

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION**

**IN THE MATTER OF MOULTON NIGUEL WATER DISTRICT,
JANUARY 2025 SANITARY SEWER SYSTEM SPILL
SULPHUR CREEK, ALISO CREEK, AND ALISO BEACH
SETTLEMENT AGREEMENT AND STIPULATION FOR ENTRY OF
ADMINISTRATIVE CIVIL LIABILITY
ORDER NO. R9-2025-0137**

I. INTRODUCTION

This Settlement Agreement and Stipulation for Entry of Administrative Civil Liability Order (Order or Stipulated Order) is entered into by and between the Assistant Executive Officer of the California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) on behalf of the San Diego Water Board Prosecution Team (Prosecution Team), and the Moulton Niguel Water District (District) (collectively, Parties). This Order is presented to the San Diego Water Board for adoption as an order by settlement pursuant to California Water Code (Water Code) section 13323 and Government Code section 11415.60.

II. RECITALS

1. The District provides drinking water, recycled water, and wastewater services to more than 170,000 residents and 6,000 businesses located in the cities of Laguna Niguel, Aliso Viejo, Laguna Hills, Mission Viejo, San Juan Capistrano, and Dana Point. The District maintains approximately 500 miles of wastewater pipelines, including 17 lift stations, encompassing an area of approximately 37 square miles.

JANUARY 10, 2025 SEWAGE SPILL

2. On January 10, 2025, the District received a phone call at 9:45 am reporting a sewage discharge within the Laguna Niguel Regional Park. Upon arrival, the District discovered that a fiberglass reinforced pipe force main, which carries untreated sewage from the Regional Lift Station to the Regional Treatment Plant, had failed, allowing sewage to discharge into the park.
3. The pipe failure resulted in a release of 589,500 gallons of sewage from the sanitary sewer system, 464,700 gallons of which entered a storm drain and discharged to Sulphur Creek. The untreated sewage continued flowing downstream to the confluence with Aliso Creek and eventually reached the mouth of Aliso Creek and the Pacific Ocean shoreline at Aliso Beach, located about four miles downstream of

the spill entry point. Sulphur Creek, Aliso Creek, and Aliso Beach are waters of the State and United States.

4. The District instituted emergency measures as described in its Spill Emergency Response Plan, which included sewage containment and the return of sewage to the sanitary sewer system. District staff immediately built dirt berms to protect the nearby storm drain within the park and began using vacuum trucks to recover as much sewage as possible. The District estimates that it was able to recover 124,800 gallons of sewage and return it to the sanitary sewer system. The sewage flow eventually overtook the berm and entered the storm drain and Sulphur Creek.
5. District staff and contractors traveled downstream along Sulphur Creek and continued down Aliso Creek and identified a road crossing as a suitable location to set up a submersible pump to recover sewage, about 1.5 miles downstream of the spill entry point. The District also set up a pump at the mouth of Aliso Creek, which was bermed at the time of the spill (the mouth of Aliso Creek is naturally bermed by beach sand, and the berm is periodically cleared during storm events and/or tidal activity). The District estimates that it recovered about 1 million gallons of a mixture of sewage and freshwater from the road crossing, and 130,000 gallons of sewage and freshwater from behind the berm at the mouth of Aliso Creek. The collected water was returned to the sanitary sewer system.
6. The City of Laguna Beach assisted with spill response by reinforcing the sand berm at the mouth of Aliso Creek with bulldozers. Despite attempts to contain the sewage at the creek mouth, tidal activity caused the berm to break on the morning of January 15, 2025, causing sewage to reach Aliso Beach and discharge into the Pacific Ocean.
7. From January 10, 2025, to January 19, 2025, the District, in conjunction with the Orange County Health Care Agency (OCHCA), took surface water samples of fecal indicator bacteria at 12 locations, including three locations in the surf zone along Aliso Beach to characterize the extent of impacts and protect public health.
8. The surf zone sample taken on January 11, 2025, showed a slight exceedance of the water quality objective for enterococcus, and OCHCA placed a swimming "Advisory Warning" at Aliso Beach on January 12, 2025. OCHCA continued to monitor the surf zone daily and found water quality exceedances at magnitudes consistent with untreated sewage beginning with the sample collected on January 13, 2025, and subsequently closed the beach from January 14 to January 18, 2025. The beach closure was lifted on January 19, 2025, after two consecutive samples of fecal indicator bacteria were below water quality objectives and the OCHCA deemed the water safe to swim.
9. The District called the California Office of Emergency Services (OES) on January 10, 2025, to report the sewage spill. The District submitted a certified spill report (Spill Event ID: 898608) to the California Integrated Water Quality System (CIWQS) database on January 27, 2025, as required by *Statewide Waste Discharge*

Requirements General Order for Sanitary Sewer Systems, Order WQ 2022-0103-DWQ (Statewide General Order).

10. The District reported that the cause of the spill was a break in one of the two parallel force mains that transport sewage from the Regional Lift Station to the Regional Treatment Plant along the south side of Laguna Niguel Regional Park. The District was able to identify the pipe failure point by isolating each of the parallel force mains beneath the park and subsequently performed an emergency repair. The District stopped the spill at approximately 1:30 pm, slightly less than four hours after discovery.
11. The District has been planning to replace the failed pipe since 2017 as part of the Regional Lift Station Force Main Replacement capital improvement project (CIP). The District plans to construct new force mains to replace the existing force mains because the existing pipe material, Techite, has exhibited premature fragility among some sewerage agencies that have used it in their sanitary sewer systems. The project calls for the abandonment of the existing force mains and construction of new force mains made of pressure-class polyvinyl chloride (PVC) pipe in a new alignment.
12. Construction on the CIP began in March 2025 after a lengthy delay related to geotechnical concerns and the need to implement an emergency slope stability project prior to commencement of the Regional Lift Station Force Main Replacement CIP. The District anticipates finishing the CIP in the spring of 2027.
13. The Water Quality Control Plan for the San Diego Basin (9) ([Basin Plan](#))¹ designates the following existing and potential beneficial uses for Sulphur Creek and Aliso Creek:
 - a. Agricultural Supply (AGR) – Includes uses of water for farming, horticulture, or ranching including, but not limited to, irrigation, stock watering, or support of vegetation for range grazing.
 - d. Water Contact Recreation (REC-1) – Includes uses of water for recreational activities involving body contact with water, where ingestion of water is reasonably possible. These uses include, but are not limited to, swimming, wading, water-skiing, skin and SCUBA diving, surfing, white water activities, fishing, or use of natural hot springs.
 - e. Non-Contact Water Recreation (REC-2) – Includes the uses of water for recreational activities involving proximity to water, but not normally involving body contact with water, where ingestion of water is reasonably possible. These uses include, but are not limited to, picnicking, sunbathing, hiking, beachcombing,

¹ The Basin Plan is available at:
https://www.waterboards.ca.gov/sandiego/water_issues/programs/basin_plan/.

camping, boating, tidepool and marine life study, hunting, sightseeing, or aesthetic enjoyment in conjunction with the above activities.

- f. Warm Freshwater Habitat (WARM) – Includes uses of water that support warm water ecosystems including, but not limited to, preservation or enhancement of aquatic habitats, vegetation, fish or wildlife, including invertebrates.
 - g. Wildlife Habitat (WILD) – Includes uses of water that support terrestrial ecosystems including, but not limited to, preservation and enhancement of terrestrial habitats, vegetation, wildlife (e.g., mammals, birds, reptiles, amphibians, invertebrates), or wildlife water and food sources.
14. The Pacific Ocean shoreline at Aliso Beach supports REC-1 and REC-2 beneficial uses and is a popular swimming beach, and thus a key area for these uses. Additionally, Aliso Creek discharges to the Laguna Beach State Marine Conservation Area and Laguna Beach State Marine Reserve, both of which are Marine Protected Areas and areas of special importance for recreation, habitat, and ecosystem related-beneficial uses. In accordance with the key uses/key areas concept, Aliso Beach is a priority for San Diego Water Board protection as described in [Resolution No. R9-2017-0030](#).²
15. Both Sulphur and Aliso Creeks, and the Pacific Ocean shoreline at Aliso Beach are listed on the [California 2024 Integrated Report](#) as impaired for indicator bacteria. Aliso Creek is also listed as impaired for benthic community effects, malathion, nitrogen, phosphorus, salinity, and toxicity.³
16. The areas affected by the sewage spill are not considered Disadvantaged Communities (DACs) according to [CalEnviroScreen](#).⁴

RELEVANT REGULATORY REQUIREMENTS

17. The Statewide General Order regulates all entities that own or operate a sanitary sewer system, greater than one mile in length, that collects or conveys untreated or partially treated wastewater to a publicly owned treatment facility in the State of California. Prohibition 4.2 of the Statewide General Order states that “Any discharge

² The Resolution is available at:

https://www.waterboards.ca.gov/rwqcb9/board_decisions/adopted_orders/2017/R9-2017-0030.pdf.

³ The California 2024 Integrated Report is available at:

https://www.waterboards.ca.gov/water_issues/programs/water_quality_assessment/2024-integrated-report.html.

⁴ CalEnviroScreen is a mapping tool created by the Office of Environmental Health and Hazard Assessment to geographically display a community’s multi-media pollution burden and identify disadvantaged communities per Senate Bill 535. CalEnviroScreen is available at:

<https://oehha.ca.gov/calenviroscreen/sb535>.

from a sanitary sewer system, discharged directly or indirectly through a drainage conveyance system or other route, to waters of the State is prohibited.” Provision 5.19 of the Statewide General Order states that “To prevent discharges to the environment, the Enrollee shall maintain in good working order, and operate as designed, any facility or treatment and control system designed to contain sewage and convey it to a treatment plant.”

18. The San Diego Water Board adopted *Waste Discharge Requirements for Sewage Collection Agencies in the San Diego Region*, Order No. R9-2007-0005 (Regional General Order) that establish additional requirements beyond the minimum requirements established in the Statewide General Order. Prohibition B.1 of the Regional General Order states “[t]he discharge of sewage from a sanitary sewer system at any point upstream of a sewage treatment plant is prohibited.”
19. Basin Plan Waste Discharge Prohibition No. 1 states “[t]he discharge of waste to waters of the state in a manner causing, or threatening to cause a condition of pollution, contamination or nuisance as defined in Water Code section 13050, is prohibited.”
20. Clean Water Act section 301 and Water Code section 13376 prohibit the discharge of pollutants to surface waters except in compliance with a National Pollutant Discharge Elimination System (NPDES) permit.

VIOLATION

21. The District’s unauthorized discharge of 464,700 gallons of untreated sewage to Sulphur Creek, Aliso Creek, and the Pacific Ocean shoreline at Aliso Beach on January 10, 2025, violated Statewide General Order Prohibition 4.2; Regional General Order Prohibition B.1; Clean Water Act section 301; Water Code section 13376; and Basin Plan Waste Discharge Prohibition No.1.
22. On December 5, 2023 and August 20, 2024, the State Water Resources Control Board (State Water Board) adopted Resolution Nos. 2023-0043 and 2024-0027, which adopted the 2024 Water Quality Enforcement Policy (2024 Enforcement Policy). The 2024 Enforcement Policy was approved by the Office of Administrative Law and become effective on November 7, 2024.
23. Water Code section 13327 requires the San Diego Water Board to consider several factors in determining administrative civil liability, including the nature, circumstance, extent, and gravity of the violation or violations, whether the discharge is susceptible to cleanup or abatement, the degree of toxicity of the discharge, and, with respect to the violator, the ability to pay, the effect on ability to continue in business, any voluntary cleanup efforts undertaken, any prior history of violations, the degree of culpability, economic benefit or savings, if any, resulting from the violation, and other matters as justice may require. The 2024 Enforcement Policy incorporates these factors in a methodology for determining administrative civil liability in instances of

noncompliance. The Prosecution Team developed the administrative civil liability based on the penalty calculation methodology of the 2024 Enforcement Policy.

24. As allowed by the 2024 Enforcement Policy, violations of multiple permit and Basin Plan requirements were treated as a single violation because a single act violated similar requirements in different applicable permits and plans that are designed to address the same water quality issue.⁵
25. The unauthorized discharge of untreated sewage in violation of Statewide General Order Prohibition 4.2 is subject to administrative civil liability pursuant to Water Code section 13350. Water Code section 13350(e) authorizes the San Diego Water Board to impose an administrative civil liability up to \$10.00 for each gallon of waste discharged to waters of the State.

ENFORCEMENT PROCESS

26. In May 2025, the Prosecution Team and the District entered into confidential settlement negotiations to resolve the alleged violation. The Parties agreed to settle this matter without administrative or civil litigation by presenting this Order to the San Diego Water Board for adoption as an order by settlement pursuant to Water Code section 13323 and Government Code section 11415.60. Additional detail on the factors considered in determining the liability agreed upon by the Parties is discussed in Attachment A (Moulton Niguel Water District Aliso Beach 2025 Sanitary Sewer System Spill Penalty Calculation Methodology), attached hereto and incorporated by reference.
27. The amount of administrative civil liability imposed pursuant to this Stipulated Order comports with the 2024 Enforcement Policy penalty calculation methodology as discussed in Attachment A.
28. To resolve the alleged violation by consent and without further administrative or civil proceedings, the Parties agree to the imposition of an administrative civil liability against the District in the amount of **five hundred fifty-three thousand dollars (\$553,000)**.
29. The Prosecution Team asserts that the resolution of the alleged violation is fair, reasonable, and fulfills the enforcement objective of creating a deterrent that would compel a timely return to compliance. No further action is warranted concerning the alleged violation except as provided in this Order. This Order is in the best interest of the public.

⁵ See 2024 Enforcement Policy, Section II.E, Multiple Violations Resulting from the Same Incident.

III. STIPULATIONS

The Parties stipulate the following:

1. **Jurisdiction:** The Parties agree that the San Diego Water Board has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction of the Parties to this Stipulated Order.
2. **Administrative Civil Liability:** The District hereby agrees to the imposition of an administrative civil liability totaling **\$553,000**, which includes \$19,640 in staff costs associated with the investigation and preparation of this enforcement action, to resolve the violation specifically alleged in this Stipulated Order. Within thirty (30) days of the effective date of this Order, the District agrees to remit, by check, **\$553,000** payable to the "Waste Discharge Permit Fund," and shall indicate "Order No. R9-2025-0137" on the check. The District shall send the original signed check to the following address:

State Water Resources Control Board; Accounting Office
ATTN: ACL Payment / Order No. R9-2025-0137
P.O. Box 1888
Sacramento, California 95812-1888

The District shall send a redacted copy of the check to the Prosecution Team Party Contact at the address listed in Section III, paragraph 3. Alternative forms of payment are acceptable if agreed upon in advance.

3. **Party Contacts for Communications related to this Order:**

For the Prosecution Team:

Christina Arias
Water Resource Control Engineer
San Diego Water Board
sandiego@waterboards.ca.gov
(619) 521-3361

For the District:

Sara Boyer
Regulatory Compliance Manager
Moulton Niguel Water District
sboyer@mnwd.com
(949) 425-3587

4. **Compliance with Applicable Law:** The District understands that the payment of the administrative civil liability in accordance with the terms of this Order does not relieve the District of its obligation to comply with applicable laws and new violations of the type alleged in Attachment A may subject it to further enforcement, including additional administrative civil liability.

5. **Covenant Not to Sue:** The District covenants not to sue or pursue any administrative or civil claim or claims against any State Agency or the State of California, or their officers, employees, representatives, agents, or attorneys arising out of or relating to any matter expressly addressed by this Stipulation and Order.
6. **Attorneys' Fees and Costs:** Each Party shall bear all attorneys' fees and costs arising from the Party's own counsel in connection with the matters set forth herein.
7. **Covered Matters:** Upon the San Diego Water Board's adoption of this Order, this Order presents a final and binding resolution and settlement of the alleged violation in this Stipulated Order. The provisions of this Paragraph are expressly conditioned on the full payment of the administrative civil liability by the deadline specified in Section III, paragraph 2.
8. **Public Notice:** The District understands that the San Diego Water Board will conduct a thirty (30) day public review and comment period prior to consideration and adoption of the Order. If significant new information is received that reasonably affects the propriety of presenting this Order to the San Diego Water Board for adoption, the Assistant Executive Officer may unilaterally declare this Order void and decide not to present it to the San Diego Water Board. The District agrees that it may not rescind or otherwise withdraw its approval of this proposed Order.
9. **No Waiver of Right to Enforce:** The failure of the Prosecution Team or the San Diego Water Board to enforce any provision of this Order shall in no way be deemed a waiver of such provision, or in any way affect the validity of the Order. The failure of the Prosecution Team or San Diego Water Board to enforce any such provision shall not preclude it from later enforcing the same or any other provision of this Order.
10. **Procedural Objections:** The Parties agree that the procedure contemplated for adopting this Order by the San Diego Water Board and review of this Order by the public is lawful and adequate. In the event procedural objections are raised prior to this Order becoming effective, the Parties agree to meet and confer concerning any such objections and may agree to revise or adjust the procedure as necessary and advisable.
11. **Interpretation:** This Order shall be construed as if the Parties prepared it jointly. Any uncertainty or ambiguity shall not be interpreted against any one Party.
12. **Modification:** This Order shall not be modified by any of the Parties by oral representation made before or after its execution. All modifications must be in writing, signed by all Parties, and approved by the San Diego Water Board.
13. **If Order Does Not Take Effect:** In the event that this Order does not take effect because it is not approved by the San Diego Water Board or is vacated in whole or in material part by the State Water Board or a final judgment of a court of competent jurisdiction, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing before the San Diego Water Board, on a future date after

reasonable notice and opportunity for preparation, to determine whether to assess administrative civil liability for the underlying alleged violation, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of the settlement discussions will not be admissible as evidence in such a hearing. The Parties agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to:

- a. Objections related to prejudice or bias of any of the San Diego Water Board members or their advisors and any other objections that are premised in whole or in part on the fact that the San Diego Water Board members or their advisors were exposed to some of the material facts and the Parties' settlement positions as a consequence of reviewing this Order, and therefore may have formed impressions or conclusions prior to any contested evidentiary hearing on a Complaint in this matter; or,
- b. Laches or delay or other equitable defenses based on the time period for administrative or judicial review to the extent this period has been extended by these settlement proceedings.

14. **Waiver of Hearing:** The District has been informed of the rights provided by Water Code section 13323(b), and provided this Stipulated Order is approved by the San Diego Water Board, hereby waives its right to a hearing before the San Diego Water Board.

15. **Waiver of Right to Petition or Appeal:** The District hereby waives its right to petition the San Diego Water Board's adoption of the Order as written for review by the State Water Board, and further waives its right, if any, to appeal the same to a California Superior Court and/or any California appellate level court.

16. **No Admission of Liability/No Waiver of Defenses:** In settling this matter, the District does not admit to the allegations stated herein nor admit to any violations of the Water Code, or any other federal, state, or local law or ordinance. By entering into this Stipulated Order, the District does not waive any defenses or arguments related to any future enforcement action brought by the San Diego Water Board or third-parties. Notwithstanding this paragraph, this Stipulated Order may be used as evidence of a prior enforcement action in the application of the "history of violations" factor in any future enforcement against the District, consistent with Water Code sections 13327 and/or 13385(e), the 2024 Enforcement Policy and any amendments thereto.

17. **Authority to Bind:** Each person executing this Order in a representative capacity represents and warrants that he or she is authorized to execute this Order on behalf of and to bind the entity on whose behalf he or she executes the Order.

18. **No Third-Party Beneficiaries:** This Order is not intended to confer any rights or obligations on any third party or parties, and no third party or parties shall have any right of action under this Order for any cause whatsoever.

19. **Effective Date:** This Order shall be effective and binding on the Parties on the date that the San Diego Water Board adopts the Order.
20. **Counterpart Signatures:** This Order may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterpart shall together constitute one document. Further, this Stipulated Order may be executed by facsimile or electronic signature, and any such facsimile or electronic signature by any Party hereto shall be deemed to be an original signature and shall be binding on such Party to the same extent as if such facsimile or electronic signature were an original signature.
21. **Severability:** The provisions of this Order are severable, and should any provision be found invalid, the remainder shall remain in full force and effect.

IT IS SO STIPULATED

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO
REGION, PROSECUTION TEAM**

By:

Original Signed by Kelly Dorsey on July 31, 2025

KELLY DORSEY, P.G., Assistant Executive Officer

MOULTON NIGUEL WATER DISTRICT

By:

Original Signed by Joone Lopez on July 31, 2025

**JOONE LOPEZ
General Manager/Chief Executive Officer**

IV. FINDINGS OF THE SAN DIEGO WATER BOARD

1. The San Diego Water Board incorporates Sections I through III by reference as if set forth fully herein.
2. In accepting this settlement, the San Diego Water Board has considered, where applicable, each of the factors prescribed in Water Code section 13327. The San Diego Water Board's consideration of these factors is based upon information obtained by the San Diego Water Board's staff in investigating the violation alleged herein or otherwise provided to the San Diego Water Board. In addition to these factors, this settlement recovers a portion of the costs incurred by the San Diego Water Board Prosecution Team for this matter.
3. This is an action to enforce the laws and regulations administered by the San Diego Water Board. The San Diego Water Board finds that issuance of this Order is exempt from the provisions of the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et seq.), in accordance with California Code of Regulations, title 14, section 15321(a)(2).
4. The San Diego Water Board's Executive Officer is hereby authorized to refer this matter directly to the Attorney General for enforcement if the District fails to perform any of its obligations under this Order.

IT IS HEREBY ORDERED pursuant to Water Code section 13323 and Government Code section 11415.60, on behalf of the California Regional Water Quality Control Board, San Diego Region.

I, David W. Gibson, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Diego Region.

David W. Gibson
Executive Officer