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Drought (and an FBI Investigation) Settled a Longtime Feud Between Los Angeles County Water Districts.

For nearly three years, two Los Angeles County water districts had been locked in an ugly feud.

The Central Basin Water District, a water wholesaler, refused to sell to its rival, the Water Replenishment District, which manages an underground storage basin in southeast Los Angeles County that serves 4 million residents. For its part, the WRD was just as happy not to buy the water, lest the purchase benefit Central Basin.

The standoff cut groundwater storage even as the state faced a looming drought.

But as Central Basin faces an FBI corruption investigation, the bad blood between the two agencies has suddenly eased.

Central Basin this month agreed to sell 60,000 acre-feet of water to the Water Replenishment District. Water experts say the sale represents a major boost to the local underground basin. It comes as the drought is forcing local agencies to rely more on the basin for water.

"I think it's a new day where we're finally practicing good water management in our basin," said Kevin Wattier, general manager of the Long Beach Water Department, who has sat on the sidelines as the water war raged. "We put zero drops of water in this basin. And that, to me, is the travesty. And it was because of this war."

Typically, the Water Replenishment District replenishes the basin with about 100,000 acre-feet of "artificially captured water" a year, most of it from rain runoff. About 20% usually comes from imported water purchased from Central Basin. But there has been very little rainfall in the last three years, which combined with the lack of imported water has concerned Wattier and others.

The detente comes amid a year of change at Central Basin, which has faced several scandals and has seen some of its top leaders depart. On Friday, former Assemblyman Thomas Calderon — a onetime consultant for the agency — was charged as part of a major federal corruption case, along with his brother, state Sen. Ron Calderon (D-Montebello).

The charges Friday alleged the brothers took tens of thousands of dollars in bribes, though not related to Central Basin. However, the FBI obtained boxes of records from Central Basin's offices last year and is continuing to investigate.

Thomas Calderon was widely seen as a field marshal in Central Basin's protracted battles with the WRD.

Both sides now agree the conflict did far more harm than good. Central Basin and the WRD each spent about \$2.4 million in the water war. Central Basin sent state legislators and lobbyists after its rivals, in one case paying a consultant to create promotional online stories under the names, bios and photos of reporters that did not exist. The WRD bought up domain names such as

“centralbasin.net” and used it to post stories critical of its rival.

Central Basin was so concerned about being sued that it secretly managed a \$2.7-million fund for its own groundwater storage project without public hearings or notifications. In a deposition as part of a lawsuit filed last year against a former vendor, Central Basin’s former general manager, Art Aguilar, testified that the board wanted to pursue the storage plan but “didn’t want anybody to know what we’re doing.”

Legislation ended up precluding Central Basin from pursuing groundwater storage, but the fund is now part of the FBI investigation.

The scandals and investigation have left Central Basin humbled — and with leaders vowing reform.

Tony Perez, who became Central Basin’s general manager last spring, said the agency is doing things differently. The district has launched its own internal investigation into the \$2.7-million fund, he said, and is working on reforms after an audit found “significant deficiencies” in its financial controls.

The audit cited a case in which Central Basin paid \$22,000 upfront for the college tuition of Gil Cedillo Jr., the son of Los Angeles City Councilman Gil Cedillo, who had been paid \$112,000 a year by the agency until he was let go last year. The audit also found that Central Basin had been lax in the contract bidding process, among other problems.

Central Basin recently dropped the last of its litigation against the WRD and also recently made about \$800,000 in budget cuts to close a deficit.

Perez said the battles with the WRD were a wasteful example of turf building.

“I think it’s a cautionary tale to all members of the water community that we need to work together,” he said. “I think that both parties are reasonably going to enter into this environment of trust a little bit slowly, but both sides are going to have to take a step out of the darkness.”

He said the water sale to the WRD will help Central Basin by bringing in \$4.2 million.

Rob Katherman, the WRD’s board president, said the change of leadership at Central Basin has made a major difference. Two incumbents on the Central Basin board were ousted after a series of stories in The Times about the water war and how the agency was spending money.

In an interview, Aguilar described the battle with the Water Replenishment District as a part of a “costly and nonproductive” conflict that no one party could be blamed for. He said he is glad it’s been resolved.

“The basin has gone without adequate replenishment,” he said.

Overall, southeast L.A.’s basin is a better reserve than some parts of the state hardest hit by the drought. Officials said the 60,000 acre-feet of additional water from Central Basin comes at a key time, when some cities in the area will be required to pump more water from the underground storage.

Albert Robles, a WRD board member and Carson councilman, said southeast L.A.’s water situation would have been significantly more secure if not for the feud.

“Had it not been for the war,” he said, “we would literally be laughing at today’s drought.”

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