



FOR IMMEDIATE RELEASE:

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WEST BASIN SUSPENDS DIRECTOR OUTREACH AND SPONSORSHIP FUNDS

CARSON, Calif. – At a Board meeting on August 25, 2014, the West Basin Municipal Water District (West Basin) Board of Directors unanimously voted to suspend the use of the directors’ outreach and sponsorship funds, pending the results of a combined forensic and financial audit. These funds will be one of several areas evaluated in the independent audit that was approved by the Board as a result of the alleged charges of misuse of public funds against Director Ronald C. Smith.

“This is another step to improve our transparency and is a renewed commitment to our communities and ratepayers that our Board will take necessary actions to ensure sound financial resource management now and for the future,” said Director Donald L. Dear, West Basin Board of Directors President.

The audit scope of work will include thoroughly reviewing West Basin’s Code of Conduct and interviewing key staff and District Counsel to identify any potential areas of concern. Within the Code of Conduct, the audit will evaluate the use of director expenses that include sponsorships, directors’ outreach funds and other related programs. The audit will begin next month and conclude in December 2014. The auditing firm will provide the Board of Directors recommendations regarding possible amendments to the current Code of Conduct.

“On August 7, the Board removed Director Ronald C. Smith from all Board committee leadership roles after removing him from the position of Board Treasurer,” said Board Vice President Gloria Gray. “We have also directed staff to pursue obtaining a District Transparency Certificate of Excellence. The District Transparency Certificate of Excellence program, created by the Special District Leadership Foundation, is an effort to promote transparency in operations and governance for special districts. I believe these actions will help ensure the public’s trust.”

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West Basin Municipal Water District is a wholesale water district that serves nearly a million people in 17 cities and unincorporated areas throughout its 185-square mile service area. West Basin is reducing its dependence on imported water through its Water Reliability 2020 program that will double conservation, double recycled water production and add desalted ocean water to its portfolio by the year 2020. Visit www.westbasin.org to learn more.