

Notice of Public Hearing  
Important information about your water  
and sewer service



**Moulton Niguel Water**  
WATER QUALITY AND SERVICE ARE #1

May 26, 2011

**Notice of Public Hearing for Proposed Sewer Usage Rate Component Increase – Laguna Sur/Monarch Point Area (South Coast Water District sewer rates)**

Dear Moulton Niguel Water District customer,

Parcels within the 'Laguna Sur/Monarch Point' area of Moulton Niguel Water District (MNWD) are provided sewer service by South Coast Water District (SCWD). The property owners within Laguna Sur/Monarch Point voted to withdraw from SCWD and become part of MNWD in 1997. MNWD provides water service to the area, but SCWD provides sewer service due to geographic and facility reasons. SCWD's sewer service charges and rates are collected by MNWD on the annual property tax bills, and the revenues are then remitted to SCWD. When SCWD increases its sewer charges or rates, MNWD must pass the increases on to the property owners.

**Public Hearing for Proposed SCWD Sewer Rate Increase**

**July 21, 2011  
6:00 p.m.**

**MNWD Board Room  
27500 La Paz Rd.  
Laguna Niguel**

**SCWD Sewer Rate Proposal**

SCWD's proposed rate increase calls for an increase in the sewer usage rate component for fiscal years 2011-12 and 2012-13. SCWD also collects an annual fixed sewer charge component for sewer service to the property. However, the fixed sewer charge component for those two years will be collected in amounts less than amounts previously authorized by SCWD, and then MNWD, during 2009 proceedings, and so are not discussed further in this notice. If approved by SCWD in June 2011, and then by MNWD in July 2011, the new usage rates will go into effect for sewer service beginning August 1, 2011, for 2011-12 and thereafter on July 1 for 2012-13.

**SCWD has stated the following information regarding reasons for its proposed sewer usage rate component increase**

**KEY REASONS A SEWER RATE INCREASE IS NEEDED**

**Need to Upgrade Sewer Pumping Stations**

SCWD's Infrastructure Master Plan has prioritized the replacement or upgrade of sewer pumping stations over the next 10 years. This work will cost an estimated \$15 million and will ensure the continued safe conveyance of wastewater to the treatment plant.

*continued next page*



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www.mnwd.com

**Moulton Niguel Water District**  
27500 La Paz Road  
Laguna Niguel, CA 92677-3489

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**Notice of Public Hearing**  
**Important information about your water  
and sewer service**

*A public agency at:*  
27500 La Paz Road, Laguna Niguel, CA 92677-3489 • 949.831.2500  
Mailing Address: P.O. Box 30203, Laguna Niguel, CA 92607-0203



### ***Need to Rehabilitate Critical Segment of the Sewer System***

More than one million gallons per day of SCWD's wastewater flows through a two-mile sewer line in a tunnel in the ocean bluffs. The 57-year-old tunnel must be structurally reinforced to ensure worker safety and prevent falling rocks from damaging the line and causing a massive sewer spill. This critical six-year project is estimated at \$50 million.

### **HOW SCWD IS LOWERING COSTS AND SAVING MONEY**

#### ***Budget Cuts Help Address Rising Costs***

Operational costs continue to rise, especially electrical, fuel and chemical costs, and budget cuts are helping to make up the difference. The SCWD Board has prioritized reducing costs, and each individual employee is doing his/her share to trim costs as part of their annual goals.

SCWD staff achieved \$1.7 million in budget cuts in 2009. Over the past two years, its staff has implemented savings programs, such as \$150,000 per year for groundwater well maintenance. In addition, SCWD saved \$2.2 million from refinancing bonds in 2010.

This year, SCWD has left four positions unfilled, adding their functions to other job positions, while cutting back on temporary help. It has reduced overtime costs for three years, and another reduction is planned for this year. The SCWD Board is reviewing staff benefit costs.

## **CONSERVATION TIPS**

### **Indoor Tips**

**Tune up your leaky toilets** the number one water waster in your home. One leaky toilet can waste up to 78,000 gallons of water in one year. That is enough to fill several swimming pools!

**Run your clothes washer and dishwasher only when they are full** and save up to 1,000 gallons of water each month.

**Put food coloring in your toilet tank.** If it seeps into the toilet bowl without flushing, you have a leak. Fixing the leak can save up to 1,000 gallons per month.

**Replace your old toilets** with new high-efficiency models and save up to 17,500 gallons each year.

**Replace older, inefficient clothes washers** and save 20-30 gallons per load.

### **Outdoor Tips**

**Take your car to a commercial car wash** instead of washing it in the driveway. Commercial car wash facilities must recycle their water, which means you'll save more than 100 gallons per wash and help reduce urban runoff pollution.

**Spreading a layer of organic mulch around plants** helps retain moisture, which saves 20-30 gallons per day.

**Water only before 10 a.m. and after 5 p.m.** to reduce evaporation and interference from wind. You'll save 20-25 gallons per day.

**Upgrade to a "smart" irrigation controller** that automatically adjusts watering times for hotter weather, and shuts down the system when it rains. You can save up to 40 gallons per day.

**Replace a portion of your lawn with beautiful California-Friendly plants** and save hundreds of gallons each month.

**How You Can Participate**

- **Community Forum:** SCWD will hold community forums on the proposed sewer usage rates on **Wednesday, June 1, 2011 from 2 p.m. to 4 p.m. and 6 p.m. to 8 p.m. at the Ocean Institute, 24200 Dana Point Harbor Drive in Dana Point.**
- **Public Hearing:** The MNWD Board will hold a public hearing on the SCWD sewer usage rates for Laguna Sur/Monarch Point on **Thursday, July 21, 2011 at 6:00 p.m. at MNWD Board Room, 27500 La Paz Rd. in Laguna Niguel.**
- **Written Protest:** A property owner within the Laguna Sur/Monarch Point sewer service area may file a written protest with MNWD by submitting in person or sending a letter to MNWD, **27500 La Paz Rd., Laguna Niguel, CA 92677, attention: General Manager.** A valid protest letter must include (1) your name and original signature, (2) the property address at which sewer service is received, (3) the Assessor Parcel Number where sewer service is provided, and (4) a statement of protest against the sewer usage rate(s) being protested. **Email protests or other electronic protests are not valid and cannot be accepted as official protests.** Protest letters will be tabulated and presented to the MNWD Board at the public hearing on the proposed rate increase to be held on **Thursday, July 21, 2011 at 6:00 p.m. in the MNWD Board Room, 27500 La Paz Rd. in Laguna Niguel.** To be valid, protest letters must be received prior to the conclusion of the public hearing. A property owner may appear at the hearing to make comments regarding the proposed SCWD sewer usage rates. MNWD will count one written protest per property address. If written protests are not filed by a majority of record owners of property in the Laguna Sur/Monarch Point area, the Board will be authorized to implement the proposed sewer usage rates.

Any property owners with comments or questions can contact us at (949) 831-2500 or scwdinfo@mnwd.com. We're here to answer your questions, and the MNWD Board will be provided with these comments before it adopts the SCWD sewer usage rates.

Sincerely,  
MOULTON NIGUEL WATER DISTRICT



Robert C. Gumerman, Ph.D., P.E.  
General Manager



MNWD Board Room: 27500 La Paz Rd., Laguna Niguel

**SCWD PROPOSED USAGE RATE TABLES**

MNWD collects the SCWD sewer usage rates on Laguna Sur/Monarch Point customers' annual property tax bills (along with the SCWD fixed sewer charges discussed above, which are not being increased above previously adopted amounts and therefore, not listed below). Since it is not cost-effective to individually meter sewer discharges, water consumption is used to approximate sewer discharges to determine the total annual usage rate amount.

The following charts list the current and proposed SCWD annual sewer usage rate components. The proposed usage rates are the maximum rates that SCWD will consider. The total sewer usage rate amount for a property is calculated based on the rates listed in the charts below x's the water usage for a property during the prior year, where one billing unit equals 748 gallons of water.

**PROPOSED ANNUAL SEWER USAGE RATES: RESIDENTIAL**  
(includes single family detached and all individually-metered condominium units)  
(collected on the property tax bill)

CURRENT RATE Per Unit of Water	PROPOSED 2011-2012 Per Unit of Water	PROPOSED 2012-2013 Per Unit of Water
\$0.77	\$0.97	\$0.99

**PROPOSED ANNUAL SEWER USAGE RATES: HOMEOWNERS ASSOCIATIONS**  
(collected on the property tax bill)

SERVICE	CURRENT RATE Per Unit of Water	PROPOSED 2011-2012 Per Unit of Water	PROPOSED 2012-2013 Per Unit of Water
Master-Metered Condominium Units	\$0.77	\$0.97	\$0.99
Association Guardhouse	\$4.73	\$5.63	\$5.74
Association Recreation Area (no food service)	\$4.89	\$5.81	\$5.92

## MAKING CONSERVATION A WAY OF LIFE

MNWD adopted a Water Conservation Program that includes 12 mandatory conservation rules residents and businesses must take to ensure a sufficient supply of water into the future.

- Irrigation of lawns, landscapes or other vegetation is prohibited between the hours of 10 a.m. and 5 p.m.
- Watering is limited to no more than 15 minutes per day, per station. This does not apply to drip irrigation, high-efficiency sprinkler systems or work to repair irrigation systems.
- Excessive watering resulting in runoff is prohibited
- No hosing down hard or paved surfaces
- All major leaks, breaks or malfunctions must be fixed in a timely manner
- Fountains and decorative water features must use re-circulated water
- A bucket or hose with a shutoff nozzle must be used when washing vehicles
- Restaurants must serve water only upon request
- Hotels must provide the option to guests not to launder linens daily
- New water service will not be provided to structures using single-pass cooling systems
- Commercial laundry and car wash systems must re-circulate their water
- Restaurants must wash dishes using water-conserving spray valves

Your cooperation with these measures will help ensure a sufficient water supply for all of our customers.

Visit [www.mnwd.com](http://www.mnwd.com) for additional conservation tips and rebates.

### ***Increased Efficiency Lowers Costs and Improves Service***

SCWD runs a lean and efficient operation. To identify further areas for improved efficiency, the SCWD Board commissioned an independent Organizational Assessment, which is now underway, and its recommendations will be implemented. A significant increase in efficiency has already resulted from the installation of automated meter reading devices, and it has freed up staff to take on additional work.

### ***Other Revenues Help Offset Increasing Costs***

SCWD generates other revenues to help cover operational costs. Lease revenues are approaching \$600,000 per year, subsidies from Metropolitan Water District for groundwater production are about \$160,000 per year, and approximately \$50,000 in annual revenues comes from wireless carriers that installed antennae at SCWD reservoirs. SCWD also received a \$78,000 reimbursement from its insurance provider for excellent safety performance in 2010.

### ***SCWD Postponed Planned Rate Increase Last Year***

SCWD cut and postponed a necessary rate increase last year during the economic downturn. The SCWD Board directed staff to postpone new projects for the year in order to lower costs during the rate freeze. Recently, the SCWD Board decided it must now consider a rate increase to continue to provide reliable sewer service.

### **SMART PLANNING, SOUND FINANCES: A RATE INCREASE IS STILL NECESSARY**

SCWD has comprehensive long-range plans in place that identify cost-effective approaches to accomplish project priorities. SCWD continues to pass its annual financial audits; implements financial management, investment and reserve policies; and has earned a AA+ bond rating. All these help lower expenses, but in the face of steadily rising power and project costs, the SCWD Board is considering necessary sewer usage rate component increases.

