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FOR IMMEDIATE RELEASE

Legal Action Filed to Protect Water District Rate Payers

EVMWD Responds to Baseless Lawsuit on Canyon Lake Reservoir Lease

Lake Elsinore, CA – In an effort to shield its customers from a costly and prolonged legal battle, Elsinore Valley Municipal Water District (EVMWD) filed a cross-complaint today against the Canyon Lake Property Owners Association (CLPOA). This legal action responds to a CLPOA lawsuit that was filed just five days after the organization failed to make its scheduled lease payment of \$334,302.92. for its lease of the recreational use of Canyon Lake.

“The cross complaint asserts a variety of causes of action against the CLPOA,” says John Brown, EVMWD General Counsel. “The District is left with no choice but to ask the court to compel the CLPOA to honor the terms of its lease agreement.”

“As a public lawyer of 40 years, I cannot recall a more reckless effort to avoid a legal obligation of many decades”, Brown said. By refusing to pay its rent and instead suing a public agency to avoid its lease obligations, the CLPOA now leaves to the courts, in a time of record drought, the critically important issues of breach of contract, declaratory relief, quiet title and ejectment with respect to private recreational use of a publicly owned lake. .”No one wins when a tenant burns down the house”, Brown added.

The CLPOA leases surface rights to Canyon Lake, which primarily operates as a drinking water reservoir for all of the customers in EVMWD’s 96 square mile service area. The lease entitles the CLPOA to manage the use of the lake for recreation and regulate residential development around the perimeter of the lake. The current lease requires the CLPOA to pay \$1.455 million to EVMWD annually in quarterly payments. The CLPOA breached its contract by failing to make its lease payment on or before March 15, 2015.

“This issue boils down to our obligation to serve all of our rate payers across the entire community,” says EVMWD Board President Phil Williams. “The irresponsible actions of the CLPOA very possibly may have the unfortunate result of terminating the lease and closing the lake to recreational use as a matter of law and public policy.”

If the reservoir is no longer supporting recreational uses, a significant amount of water could be used to benefit all of the District’s nearly 135,000 customers. EVMWD could maximize the reservoir supply allowing the District to treat and deliver additional drinking water throughout its service area. The cross complaint as well as other issues surrounding the Canyon Lake Reservoir will be addressed this afternoon, March 26 at 4pm at the EVMWD Board of Directors meeting at the District headquarters in Lake Elsinore. All residents, customers and other stakeholders are encouraged to attend and participate in the public process.

EVMWD provides service to more than 133,000 water, wastewater and agricultural customers in a 96-square mile service area in Western Riverside County. The District is a sub-agency of the Western Municipal Water District and a member agency of the Metropolitan Water District of Southern California. Visit the EVMWD website at www.evmwd.com for additional information.

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