



WEST BASIN MUNICIPAL WATER DISTRICT

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Contact: Fernando Paludi
(310) 660-6214 or fernandop@westbasin.org

WEST BASIN MUNICIPAL WATER DISTRICT INVESTS MILLIONS IN TWO LOCAL, COMMUNITY BANKS

CARSON—West Basin Municipal Water District (“West Basin”), which recently celebrated its 60th anniversary providing a reliable source of water to 17 cities and parts of unincorporated Los Angeles County, recently invested \$2 million in Broadway Federal Bank and Monday approved another \$2 million deposit for OneUnited Bank under the Certificate of Deposit Account Registry Service (“CDARS”) program. CDARS is a special network of financial institutions that collectively insure deposits in excess of \$100,000 and up to \$30 million through the Federal Deposit Insurance Corporation (FDIC).

West Basin’s recent actions further the Board of Directors’ commitment to innovation through its “small bank program,” created in 1999 to encourage the agency to invest directly into the communities it serves. West Basin’s original investment with Broadway Federal in 1999 was \$850,000 which required a heightened ‘collateral’ match by the bank for deposits exceeding the \$100,000 FDIC amount. The two latest investments have been appropriately championed by West Basin’s Finance Committee, which includes Director Gloria Gray, Chairperson, and Director Ronald C. Smith.

This year, the State of California added the CDARS program as an allowable investment for public agencies. Both of West Basin’s deposits are insured on a one-to-one dollar amount basis through the CDARS financial network. The CDARS program allows West Basin to safely make \$2 million deposits in each bank and allows some of the bank’s funds, that would otherwise have been required as collateral, to be freed up for other uses.

“West Basin’s investments with Broadway Federal and OneUnited Bank support small businesses and individuals by making funds available for loans to traditionally underserved communities within our service area,” said West Basin Board President Donald Dear. “By implementing sound business practices and being conservative about risk, we have additionally been diligent about protecting West Basin’s financial investments.”

Broadway Federal, a growing Los Angeles-based community bank whose portfolio largely includes homeowners and churches in the South Central and Mid-City areas of Los Angeles, has \$217 million in assets and was selected by West Basin not only because of its geographic location within West Basin’s boundaries, but because it provides viable options to its investors. Broadway Federal has a rating of “Outstanding” under the Community Reinvestment Act.

OneUnited, the largest “black-owned bank” in America with \$640 million in assets, has received the highest Bank Enterprise Award from the U.S. Department of Treasury for the past three consecutive years due to its community development lending.

“Broadway Federal and OneUnited each provide financial literacy programs and affordable banking services focusing on urban communities,” said Director Gloria Gray. “Our partnership with each of these institutions strengthens the local economy and provides support for small business owners and individuals who have not traditionally had access to these types of financial services.”

The service area for West Basin includes the cities of Carson, Culver City, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Malibu, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, View Park, West Hollywood, portions of the cities of Lennox, Los Angeles and Torrance, and the unincorporated communities of Athens, Howard, Ross-Sexton, and El Camino Village in Los Angeles County.

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