

NEWS RELEASE



FOR IMMEDIATE RELEASE

Contact: Betty Burnett
SOCWA General Manager
949-234-5400, ext. 420

Moulton Niguel Water District's Delinquent Bill for Wastewater Treatment Plant Reaches \$755,871

City of Laguna Beach, South Coast Water District and Emerald Bay Service District Urge MNWD to Pay Bill to Avoid Financial Harm to Local Taxpayers

Dana Point, Calif. (May 17, 2017) – Dating back nearly one year, Moulton Niguel Water District (MNWD) has refused to meet its financial responsibilities to the Coastal Treatment Plant (CTP), among the largest wastewater facilities in the region, while it attempts to prematurely exit its contract ownership of the plant. MNWD now owes \$755,871 to the South Orange County Wastewater Authority for repair and upkeep of the facility.

Today, following a public meeting on May 12 where MNWD again refused to pay its bills without conditions, leaders representing the other owners of the CTP, including the City of Laguna Beach, South Coast Water District and Emerald Bay Service District, issued the following statements urging the MNWD Board of Directors to pay its bills to avoid harm to their local communities.

"I have been an elected official for nearly 20 years. This is the first time I have seen another governmental agency willfully stop paying its bills as a negotiating tactic. We have demonstrated our willingness to discuss MNWD's reasonable exit from its contract. But refusing to pay \$755,871 in past due bills isn't a reasonable starting point for MNWD. It's time for them to pay their bill." - *Toni Iseman, Mayor, City of Laguna Beach*

"The Coastal Treatment Plant can treat as much as 6.7 million gallons of wastewater each day. It protects South Orange County's treasured canyons and coastlines from sewage spills. It also creates more than 1 million gallons of recycled water each day for our parks, schools and landscaped areas. Having a partner withhold \$755,871 in payments as a negotiating tactic threatens our ability to sustain this critical facility." – *Wayne Rayfield, President, South Coast Water District*

"MNWD has once again failed to live up to its contractual commitments. In April, MNWD's General Manager committed publicly to come current with its past-due bills totaling \$755,871 if we scheduled a public meeting. Since then, we have held two public meetings on this matter. Unfortunately, MNWD has not held up its part of the bargain. This is frustrating our ability to protect our local environment and economy." – *Michael Dunbar, General Manager, Emerald Bay Service District*

Background on MNWD's Non-Payment of Contractual Obligations

The Coastal Treatment Plant (Plant) was built in the late 1970s and early 1980s to treat wastewater and is funded through agreements specifying financial responsibility between the MNWD, Laguna Beach, Emerald Bay Service District and South Coast Water District. MNWD

asked to join the partnership in the late 1990s and paid for all required charges associated with repair and upkeep of the Plant until summarily stopping payment in the summer of 2016. Thus, MNWD is no longer meeting its financial obligations under the existing contract with SOCWA and its partners in the Coastal Treatment Plant. MNWD has asked to negotiate its way out of the existing agreement but its suggested approach would result in increased fees for customers in Laguna Beach, Emerald Bay and Dana Point.

MNWD's delinquency is holding up critical infrastructure projects that help protect Orange County's finest environmental treasures, including Aliso and Woods Canyon and Aliso Beach, which is one of the most popular beaches in Southern California.

About the South Orange County Wastewater Authority

SOCWA treats much of South Orange County's wastewater and creates 2.1 billion gallons of recycled water each year. It is a Joint Powers Authority (JPA) with 10 member agencies, including Santa Margarita Water District, El Toro Water District, Irvine Ranch Water District, Moulton Niguel Water District, South Coast Water District, Trabuco Canyon Water District, Emerald Bay Service District and the cities of Laguna Beach, San Juan Capistrano and San Clemente.

About the Coastal Treatment Plant

The South Orange County Wastewater Authority's Coastal Treatment Plant collects and can treat upwards of 6.7 million gallons of wastewater every day. It also produces about 1.1 million gallons of recycled water each day for the communities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Mission Viejo and portions of San Clemente and San Juan Capistrano. It is located in Aliso and Woods Canyon within the City of Laguna Beach.

###