



Central Basin
Municipal Water District

PRESS RELEASE

Contact: Stephen Chavez
Milagro Strategy Group
(310) 486-4104
schavez@milagrosq.com

AFTER YEARS OF DISCOURSE, INTERNAL STRIFE AND FISCAL INSTABILITY, CENTRAL BASIN MUNICIPAL WATER DISTRICT ENDS FISCAL YEAR ON POSITIVE NOTE IN A SWEEPING TURNROUND

District has achieved fiscal stability, reduced fixed costs for customers, reduced operating expenses, improved customer satisfaction, and lowered imported water rates by 14%

JULY 1, 2021- COMMERCE, CA – The Central Basin Municipal Water District (CBMWD) ended its fiscal year on a positive note with a position of strong fiscal stability, a reorganization that has yielded a significant reduction (\$1.8 million) in operating expenses and vastly improved customer satisfaction. All point to a significant achievement given the District’s previous operational and fiscal challenges. Additionally, the District’s Board of Directors has coalesced around their vision of an improved and efficient District and are working together to support the new direction of the District.

“The District’s Board is very pleased at the recent planning and turn of events leading to a positive fiscal and operating position,” said Art Chacon, Board president, Central Basin Municipal Water District. “Our new general manager and staff have done a stellar job in turning around a District with so much potential to improve the quality of life for our customers.”

This positive development for Central Basin did not happen overnight but began with the arrival of the District’s new general manager. Selected by the Board of Directors, Alex Rojas came to Central Basin with a reputation as a turnaround specialist who managed to use his prior experience to promote and secure the District’s fiscal stability marked by the highest level of operating and cash reserves since 2016, \$22 million to be exact.

Upon arriving at Central Basin, Rojas immediately implemented a district reorganization resulting in nearly a \$1.8 million reduction in operating expenses by eliminating top heavy and unnecessary positions. Additionally, the District reduced the fixed costs for customers by approximately \$300,000 per year and generated \$1.5 million in grants for recycled water system expansion which will be used to improve local water supply reliability specifically to local disadvantaged communities.

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“I am very pleased and appreciative of the Board’s support for the District’s concerted plans to vastly improve our fiscal positioning, programs, services and customer satisfaction,” said Rojas. “Most significantly we have managed to reduce the cost of imported water by 14% for customers in the middle of a drought. The District also did not increase its recycled water rates or imported water administrative fees, further reducing the cost of water for its customers.”

Despite a projected statewide drought, the CBMWD Board of Directors took bold action during its monthly Board meeting on May 24 and approved a 14% reduction in imported water rates for customers in its service area while other districts are raising their rates. Many California counties are currently under a severe drought forecast precipitated by low water levels and little snow in the Sierras. This has been the second dry year in a row, and 2021 might bring some additional changes.

“It’s important to remember that one of the principal reasons Central Basin is able to lower water rates is that we have taken prudent measures to regain fiscal control of our budget,” Rojas continued. “Our goals for the District have been to lower the cost of imported water, ensure our long-term fiscal stability, improve customer service, diversify our revenue streams, and grow our recycled water services. With our final report we believe we have accomplished that goal.”

"As a Central Basin customer, we are incredibly pleased the District is working with all its customers to ensure its service areas have a reliable and diverse source of high-quality water at affordable rates, particularly at a time when local governments have been impacted by the pandemic," said John Oskoui, Assistant City Manager, City of Downey. "The Board's actions reflect a new direction for Central Basin which has started to form collaborative partnerships with its customers and take the necessary steps to ensure the District's long-term fiscal stability."

About Central Basin Municipal Water District

Established in 1952, Central Basin Municipal Water District (District) is a water and water service provider that delivers imported water to 40 retail water providers and one water wholesaler including: cities, mutual water companies, investor-owned utilities, and private companies in southeast Los Angeles County. The District purchases imported water from the Metropolitan Water District of Southern California (MWD).

With a vision to secure water supplies in southeast Los Angeles, Central Basin also provides the region with recycled water for municipal, commercial, and industrial use. Today, the District serves 1.6 million people from 24 cities and unincorporated areas in southeast Los Angeles and is governed by an eight-member board.

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