:* The campaign provides educational materials to schools, honors high school/college students with scholarships and helps promote the message of water efficiency statewide. This helps Central Basin and other water agencies promote water awareness and efficiency. Because Central Basin has a staff member on the Campaign Steering Committee, Central Basin Directors have a much greater influence on the overall direction of the campaign, especially the Water Awareness Month activities.

*Association Fee:* \$650

## CENTRAL BASIN WATER ASSOCIATION (CBWA)

*Orientation:* Outreach

*Description:* CBWA is composed of water rights holders in the West Coast Basin. CBWA membership includes municipalities and private owners. This association provides a forum to members to discuss current water rights issues and policies.

*Central Basin Involvement:* Involvement in this association allows Central Basin to engage members on a working level to better understand local water issues and rate structures.

*Value:* Membership in CBWA provides Central Basin with valuable insight on current water rates established by the District, proposed legislation and water industry news that affect the way in which Central Basin makes policy decisions.

*Association Fee:* \$200

## COLORADO RIVER WATER USERS ASSOCIATION (CRWUA)

*Orientation:* Policy

*Description:* The purpose of CRWUA is to protect and safeguard the interests of those who benefit from the use of the Colorado River system. The association holds an annual workshop to brief its members on behalf of the interests of its members.

*Central Basin Involvement:* Directors and staff attend the annual CRWUA conference.

*Value:* The membership of the CRWUA provides a strong, unified voice for the preservation of Southern California’s imported water supplies.

*Association Fee:* \$120



## LOS ANGELES AND SAN GABRIEL RIVER WATERSHED COUNCIL (LASGRWC)

*Orientation:* Environmental

*Description:* LASGRWC is a 501(c)(3) non-profit organization of community groups, government agencies, businesses and academia working cooperatively to solve problems in the watershed. Its mission is to facilitate a comprehensive, multi-purpose, stakeholder-driven consensus process to preserve, restore and enhance the many beneficial uses—economic, social, environmental and biological—of the Los Angeles River and San Gabriel River watersheds eco-system through education, research, planning and mediation.

*Central Basin Involvement:* Staff attends the monthly stakeholder meetings to discuss business and conduct workshops on subjects of interest in the watershed.

*Value:* Central Basin has the freedom to present or discuss its projects to the LASGRWC and garner support.

*Association Fee:* \$2,500

## MONO LAKE COMMITTEE

*Orientation:* Outreach

*Description:* The Mono Lake Committee is dedicated to the environmental protection of Mono Lake and Mono Basin through education and legislation.

*Central Basin Involvement:* Mono Lake officials have been strong advocates for water recycling in both Central Basin and West Basin. The Districts have also been involved with the Mono Lake Committee in several education projects, including trips with school children to visit Mono Lake and a classroom water education program conducted jointly with Mothers of East Los Angeles.

*Value:* The Mono Lake Committee strongly supports Central Basin's water recycling projects, often highlighting the benefits of these projects to environmental protection of Mono Lake and statewide water reliability.

*Association Fee:* \$5,000

## NATIONAL WATER RESOURCES ASSOCIATION (NWRA)

*Orientation:* Policy Development and Legislation

*Description:* NWRA is a non-profit organization comprised of companies, associations and individuals concerned with the appropriate management, conservation and use of national water resources. As an organization, NWRA focuses on four key issues, including water supply management, environment, water quality and approaches for securing funding for water projects.

*Central Basin Involvement:* Historically, Directors have attended the NWRA Federal Water Seminar in Washington D.C., which provides water district board members and general managers with an



opportunity to interact with members of Congress, key congressional staff and federal agency representatives to promote Central Basin's needs and objectives.

*Value:* NWRA is effective because of its broad-based information and action efforts. The association maintains an office in the Washington D.C. area to have immediate access to important federal and congressional officials and to provide members with up-to-date legislative and regulatory information. NWRA maintains a network of special purpose caucuses, committees and task forces that keep a close watch on those areas of legislation and regulation that directly affect the water industry.

*Association Fee:* \$350

### **PUBLIC OFFICIALS FOR WATER AND ENVIRONMENTAL REFORM (POWER)**

*Orientation:* Outreach and Policy

*Description:* POWER organizes an annual conference on Southern California water policy issues that are gaining prominence among elected officials and environmentalists. In recent years POWER has inserted itself in discussions to encourage conservation and water recycling.

*Central Basin Involvement:* This sponsorship represents Central Basin's contribution to the annual conference organized by this nonprofit organization.

*Value:* POWER has been an advocate for water recycling.

*Association Fee:* \$1,500

### **SAN GABRIEL VALLEY PROTECTIVE ASSOCIATION (SGVPA)**

*Orientation:* Technical

*Description:* SGVPA is a nonprofit cooperative corporation that was formed more than 70 years ago for the primary purpose of protecting the water rights of users of San Gabriel River water. Under the terms of the Long Beach Judgment between the "upper area" and "lower area" of the San Gabriel River, the Upper area in effect guarantees a certain amount of water will flow across the Whittier Narrows to the lower area. Central Basin has acted as the lower area's representative on the San Gabriel Valley Protective Association. The SGVPA contracts with a local university to measure the wells to determine the effectiveness of spreading. Most of the membership fees collected by the Association are to pay for this service.

*Central Basin Involvement:* One Central Basin Director represents the District at this organization. Central Basin pays an annual assessment based on the amount of groundwater pumped each year.

*Value:* The SGVPA provides groundwater level data on more than 100 wells to the Los Angeles County Flood Control District (LACFCD). The Protective Association appoints a distribution committee made up of its members that meets with the LACFCD to determine where spreading would be most effective to maintain groundwater aquifers.

*Association Fee:* \$22,500



## SOUTHERN CALIFORNIA SALINITY COALITION

*Orientation:* Policy/Technical

*Description:* The Coalition's purpose is to coordinate salinity management strategies, including legislative and regular issues, with water and waste agencies throughout Southern California.

*Central Basin Involvement:* Central Basin aims to support the organization's goals and objectives.

*Value:* When salinity levels of local imported water are reduced, the region benefits from both the improved use of local groundwater and recycled water and the reduced costs to water consumers and utilities.

*Association Fee:* \$5,000

## THINK EARTH ENVIRONMENTAL EDUCATION FOUNDATION (THINK EARTH)

*Orientation:* Environmental Education

*Description:* Think Earth is a public/private partnership whose mission is to help develop and maintain a sustainable environment through education. Since 1988, the Think Earth Environmental Education Foundation has developed and distributed environmental education curriculum and programs to kindergarten through 12<sup>th</sup> grade teachers. Think Earth has been implemented in more than 30,000 classrooms throughout Southern California, including classrooms within the Districts' service areas. More than 7,000 of Central Basin's students have participated in Think Earth. The Think Earth Environmental Education Foundation currently has a board membership of 11 organizations that have regional, statewide and national interests. Board members include Central Basin / West Basin, MWD, Sanitation Districts of Los Angeles County, Air Quality Management District of Southern California, LADWP, Orange County Sanitation District, City of Los Angeles Department of Public Works, The Gas Company, Toyota Motorsales, U.S.A. and California Environmental Protection Agency.

*Central Basin Involvement:* Mark Moss serves on the Board of Directors for Think Earth and is involved in key curriculum development and distribution issues. Mark currently is the chairman of an online education committee that is developing an environmental education web site for students and teachers. The site will offer environmental education resources, projects and activities. It will also be linked to Central Basin's web site.

*Value:* Recently, the Think Earth curriculum won the President's Environmental and Conservation Challenge Award. Central Basin's teachers and students benefit by receiving a free, grade appropriate, interdisciplinary environmental education program that can be implemented in the classroom. Central Basin benefits by being able to offer teachers who may not be able to participate in the Central Basin's field trip program a high quality interdisciplinary environmental education program that can assist them in meeting state and national education standards for their students. Central Basin also benefits by having a direct presence within the environmental education community in Los Angeles County and throughout California.

*Association Fee:* \$3,500



## THE URBAN WATER INSTITUTE (UWI)

*Orientation:* Outreach

*Description:* The mission of the UWI is to provide a non-partisan exchange of information regarding emerging technology and policy issues to the water resource industry in the Western United States. The institute is made up of public agencies and private firms with particular emphasis on water economics, management and resource policies. The Institute is a nonprofit organization that sponsors various workshops including an annual Southern California Urban Water Conference.

*Central Basin Involvement:* Central Basin was a founding agency of UWI. Staff and Directors attend conferences as presenters and participants.

*Value:* The Institute is primarily a “think tank” that provides information on emerging technology and public policy for water resources in the Western United States. This information is made available to Central Basin through a monthly newsletter and conferences that address water issues.

*Association Fee:* \$1,250

## WATER EDUCATION FOUNDATION (WEF)

*Orientation:* Outreach/Support

*Description:* The mission of the nonprofit WEF is to develop and implement education programs leading to a broader understanding of water issues and to the resolution of water problems. WEF publishes a bimonthly magazine, *Western Water*, as well as the Layperson’s Guide series on water issues, water maps of the State of California and the Colorado River, educational programs for students at most grade levels and tours of water-significant areas of the state. WEF also sponsors yearly media workshops and executive briefings.

*Central Basin Involvement:* Directors and staff attend the briefings and tours conducted by WEF.

*Value:* WEF assists Central Basin in making information on water issues available to students, residents, Directors and staff through the informational materials it makes available to its members.

*Association Fee:* \$5,000

## WATEREUSE ASSOCIATION (WATEREUSE)

*Orientation:* Technical/Policy/Education

*Description:* The objectives of WaterReuse are to promote recycled water as a supplemental water supply for the state and to work for the adoption of legislation and regulations that increase the safe use for recycled water. Other objectives are to facilitate the development of technology aimed at improving water recycling, to promote legislation that would increase the amount of funding available for water recycling projects and to increase public understanding of all associated water problems and solutions. WaterReuse sponsors conferences, workshops and publications during the year to exchange information and ideas between members and others involved in water recycling.



*Central Basin Involvement:* Staff actively participates in WateReuse committees. As leaders in the field of recycled water marketing and development, Central Basin is often highlighted as proof that large-scale recycled water projects are critical components of the state's water supply equation.

*Value:* In the past year, WateReuse was actively involved in local, state and federal level regulatory issues and legislation critical to Central Basins' efforts to encourage and expand the use of recycled water locally. This included Title 22 regulations, groundwater recharge guidelines and regulations that will increase the safe use of recycled water.

*Association Fee:* \$5,000

## WATEREUSE FOUNDATION

*Orientation:* Research

*Description:* The WateReuse Foundation is an educational, nonprofit public benefit corporation that serves as a centralized organization for the water and wastewater community to advance the science of water reuse, recycling, reclamation and desalination. The Foundation's research covers a broad spectrum of issues, including chemical contaminants, microbiological agents, treatment technologies, salinity management, public perception, economics and marketing. The mission of the Foundation is to conduct and promote applied research on the reclamation, recycling, reuse and desalination of water. The Foundation's research advances the science of water reuse and supports communities across the United States and abroad in their efforts to create new sources of high quality water through reclamation, reuse and desalination while protecting public health and the environment. The Foundation's research provides information on the safety and quality of reclaimed and recycled water and provides water professionals with the tools and knowledge to meet their commitment of increasing the reliability and quality of the nation's water supplies.

*Central Basin Involvement:* Staff is on the Board of Directors and also attends research conferences. Staff presents research projects for funding and manages those projects.

*Value:* The WateReuse Foundation has funded research for Central Basin, furthering the knowledge and use of recycled water.

*Association Fee:* \$10,000