

## **Supervisor Janice Rutherford named 2015 'Outstanding Elected Official'**

*By Joe Nelson , The Sun*

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San Bernardino County Supervisor Janice Rutherford has been honored by the American Society for Public Administration Inland Empire chapter with the 2015 Outstanding Elected Official award.

The American Society for Public Administration presented the award to Rutherford on Wednesday at the Victoria Club in Riverside.

"Supervisor Rutherford was chosen because she personifies the best of the public service - thoughtfulness, commitment, and practicality," ASPA board member Monty Van Wart said in a statement Thursday. "Furthermore, the Inland ASPA chapter also recognizes her unusual ability to collaborate, unite, and inspire."

Rutherford served as a Fontana City Councilwoman for 10 years before being elected county supervisor in November 2010. She was re-elected in November 2014 and represents the county's second supervisorial district that encompasses the cities of Rancho Cucamonga, Upland, Fontana and the mountain communities of Crestline, Lytle Creek, Mt. Baldy, and Lake Arrowhead, among others.

In the last five years, she successfully led efforts for a campaign finance reform ordinance and having the state Fair Political Practices Commission enforce the ordinance. She is currently spearheading efforts to form a council of governments in the mountain communities within her district to improve communication among the various public agencies and address issues pertinent to that region.

"It is an honor to be recognized by this exceptional group of public service professionals," Rutherford said in a statement Thursday. "The Inland Empire is blessed to have many outstanding elected leaders committed to doing what's best for our residents and the future of the communities we represent, and I am thankful to be a member of such a hardworking and dynamic team."

## Drone over massive Lake Fire 'could've killed everybody in the air,' official says

By Jim Steinberg, The Sun

sbsun.com



Mike Eaton, a U.S. Forest Service Aviation Officer, was on an "air attack" mission when they encountered the drone. (Rick Sforza — Staff photographer)

**SAN BERNARDINO >>** As if four years of drought, thousands of acres of decades-old brush and more than 25,000 acres up in smoke weren't enough for entrenched fire crews, Southern California's first major wildfire of the year brought a man-made hazard to the skies that could have cost lives: Drones.

Firefighters battling the massive Lake Fire deep in the San Bernardino Mountains found themselves waging war Thursday against the remote-controlled flying machines, in this case civilian drones that halted aerial fire-suppression efforts on Wednesday and contributed to the spread of the fire and threatened lives, officials said.

"We got law enforcement out there. If it's launched again, we'll be on you," said Mike Eaton, forest aviation officer for the U.S. Forest Service and air tactical group supervisor on the Lake Fire, during a news conference at the U.S. Forest Service Air Tanker Base in San Bernardino.

Eaton said the orange or red drone with a 3-to-4-foot wingspan cut between two planes, flying at elevations of 12,500 feet and 11,500 feet, at 5:35 p.m. Wednesday. The drone was flying at an elevation of about 12,000 feet, he said.

One air tanker was tailing the two planes and preparing to drop retardant near the eastern flank of the fire while another tanker orbited above, preparing for a second drop, when the drone forced the pilots to terminate the mission, Eaton said.

But only three of the four planes were grounded, while the fourth stayed in the air in search of the drone and its operator, Eaton said.

"We wanted to continue monitoring the situation," Eaton said. "We were hoping to find the source (of the drone)."

While returning to the tanker base at San Bernardino International Airport, the pilots spotted a second, rotor-blade drone hovering above Heaps Peaks, in Lake Arrowhead, at an elevation of 700 feet — far above the 400-foot altitude restriction for drones, Eaton said.

Wednesday's drone encounter in the San Bernardino Mountains forced the air tanker pilots to

jettison a total of about 2,000 gallons of retardant at a cost of roughly \$15,000, U.S. Forest Service spokesman John Miller said. It also forced the grounding of three aircraft, including two air tankers preparing to drop retardant along the eastern flank of the fire.

"More importantly, it could've killed everybody in the air," Miller said at the news conference, which was held specifically to address the drone situation.

And it wasn't just the pilots in the air who were imperiled, he said.

"The purpose of today is to try to drive the message home to the American public that this is a serious life-safety threat, to not only our pilots and crews in the air but to firefighters and residents on the ground," Miller said.

Authorities were looking for the person responsible for operating the drone that grounded firefighters.

"We're working closely with the San Bernardino County Sheriff's Department to try to determine where these (drones) came from and who was operating them," Miller said. "One of the things we're asking from the public is if they did see anything, definitely to give us a call or give the San Bernardino County Sheriff's (Department) a call, and then we'll take it from there."

He said the biggest message authorities were trying to convey to drone hobbyists is to stay out of restricted airspace whenever there's a wildland fire or law enforcement activity occurring.

"We want to reinforce the message to the hobbyists out there that they have to think before they fly, and if they fly, we can't," Miller said.

"We all have seen the rapid growth in the use of these things for a multitude of different uses. It's something that a couple of years ago we didn't have to deal with."

Donald Baligad, a 37-year-old Yucca Valley resident and drone enthusiast who has been capturing video footage of the Lake Fire on his Yuneec Q500 rotor-blade drone, says he is always mindful of what he is doing and tries to keep his aircraft out of harm's way.

"In certain situations, such as when a fire is going on, I can understand when somebody's got a job to do," Baligad said. "I don't want my drone to be ran into by another aircraft, or somebody to be in danger by my stupidity."

He said his motivation to fly his drone over the fire is the perspective it offers from its video camera.

"I actually got back from vacation up north and the first day that fire started, got it up in the air," Baligad said. "Who else can take a photo at 500 feet of anything at all? It puts a view of something in a new perspective."

Of Wednesday's encounter with firefighting planes, he said: "I am not the guy."

Eaton said drones will likely continue to be an issue for public safety officials as their use proliferates.

"There's a lot of people buying them, and there's a lot of people flying them," Eaton said, adding that drones are becoming increasingly sophisticated, and people can fly them now for longer durations and at higher altitudes.

He said drones are an unnecessary, and potentially life-threatening, distraction for firefighters and law enforcement officials.

"The pilots need to be able to focus on flying the aircraft. We've got to watch for power lines and other planes," Eaton said. "Now, all of a sudden, we have a moving hazard that we don't know where it's going to appear and when it's going to appear. We just can't plan for it, and they'll pop up at the worst instant."

Though Wednesday marked the first time firefighters in San Bernardino County encountered drones in their airspace, the unmanned aerial vehicles have surfaced during other wildland fires.

In April, the Minnesota Department of Natural Resources enacted rules requiring that drones be kept at least 5 miles from active fire zones.

The agency enacted that rule to avoid collisions because drones were flying at the same height as firefighting helicopters.

And in July 2014, the pilot of an unmanned aircraft filming the Sand Fire, in the Sierra Nevada foothills east of Sacramento was told cease his flight. Authorities said the flight was a potential danger to firefighting planes.

Federal Aviation Administration regulations on model aircraft and drones put a flight ceiling on the machines at 400 feet, with a weight limit at 55 pounds.

The regulations also require notification when drones are to be flown less than 5 miles from an airport. And they must be operated in accordance with a "community-based" set of safety guidelines.

The Los Angeles County Fire Department does not use drones as part of its own firefighting arsenal.

Nor has it had an incident with drones interfering with its firefighting efforts, said Randall Wright, a spokesman.

"It is one of the new technologies we will be monitoring," Wright said.

The San Bernardino National Forest does not use drones in a firefighting role either, a spokesman said.

Experts have already begun monitoring the situation, given the growing number of clashes

between the technology and real-life efforts such as fighting fires.

Drone technology will continue to evolve with new uses that will create safety and privacy issues — something lawmakers will need to address, said Dan Nabel, interim director of the Intellectual Property & Technology Law Clinic at the USC Gould School of Law.

Technologies exist so that aircraft could send out a signal to shut off drones if they approach too closely, said Vincent Nestler, a professor of Information and Decision Sciences at Cal State San Bernardino.

These beacons, which would “drop drones out of the sky,” could be placed on emergency service aircraft and helicopters — or all aircraft and helicopters for that matter, said Nestler, who has been tinkering with drones for more than decade.

He uses them to teach a cybersecurity class at the Cal State campus.

Jason Jeffery, a Long Beach-based flight instructor and pilot, said that when flying into the Long Beach airport, he dips as low as 200 feet above houses.

From his standpoint, the 400-foot ceiling for unmanned aerial vehicles is too high.

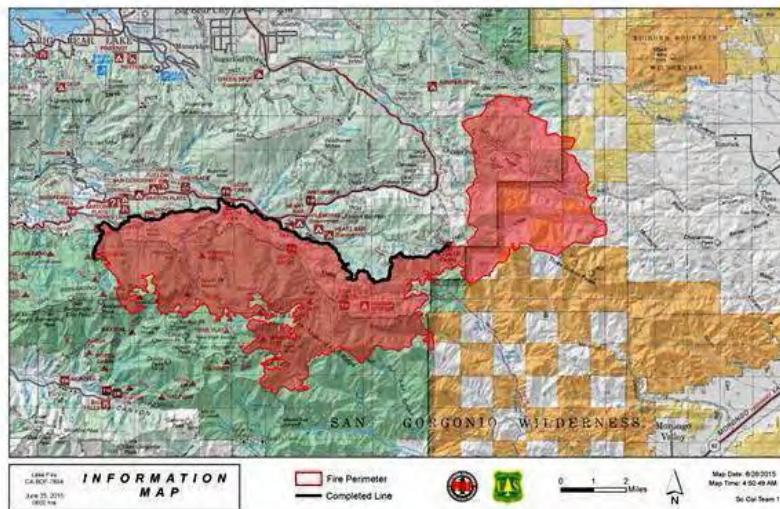
“There needs to be more regulations,” Jeffrey said. And there should be mandatory training for future amateur drone pilots, he said.

Just as most states require hunters to complete a hunter safety course before purchasing a hunting license, prospective hobby drone purchasers should be required to take a course and pass an exam, he said.

## Lake Fire expands to 29,813 acres, monsoonal weather approaches

By Greg Cappis, Inland Valley Daily Bulletin

DailyBulletin.com



The spread of the Lake Fire is seen on a U.S. Forest Service map distributed Friday, June 26, 2015. The blaze has burned nearly 30,000 acres in the San Bernardino Mountains. (Image courtesy of the U.S. Forest Service)

Kyle Bruinsma with the Heaps Peak Helitack crew watches as a water-dropping helicopter heads back toward the Lake Fire Thursday, June 25, 2015. All aircraft operations were suspended Wednesday after a private drone entered the fire zone. (Photo by Will Lester/Inland Valley Daily Bulletin)

As firefighters continued battling the Lake Fire Friday in dry, hot conditions, a monsoonal-type weather system is moving toward the area, bringing the potential for rain but also a chance of shifting winds and lightning, which can pose a danger to fire crews.

"A lot of people will hear thunderstorms and will say, 'Yay, that brings rain,' but

they forget about the lighting and wind, so I guess it's a mixed blessing," said Carol Underhill, a spokeswoman for the U.S. Forest Service.

- RELATED STORY:** Drone over massive Lake Fire 'could've killed everybody in the air'

A dredging downpour extinguishing the fire isn't likely, according to the National Weather Service, but increased humidity beginning Sunday and lasting for most of the week has the potential to slow the fire's rate of spread.

"(Firefighters are) hoping that we'll get some wetting rain, and it'll put the fire down. But the chances of there being multiple rain showers or thunderstorms to put wetting rain down on that fire — it's relatively small," said Philip Gonsalves, a meteorologist at the National Weather Service's San Diego office.

As of Friday morning, the blaze burning deep in the San Bernardino Mountains between Highway 38 and the Morongo Valley had charred 29,813 acres and was 19 percent

contained, according to the Forest Service.

The previous night, the fire expanded by about 4,000 acres — north toward Heartbreak Ridge, east toward Burns Canyon and south toward Three Sisters Park, according to Underhill.

The Burns Canyon area, which includes many ranches housing large animals, had already been successfully evacuated.

About 150 fire engines are working the fire, mostly near homes and roads. No homes have been damaged or destroyed, Underhill said. Nine tanker airplanes and 18 helicopters were attacking the fire from above Friday. Helicopters are also being used to drop off crews at the fire's southern edge because there are no roads leading to the fire line.

The Inland Empire probably won't receive any precipitation from the storm that is approaching the region from the south, Gonsalves said.

Thunderstorms in the mountains will be scattered, and dry lightning may precede afternoon and evening rains, according to Gonsalves.

"Because we're talking about convective cells, the amounts (of precipitation) are going to vary drastically," he said.

Dry lightning has the potential to spark additional fires. Fire officials will be monitoring the lightning and aggressively attack any new fires that may ignite from lightning strikes, Underhill said.

The Lake Fire ignited June 17 near Jenks Lake.

Retreat camps, cabins and camping grounds in the area were immediately evacuated as the blaze quickly expanded to thousands of acres in 24 hours.

Highway 38 has been closed between Angelus Oaks and Lake Williams since the fire took off, and evacuations have been ordered in the area.

Voluntary evacuation orders remain in place for Pioneertown, which sits below the eastern edge of the fire. Copper Mountain College, 6162 Rotary Way, in Joshua Tree, is serving as an evacuation center for the area.

## More evacuations ordered as Lake Fire grows beyond 25,000 acres

By Beatriz Valenzuela, San Bernardino Sun

sbsun.com

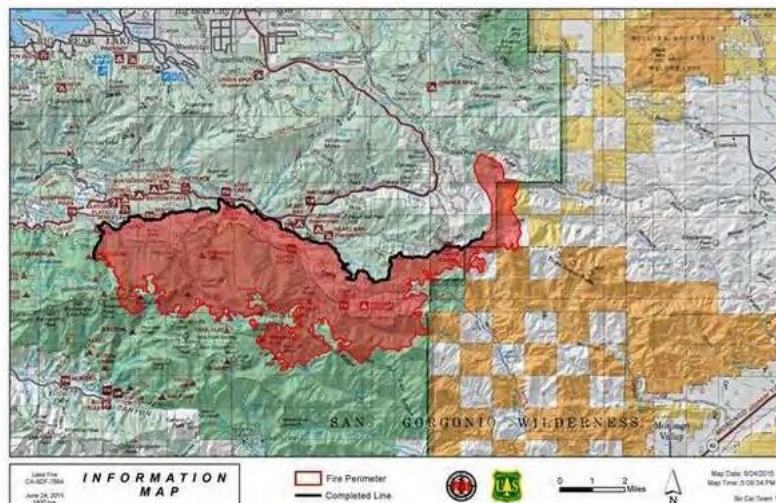


John Miller, spokesman for the U.S. Forest Service, talks Thursday at USFS Air Tanker Base in San Bernardino about the plan for attacking the Lake Fire. Rick Sforza — Staff Photographer

This U.S. Forest Service map shows the progress of the Lake Fire as of 5:09 p.m. Wednesday, June 24, 2015. On Thursday, June 25, officials reported that the fire had grown to 24,000 acres and was 21 percent contained.

Four firefighters suffered minor injuries fighting the massive Lake Fire, which has prompted more evacuation orders for a handful of mountain communities, fire officials said Thursday.

The fire ballooned to more than 25,000 acres, and its containment fell from 38 percent to 19 percent, according to Rob Kopack with the U.S. Forest Service incident command.



Residents of the Burns Canyon and Rimrock areas were asked to leave their homes Wednesday night as the fire, deep in the San Gorgonio Wilderness, began to spread, officials said. Nearby Pioneertown was under a voluntary evacuation.

A shelter was set up for evacuees at Copper Mountain College in Yucca Valley, and plumes from the blaze could be seen Thursday from as far away as downtown San Bernardino.

- Video: Growing Lake Fire prompts evacuations

On Wednesday, about 360 campers were evacuated from Camp Oakes in the Lake Williams area as a precautionary measure.

The campers were taken to Community Church Big Bear in Big Bear Lake, where the American Red Cross set up an evacuation center.

Other communities under evacuation orders included areas along Highway 38 east of Angelus Oaks to Onyx Summit, Barton Flats, Seven Oaks, South Fork, Heart Bar and

Rainbow Lane.

The fire has traveled about 14 miles since it ignited last Wednesday, Kopack said.

Others have prepared for evacuation, including Brad Harris of Erwin Lake.

Harris and his wife, co-owners of Broadway Cafe in Big Bear Lake, gathered important documents and photos in preparation for an evacuation order. They had to evacuate the area about 10 years ago during a fire in Running Springs, Harris said.

Air firefighting efforts were temporarily placed on hold Wednesday evening when a hobby drone was spotted flying over the Lake Fire.

"We can't have any kind of drone up there as we're fighting fires due to safety measures," said Carlos Guerrero, a Forest Service spokesman in a recent interview. "We are trying to avoid a midair collision up there. If we spot one, we will shut down all air operations — and that leaves ground crews with no air support."

The entire air fleet fighting the Lake Fire was grounded Wednesday, thwarting firefighters' efforts to drop retardant and create a fire break, and it could have killed people in a plane, according to Forest Aviation Officer Mike Eaton.

Several crews were at the ready Thursday morning to help with structure protection in various areas of the mountain communities. For the past few days, firefighters have been wrapping homes and cabins in the Jenks Lake and Rainbow Lane areas to help protect the structures.

"It looks like a metallic film, and it reflects the heat, which protects the homes," explained Shawna Hartman, incident spokeswoman.

The Lake Fire was ignited on June 17 in the Jenks Lake area. The cause remained under investigation.

## L.A. Now

California: This just in

# Lake fire grew after private drone flights disrupted air drops

By **JOSEPH SERNA, PALOMA ESQUIVEL AND JOE MOZINGO**

JUNE 25, 2015, 6:00 PM

**A**s a hot wind shifted north and drove the flames toward Onyx Peak east of Big Bear Lake, fire crews deployed to save homes scattered among brittle-dry pines — waiting for help from a DC-10 laden with 10,800 gallons of retardant.

It never came. Shortly before 6 p.m. on Wednesday, an incident commander on the ground spotted a hobby drone buzzing near the drop site at 11,000 feet. The air tanker had to turn back, as did two smaller planes following it.

“These folks who are handling these drones, I have to assume they have no idea what they’re doing,” Chon Bribiescas, a spokesman for the U.S. Forest Service, said Thursday. “They not only endangered the folks on the ground, but they endanger the pilots.”

Officials fighting the Lake fire in the San Bernardino Mountains scrambled to warn the public that it is illegal and dangerous to fly drones in restricted airspace around a fire. Unmanned aircraft are particularly hazardous because authorities have no idea who is controlling them or how they might maneuver.

The DC-10 had to divert and drop its retardant on a fire along the Nevada border, while the two smaller planes had to jettison theirs because they couldn’t land with that much weight. Officials said the failed mission cost between \$10,000 and \$15,000.

As the planes returned to their base by Lake Arrowhead, pilots spotted another drone 1,200 feet above ground, far above the 400-foot limit set by the FAA for unmanned aircraft.

“It’s infuriating,” Bribiescas said.

Authorities could not locate the operators of the drones. They described the aircraft that obstructed the retardant drops as an orange or red fixed-wing drone with a wingspan of 4 feet.

Mike Eaton, forest aviation officer with the U.S. Forest Service, said police would be patrolling mountain roads, looking for people flying drones in the temporarily restricted airspace set by the FAA.

Speaking at a news conference at the San Bernardino Airtanker Base, Eaton urged people to stay away from the fire. Red fliers were stapled around a fire map that read: "If You Fly, We Can't."

Eaton said air drops had to be shut down two hours early on Wednesday because of the drone.

"The fire certainly grew because we weren't able to drop the retardant," said. "We had to shut down subsequent missions that could have possibly contained the fire."

By Thursday morning, the fire had grown to 23,199 acres and was 21% contained. Late in the afternoon it had spread a mile north to Heartbreak Ridge.

As unmanned aerial system technology has become more prevalent, so have run-ins between civilians using it and government agencies that consider it a danger. The U.S. Forest Service issued a statement last year on civilian drone use, warning that it could interfere with firefighting efforts.

In July 2014, CalFire crews had law enforcement confront a drone operator near Plymouth in Northern California after he flew the aircraft near a 3,800-acre blaze as crews made water drops.

While it's illegal for civilians to operate aircraft in restricted space, firefighters are beginning to use drones for their own purposes.

The U.S. Forest Service requested a drone from the Department of Defense in 2013 to help survey the Rim fire, one of the largest blazes in state history. The drone helped map where the fire was going and kept track of crews at night.

This week in the San Bernardino National Forest, firefighters have focused on containing the blaze south of Highway 38 in the San Gorgonio Wilderness area, preventing it from climbing up the mountainside behind the Snow Summit and Bear Mountain ski resorts and threatening the communities around Big Bear Lake.

The fire sent a massive plume of smoke northeast, blanketing much of southern Nevada and the eastern edge of California.

John Miller, another Forest Service spokesman, said conditions for the next few days look dicey. Sporadic winds from incoming storms, as well as lightning, could potentially trigger more wildfires.

And he said the dry conditions from the drought are causing the fire to burn differently. Normally,

large trees slow fires down, but because they are so parched, they are burning fast, more like hillside chaparral.

“What this fire is showing us is that this is not a normal fire season,” Miller said. “There is nothing normal about the way the fuels are burning and are being consumed.

“We’re seeing fire activity above 10,000 feet that we haven’t seen in years.”

Mandatory evacuations were in effect for the high desert communities of Burns Canyon and Rimrock, northeast of the fire.

Firefighters were trying to persuade residents of Burns Canyon to leave, even though the vegetation — and potential fuel load — is much sparser.

The dusty area is served by a single narrow road. If the fire made a turn toward the community, a flat tire could stop others from getting out.

A couple of miles east in Rimrock, residents decided to stay put among the Joshua trees, despite the billowing cloud of white smoke that gathered not too far in the distance.

Some soaked their roofs and packed their trucks, just in case.

Norm Erickson, 59, sat outside monitoring the fire and made sure that 4,000-gallon water tanks were filled for firefighters. The 30-year resident of this quiet community said he hadn’t expected the blaze to get close to his neighborhood.

“It was on the other side of the mountain,” he said. “I didn’t think they’d let it get that far, though it’s pretty inaccessible terrain they’re working with.”

He said he had been surprised when he heard someone had flown a drone into the fire area. If the blaze continued to burn out of control, Erickson said, “they’ll be responsible for it.”

In the mountains just outside of Big Bear, the San Bernardino County Sheriff’s Department advised residents in Lake Williams, Erwin Lake and Baldwin Lake to be prepared to evacuate.

But in town, life moved along at its normal languid summer pace.

“It sounds like firefighters have it under control,” said Judy Houston, working at the Gold Rush Resort in Big Bear Lake.

She said she’s been getting fire updates through Facebook and other websites, and isn’t worried about the shifting winds expected this weekend.

"The storms could be a blessing," Houston said. "If they're anything like the monsoon storms we get, then it could bring a good downpour."

*Serna and Mozingo reported from Los Angeles, Esquivel from Rimrock. Times staff writers Ruben Vives in Big Bear Lake and Veronica Rocha in Los Angeles contributed to this report.*

**For more California fire news, follow [@JosephSerna](#)**

**ALSO:**

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**UPDATES**

**6:00 p.m.**: This post was updated with additional reporting.

**3:38 p.m.**: This post was updated with additional details.

**11:10 a.m.**: This story was updated with details on the drone sighting.

**8:11 a.m.**: This story was updated with new information on the two fires and concerns about lightning strikes.

The first version of this story was published at 6:32 a.m.

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## Lake Fire shows hobby drones, firefighting don't mix

By The Editorial Board , San Bernardino County Sun

sbsun.com



A helicopter drops fire retardant along Rainbow Lane in the afternoon hours of Wednesday, June 24, 2015, as the battle against the Lake Fire continues. (Photo courtesy of the U.S. Forest Service)

The Lake Fire burning in the San Bernardino National Forest could be a big, bad preview of what might be a terrible wildfire season in California. This fourth year of withering drought requires that every Californian exercise caution to prevent fires.

The last thing we need, once a forest fire has broken out and firefighters are putting their lives on the line to put it out, is some bozo flying his hobby drone over the fire to get a look at it.

But that's what happened Wednesday evening, when air firefighting efforts were temporarily placed on hold because a drone had been spotted flying over the Lake Fire airspace. A pilot was forced to jettison about 2,000 gallons of retardant at a cost of roughly \$15,000.

"We can't have any kind of drone up there as we're fighting fires due to safety measures," said Carlos Guerrera, spokesman for the Lake Fire incident. "We are trying to avoid a mid-air collision up there. If we spot [a drone], we will shut down all air operations — and that leaves ground crews with no air support."

In other words, it puts the ground crews in further danger and sets back the effort to fight the fire.

"More importantly, it could've killed everybody in the air," U.S. Forest Service spokesman John Miller said.

There was, in fact, something of a setback in the Lake Fire effort Wednesday: When the fire ballooned to 24,000 acres, containment dropped from 38 percent to 21 percent. We can't say for sure whether or how much the drone-forced pause in firefighting support contributed to those figures, but obviously it did not help.

So please, if you have a drone, exercise some common sense and some respect for your fellow man, the forest and the animals that call it home — don't send your drone up anywhere near the Lake Fire or any of the other fires that are bound to ignite in our dried-out forests and chaparral this year.

We're just a week away from the July Fourth weekend, when some might be tempted to light illegal fireworks in or near the forest. Don't.

San Bernardino National Forest officials will step up enforcement starting Monday on activities that could ignite another fire. No wood or charcoal fires will be allowed anywhere in the forest. Those with a valid California camp fire permit may use a gas or propane cooking stove. Smoking is allowed only in enclosed buildings or vehicles.

And, of course, fireworks are always prohibited in the forest.

Officials promised that the regulations would be “aggressively enforced,” putting violators at risk of being fined as much as \$10,000, jailed for up to six months, or both.

Extreme caution on everyone’s part will be necessary the rest of this calendar year, all up and down California. Here in Southern California, we’ve had the kind of heat in June that we’re more used to in July or August.

Bark beetle infestations — no doubt made worse because so many trees have been stressed by the drought — have left many dead trees standing in California forests to serve as ready fuel if a fire breaks out.

We all need to very careful out there. And don’t do anything stupid.



## SAN BERNARDINO: Drones spotted above 100-acre blaze (UPDATE)

[STAFF REPORTS](#)

2015-06-25 19:11:35



An 100-acre fire north of San Bernardino temporarily grounded its air fleet on Thursday, June 25, after two drones were spotted over the blaze, fire officials say.

The fire was reported at 6:30 p.m. in the area of Sterling Avenue north of San Bernardino. By 9 p.m., it was 20 percent contained.

Though air tankers and fire helicopters were initially called to the scene, the presence of the drones grounded the fleet. By 8:30 p.m., the aerial attack resumed until nightfall. The tankers don't fly at night.

One of the drones was not interfering with the fire, according to San Bernardino National Forest spokesman John Miller. The other, Miller said, was in the way. The operator of that drone was detained by San Bernardino County sheriff's deputies.

"The drones are a real hazard to all air operations," said Forest Service spokeswoman Gerrelaine Alcordo.

The blaze was burning "little flash fuels" and light brush, Alcordo said.

Forest Service officials were concerned the blaze would grow to the northeast into the forest, where there was heavier brush and timber.

No evacuations were in place.

Initial reports suggested the blaze was threatening structures, but the blaze moved northward and they are no longer threatened.

More than 300 firefighting personnel from Cal Fire San Bernardino, the U.S. Forest Service and San Bernardino City Fire Department were on scene.

The blaze prompted overnight road closures. They are:

- Sterling Avenue, north of Alto Drive.
- Foothill Drive between Elm Avenue and the First Christian Church.

The closures will be re-evaluated at 7 a.m. Friday.

# L.A. Now

California: This just in

## 2 wildfires burn in steep canyons of San Bernardino National Forest

By **JOSEPH SERNA**

JUNE 26, 2015, 6:24 AM

**T**wo wildfires continued to burn Friday in the San Bernardino National Forest, challenging firefighters as flames crept down steep canyons and into dense vegetation inaccessible by foot.

The larger blaze, the Lake fire, has burned about 25,599 acres since it started June 17 south of Highway 38 and pushed northeast deeper into the forest toward Heartbreak Ridge.

Crews had made significant gains containing the blaze earlier this week but a wind shift Wednesday steered the fire into new, drought-parched fuel, authorities said.

The Lake fire is now 19% contained and has cost an estimated \$17.6 million to fight so far, the U.S. Forest Service said.

Mandatory evacuations remained in place for residents of Burns Canyon, Rimrock, Barton Flats, Seven Oaks, Rainbow Lane and Heart Bar, with a voluntary evacuation for those in Pioneertown.

Residents in Lake Williams, Erwin Lake and Baldwin Lake have been warned of possible evacuation orders, fire officials said.

Earlier this week authorities announced they were forced to temporarily ground water and flame-retardant drops over the blaze because a pair of drones had been spotted in the area. One drone was described as a fixed-wing model with a four-foot wingspan.

Though authorities urged the public to keep civilian drones away from firefighting missions, it does not appear everyone heeded the advice. A day after the drones complicated firefighting at the Lake fire, a drone was spotted at a second, smaller fire in the forest.

Crews at the Sterling fire, located east of Del Rosa Avenue in San Bernardino, briefly halted air tanker drops because of a drone, the Forest Service said. The owner was not found. The blaze has

burned about 100 acres and was 20% contained Friday morning, authorities said.

Officials hope cooler weather forecast for the weekend could help crews contain both fires. A wildfire burning in Santa Clarita that started earlier this week scorched 415 acres and was 95% contained Friday.

**For breaking California news, follow [@JosephSerna](#).**

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## Sterling Fire: Blaze in San Bernardino foothills grows to 100 acres

By Staff Report

sbsun.com



Firefighters drag a hose to the Sterling Fire in the foothills of San Bernardino on Thursday. Micah Escamilla — Staff Photographer

**SAN BERNARDINO >>** A fire ignited in the foothills in the northeastern part of the city on Thursday evening and spread to 100 acres before midnight.

One helicopter and 300 fire personnel were aggressively attacking the blaze overnight, according to Gerrelaine Alcordo, a U.S. Forest Service spokeswoman.

The Forest Service and other agencies were assisting the San Bernardino Fire Department, which was leading the firefighting operations set up at the intersection of Foothill Drive and Sterling Avenue.

- Video: Fire retardant is dropped on the Sterling Fire

The blaze ignited about 6:30 p.m. Initially, 30 homes were threatened but the blaze shifted, moving northeast into the foothills of the San Bernardino Mountains and away from residences.

Before nightfall additional aircraft were dropping retardant on the blaze, dubbed the Sterling Fire, but were temporarily halted. A drone had flown over the fire, which is considered restricted airspace.

The pilot was not located.

### Photos: Sterling fire burns over 100 acres in San Bernardino

Sheriff's deputies spoke with another drone pilot, a teenager, but determined he was legally flying the unmanned aircraft.

On Wednesday, aircraft at the Lake Fire, which by Thursday was burning 25,000 acres deep in the San Bernardino Mountains were grounded because a drone entered airspace above the fire.

Alcordo said they had not determined if the same drone interrupted operations at the two fires.



## CENSUS: Latinos half of Inland population

BY ALEJANDRA MOLINA

2015-06-25 11:07:00



The Inland Empire is seeing steady growth in the Latino population, which now comprises half of the region's residents, census figures released Thursday, June 25 show.

The region also has reported steady growth in the Asian population and a slight increase in African Americans, but it continues to lose whites.

The Latino population between 2013 and 2014 in Riverside and San Bernardino counties increased by more than 47,000 people to nearly 2.2 million, or half of the Inland Empire's population.

population is not surprising.

To Latino community organizers, the continuing growth in the Latino

"It's going to continue growing. The cost of living is cheaper here in Riverside and San Bernardino counties," said Luz Gallegos, community programs director at TODEC Legal Center, a grassroots organization serving migrant communities in Riverside, San Bernardino and Imperial counties.

Gallegos also attributed the rise of Latinos to the number of distribution centers that move into the Inland Empire. Many of those centers, she said, bring their workers with them.

"It's living where you're able to find a job and pay rent," she said.

The Census Bureau's estimates of the population on July 1, 2014, were released early today.

The population estimates also show a growing number of Asians in Riverside and San Bernardino counties and a drop in the white population – the latter a trend since 2010 in San Bernardino County and 2012 in Riverside County.

Between 2013 and 2014, the Asian population increased by slightly more than 8,500 residents.

Riverside County's African American population increased by more than 1,800 residents, while San Bernardino County saw an increase of 1,134 African American residents – a contrast from the previous year's estimates when the African American population dropped in San Bernardino County.

Raymond Turner, pastor of Temple Missionary Baptist Church, a mostly African American congregation in San Bernardino, said many African Americans were leaving the San Bernardino area in search of cheaper housing, jobs and lower crime.

Many, he said, were moving to Las Vegas or Arizona.

Turner, who said he couldn't account for the slight African American growth noted in the census estimates, said he has heard from more African Americans who are yearning to come back to California after moving.

"People who have moved away have expressed interest in coming back," he said.

"A lot of them are beginning to realize that a house is not a home," Turner added. "The social aspect (is) what's

missing, the community."

**Contact the writer:** [amolina@pe.com](mailto:amolina@pe.com)

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## EDITORIAL: Don't rush to judgment on Proposition 47

2015-06-25 17:09:14

In the nearly eight months since California voters approved sweeping criminal justice reforms, law enforcement officials in Riverside County have kept a close eye on its impacts to public safety.

Proposition 47 sent a loud and clear signal for a greater emphasis on serious and violent offenses. The initiative reduced numerous offenses from felonies to misdemeanors – chiefly drug possession and other low-level crimes.

Statewide, thousands of individuals in state prisons have been released. In Riverside County, jail bookings have fallen by 18 percent; bookings for drug and property offenses are down 31 percent and 15 percent, respectively.

Of particular interest to observers is whether the initiative will lead to crime increases. Preliminary figures from the first three months of this year versus the first three months of last year suggest some crime increases.

In the regions served by the Sheriff's Department, violent crimes are up 16 percent, property crimes 1 percent and crime overall 1.7 percent.

At a June 15 meeting of the Riverside County Board of Supervisors, Sheriff Stan Sniff told supervisors it's still too early to know for sure what the effect of Prop. 47 will be.

In contrast, we believe District Attorney Mike Hestrin overstated what is known about the impact of the initiative. Despite prefacing his remarks by reiterating the need for caution in interpreting crime data, Mr. Hestrin argued at length that the crime increases are an unintended consequence of the initiative.

While Mr. Hestrin made a compelling presentation showing increases in particular crimes across the county, no clear connection has been demonstrated between Prop. 47 and those increases. This is particularly true of violent crimes, on which Prop. 47 has no direct impact.

Crime rates fluctuate over time. Taking a step back reveals that crime in the state still is less common than it was a decade ago. Before rushing to judgment, more research is needed.

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## Running a tribe's business a complex maze of history, law, traditions

BY KATHERINE DAVIS-YOUNG

2015-06-17 11:13:04



The San Manuel Band of Mission Indians employs thousands of people. But it's not a typical business.

"Culture and tradition of the tribe always takes precedence over business decisions, regardless of how much money we might make," said Deron Marquez, who served as the tribe's chair from 1999 to 2006.

The challenge is finding employees who can understand that.

Nine years ago, the tribe decided to start an educational program to help non-Native American employees better understand their workplace. They established a Tribal Administration certificate program through the Claremont Graduate University. The program has become so popular that this semester, the tribe and the university expanded the course offerings.

The tribe began seeing rapid economic growth with the development of its casino business in the mid 1980s. The tribe, which has about 200 enrolled members, and a few decades ago had only a handful of administrators on staff, now has about 4,000 employees, making it one of the Inland Empire's largest employers.

Marquez said as San Manuel Indian Bingo and Casino grew, finding the right lawyers, HR staff and managers to build an administration was a challenge.

"We've had people come from corporate America who don't understand sometimes some of the things tribes do," Marquez said. Marquez and his colleagues recognized that this issue stemmed from a general lack of education about Native American subjects among job applicants.

Public relations manager Kenneth Shoji said he knew little about Native Americans when he took his job. "I think [in school] the idea of tribes is always presented as history but not contemporary fact," he said.

San Manuel established the tribal administration program in 2006 as an optional course for non-Native American employees. Employees apply to participate and San Manuel sponsors their studies. The program began as a one-year certificate program and this year, San Manuel invested \$4 million to add a second year of coursework. Slots have been quick to fill.

The certificate program offers courses in management and business, but students start with the basics, learning some of the history of the tribe. But even the basics tend to be complicated when it comes to Native American history.

"I always tell students they're going to walk out of my class more confused," Marquez said, with a laugh.

Native American tribes function almost like individual states or sovereign nations in the U.S. legal system. One goal of the program is to introduce employees to the complex world of American Indian law.

"A lot of people refer to it as the wild wild west of law," said Kathlene Burke, who has worked as a staff attorney for the tribe since 2014. Burke said there is scant legal precedent when it comes to Native American law, and it is often inconsistent. Burke said participating in the program gave her a more in-depth understanding of the

tribal perspective.

Tribal administration education programs similar to San Manuel's have popped up among the Pawnee Nation and the Cherokee Nation, among others, and at universities such as the University of Minnesota Duluth and Northern Arizona University.

Nine years into its program, the tribe is seeing results.

More than 80 employees have completed the program. Little by little, that's changing the workplace atmosphere, Marquez said.

"We have employees who have been with us more than 20 years who are saying they learned things they never knew," Marquez said. "It has had a huge effect on individuals and the operation."

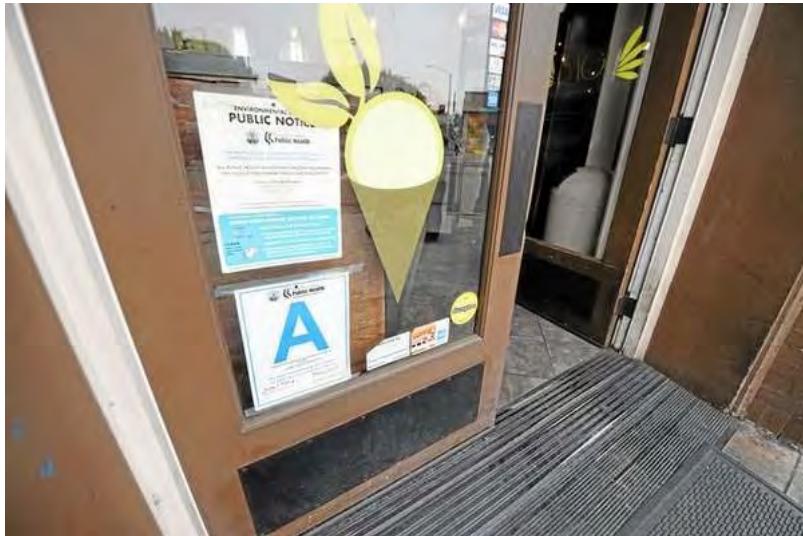
**Contact the writer:** [community@pe.com](mailto:community@pe.com)

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## What that restaurant letter grade isn't telling you about health and cleanliness

By Stephanie K. Baer, *Inland Valley Daily Bulletin*

DailyBulletin.com



Sage Vegan Bistro at 1700 Sunset Blvd. in Echo Park was closed temporarily in September because of a cockroach infestation. Hans Gutknecht — Staff photographer

Don't let an "A" health grade taped to the window of your favorite restaurant fool you into thinking all is well in the kitchen.

Consider the case of Friendly Hills Country Club's snack bar in Whittier.

Last May, a county health inspector found more than 20 fresh mice and rat droppings under the stove in the kitchen of the snack bar at the golf club that calls itself the hidden gem of the San Gabriel Valley.

- **Map:** Los Angeles County restaurant closures

Another restaurant, Charlie's Pantry in Studio City, was found operating without hot water for the second time in one week last January.

But at the end of two-hour inspections, both facilities earned A grades — the highest public health rating Los Angeles County gives restaurants.

The county's grading system, which measures a restaurant's cleanliness and food handling practices, allows too many facilities to operate with major health threats and misleads the public about actual operating conditions in the kitchen, according to a review of 21 months of inspection data from the Los Angeles County Department of Public Health.

The data includes routine and owner-initiated inspections conducted between July 1, 2013 and March 31, 2015 of restaurants in the county of Los Angeles except for the cities of Long Beach, Pasadena and Vernon.

"We need to make some changes so we won't have the situation that people have more confidence in the letter grade than perhaps it really warrants," said Angelo Bellomo, director of the county's environmental health program, which is responsible for inspecting more than 39,000 retail food facilities in the county between one and three times a year.

Prompted by a review of the data by the Los Angeles News Group, county officials are considering ways to improve the widely-emulated letter grading system that has gone largely unchanged since 1998. The County Board of Supervisors asked the health department earlier

this month to review the grading process, report back on problems and recommend fixes to the system.

"As, Bs and Cs all pass muster in terms of being able to open and operate," said Fred Leaf, who works for Supervisor Michael Antonovich on health issues and policies. Closures can happen at any restaurant "no matter what their grade is," Leaf said.

Of particular concern are cases like the Friendly Hills snack bar. On the same afternoon that the facility received the department's top grade, the snack bar had its public health permit suspended and was temporarily closed because of the rodent infestation.

### **Most get A or B grade**

Of the 1,069 permit suspensions issued to restaurants during the 21-month period, the snack bar's suspension was one of 1,015 — 95 percent — that occurred at restaurants receiving A or B grades at the same time they were closed, the data shows.

Restaurant's whose permits are suspended must close until another inspection determines that the problems have been fixed.

It's a "lapse in logic," Bellomo said of the disparity in the grade level of restaurants that have their operating permits suspended. The county needs to reevaluate how it issues A, B and C grades to ensure that restaurants can't earn high marks when they're closed for a major health violation, he said.

Starting with 100 points, health inspectors deduct specific point values for about 50 different subcategories of health and sanitation standards. A major infraction, like a lack of hot water, is a four-point deduction and can shut down a restaurant immediately.

- **Database:** Los Angeles County restaurant health violations

Minor violations, such as a dirty sink, are just two points, while violations of good retail practices — preventive measures like washing fruits and vegetables — are a one-point deduction.

There is no minimum number of points that a restaurant needs in order to operate, however, the data shows that most restaurants did not fall below 70 points.

"What the grade should indicate is that at the time of its last inspection the restaurant was certainly operating within the guidelines and the laws," said David Plunkett, senior staff attorney in the food safety program at the Washington, D.C.-based Center for Science in the Public Interest. "The restaurant took all the trouble to get up to those standards."

But in reality, that's not always the case.

Because major violations only cost food facilities four points, a restaurant could have one or even two critical health problems and still retain an A grade.

"The public doesn't understand that," said Liza Frias, former director for the department responsible for inspecting Pasadena restaurants. "It doesn't make any sense."

Most permit suspensions occur at restaurants with top marks because very few restaurants receive C grades and the most common reasons for closures can happen at any restaurant, says Jonathan Fielding, former director of the county's public health department and a professor of health policy and management and pediatrics at the UCLA Fielding School of Public Health.

### **Just a snapshot**

According to county health officials, less than 1 percent of all grades issued to restaurants during the 21-month period were C's. A's accounted for nearly 95 percent of the grades, while B's make up about 5 percent of the grades.

"The most common issue for closure is a harborage — basically you have critters, you have rat droppings, you have cockroaches, you have things that suggest inadequate attention," said Fielding, who implemented the grading program about 17 years ago. "Other reasons for closures are things that are not within the purview, not within the ability of the restaurants to deal with, so let's say there's a sewage spill somewhere ... or the hot water breaks."

During three consecutive inspections at Jade BBQ & Seafood in Rosemead, health officials observed a combination of minor violations and one major violation, each time requiring a reinspection. But all the public knew was that the restaurant received two Bs and one A in the eight months the inspections were conducted.

The next time the health department conducted a routine inspection in July 2014 the restaurant received a C and had three major violations, including a fly infestation that ultimately closed the facility for three days.

"You can't have major violations and stay an A for very long," Fielding said. "If we see a problem that's a current present danger to public health we'll close it. We don't care what the score is."

Because facilities are only inspected one to three times a year, a restaurant can go months without an inspection, allowing major health hazards to develop without consumers' knowledge.

For example, during an inspection at Sage Vegan Bistro on Sept. 25, 2014, a health inspector discovered four live cockroaches in the Echo Park restaurant's food storage area and immediately suspended the facility's health permit, according to documents.

The popular vegan eatery was operating with an A grade at the time and hadn't been inspected in more than seven months.

It reopened with a B grade it received on Sept. 25 after a second reinspection seven days later found no more signs of the roaches. On Oct. 7, the restaurant replaced the B with an A it earned during an owner-initiated inspection — an option permitted once each fiscal year at a

fee of \$250 to \$383.

Cases like Sage are the reason why health officials warn that the grade placards only offer a snapshot of restaurants' conditions.

"It reflects what happened in the one to two hours — that's all it is," Bellomo said. "Conditions in a perfectly-operated restaurant can decline rapidly at any point."

Bellomo said that while he is not sure if the county should drop the letter grades for placards that use colors and the words "Pass" and "Conditional Pass" to show the status of a restaurant's compliance, the county's food facility inspection program could be more objective and transparent.

"There is something very recognizable about the A, B, C letter grading and it's something that people can relate to because they know what A, B and C means from a lifetime of experience," Bellomo said. "If we can maintain the credibility of our letter grading in LA and actually enhance and improve it then I would say it's better."

*To learn more about retail food standards, read the county's inspection guide and the California Retail Food Code.*

# Molycorp -- sole U.S. rare earth producer -- files for bankruptcy

By **TIFFANY HSU**

JUNE 25, 2015, 10:59 AM

**M**olycorp Inc. — the only U.S. producer of rare earth elements used in high-tech communications, transportation and industrial products — filed for Chapter 11 bankruptcy protection amid competition from China and waning demand.

The Greenwood Village, Colo., company, which included its subsidiaries in the U.S. and Canada in the Thursday filings, struck a deal with creditors to restructure \$1.7 billion in debt.

The agreement includes \$225 million in new financing so that operations, including its Mountain Pass mine in the Mojave Desert, can continue as usual. Employees are working their normal schedules, according to the company.

In February, Molycorp said Mountain Pass production in the fourth quarter of 2014 — including praseodymium and neodymium for use in magnets and lanthanum for — nearly doubled from the previous quarter. Not quite 500 employees work at the mine, according to regulatory filings.

Molycorp said it plans to exit bankruptcy before the end of the year but expects the New York Stock Exchange to delist its shares within nine days and transfer them to an over-the-counter exchange.

The company's shares have lost 59% since the beginning of 2015 and are down 86% from a year ago. Molycorp stock was down nearly 6%, or 2 cents, to 36 cents a share in early afternoon trading in New York.

The company's operations in Europe and Asia are not included in the filings.

Molycorp's [Mountain Pass facility](#) once supplied the majority of the world's rare earth elements. Just five years ago, the mine couldn't produce the minerals fast enough to satiate companies hoping to use them in smartphone touch-screens, wind turbines and fuel cells.

The company benefited as well from a limited-export policy from China, the world's largest rare earth producer by a wide margin. But in recent years, the Asian superpower relaxed its restrictions and released larger rare earth supplies into the global marketplace.

As the influx from the East pressured Molycorp's pricing prowess, technological advances meant that many electronics designers discovered workarounds to rare earths and no longer were as dependent on the minerals.

**Twitter:** [@tiffhsulatimes](#)

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# The New York Times

<http://nyti.ms/1BRb3IA>

## SCIENCE

# In California, Water Restrictions Above Ground and Leaks Below

By JOHN SCHWARTZ JUNE 26, 2015

LOS ANGELES — Californians have been ordered to save water because of the drought. But one of the best ways to save it is to not lose it in the first place. That is why many cities in this thirsty state have declared a war on leaks.

Here on Whitsett Avenue in the San Fernando Valley — or rather about 20 feet below it — the Los Angeles Department of Water and Power is replacing much of the Coldwater trunk line, a major artery more than 100 years old.

The new pipe, five feet across, sits at the bottom of a deep trench. Before long, after each seam is welded seven times around and coated with cement, nine million gallons of water will flow through here every day.

“It’s not going to leak ’til I’m way far gone,” Dane Saunders, a senior water utility supervisor, said as he crouched in the cool darkness of the pipe.

California’s water systems lose, on average, about 10 percent of the water they carry, according to Reinhard Sturm, the chief operating officer at Water Systems Optimization, a consulting company for controlling water loss.

Mr. Sturm, who has consulted with many of the state’s cities, estimated that some 40 percent of those losses could be stopped with fixes that make sense financially. That works out to enough additional water for two million people a year.

The state is also facing some pressure to walk the talk. It is awkward, after all, for a government to tell its citizens to let their lawns dry out when water

main breaks can send millions of gallons flowing through city streets.

And so California is looking to become more watertight.

“Now, every leak is important,” said Joe Castruita, until recently the director of water distribution for the Los Angeles Department of Water and Power.

In fact, California’s water systems leak less than those in some other parts of the country, particularly older Northeastern cities like Philadelphia and New York. But many of those have plentiful and cheap water. In drought states, the price of water has jumped, changing the calculations about the need to plug leaks.

That incentive makes a difference: As with most infrastructure issues, unless water is a problem — too much of it gushing across streets, too little of it in reservoirs — it goes largely unnoticed.

“We’re not spending enough on our infrastructure,” said Greg DiLoreto, a former president of the American Society of Civil Engineers and a retired chief executive of a water district in Oregon. Whatever money water utilities get, he said, “the first dollar will always go to safe drinking water” and not to pipes.

Los Angeles is paying close attention to its pipes, however. Its water agency targets lines with a history of leaking, and those in soil conditions that promote erosion. It also looks for pipes near critical facilities like hospitals, and in places with hilly terrain that could lead to violent flooding once the rogue water begins to flow. As the leak prevention program has been ramped up, the number of leaks in the system has dropped to 1,146 in the fiscal year 2013-14 from 2,031 in 2006-7.

“The key for us for replacement is to replace the right pipes,” said Marty Adams, who heads the water system for the Los Angeles Department of Water and Power.

Other California cities are finding that leak patrols pay off. Cloverdale, in northern Sonoma County, hired outside consultants to cut its losses. They tracked down a pipe with a crack that went all the way around it, gushing water. None came to the surface, where it would have been obvious; instead, it flowed into a nearby storm drain.

"We just couldn't see it," said Craig Scott, the city engineer. The pipe was fixed, and losses fell from 25 percent before 2013 to 15 percent. The town has since lowered that figure to 12 or 13 percent.

Other California cities are upgrading their systems to better measure the water they have, and lose.

Sacramento did not even have water meters on most of its homes a decade ago, said Bill Busath, director of the department of utilities. But half of the city is metered now, and all of it will be by 2020.

The new meters can be read remotely and are sensitive enough to alert the water company to an individual homeowner's leaky lawn irrigation system or a loose flapper ball in a toilet tank. "You'd be surprised how many gallons per hour a leaky toilet flapper will leak," Mr. Busath said.

The first step for a city to understand how much water it is losing is to understand how much water it has. That means performing a water audit — a measurement of water flow throughout the system that can detect and pinpoint loss.

Major leaks are found and fixed fairly quickly, but more water escapes from smaller leaks that go undetected over the long term, said Andrew Chastain-Howley, a founder of the water audit software subcommittee for the American Water Works Association.

"There's no such thing as a utility that doesn't have water loss," he added.

California's initial efforts to get cities to perform voluntary audits and submit their data were disappointing, so the state now requires them.

Ed Osann, a water expert with the Natural Resources Defense Council, which helped put together procedures for the initial voluntary audits, said, "For whatever reason, the audits still, as a group, are way too buggy."

Mr. Sturm estimated that 35 percent of the audits submitted so far were inaccurate, but said that he expected them to improve.

Leak detection can be as simple as listening for the sounds of escaping water by putting a microphone, or even a sound-conducting steel rod or "listening stick," against a pipe. High-tech solutions might compare wave forms from microphones. Some robotic leak sensors travel through pipes.

Here in Los Angeles, officials say that the city uses old and new techniques to test for leaks, but that the age and the variety of materials and sizes of pipes mean that no one method or technology can do it all.

The pipe that sprung a spectacular leak last year on Sunset Boulevard at the University of California, Los Angeles, campus had been inspected just two years before with the latest electronic equipment. After that blowout, many vendors approached Steve Cole, the manager of engineering in the city department's water distribution division. "They'd say, 'I've got the magic bullet,'" he recalled. But because of the complexity of the sprawling system, "what we realized," he said, was that "there really isn't a magic bullet."

The city is also testing pipe that is resistant to earthquakes. Manufactured in Japan, each length of pipe allows four inches of play with the next segment, and can shift under stress without breaking.

In the past, even major breaks seemed inconsequential compared with the amount used by the city. The U.C.L.A. break wasted 28 million gallons, but "that's just a little over 4 percent of our daily delivery," Mr. Castruita said.

These water officials know that the days for dismissing leaks have passed. "A gallon of water is pennies," he said. "It's the loss that's the tragedy."

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# CalPERS returns likely to fall short of 7.5% target, official says

By **DEAN STARKMAN**

JUNE 25, 2015, 10:38 AM

**T**he nation's biggest public pension fund is falling far short of its annual investment goals.

The California Public Employees' Retirement System earned only 3% in the 10 months ending April and will likely fall short of its 7.5% annual target when the fiscal year ends this month, the pension giant's investment chief said.

Absent a "remarkable rally in the global stock market," said Ted Eliopoulos, CalPERS' chief investment officer, the ground to make up in two months is too great to avoid a likely shortfall.

"We don't like to get too excited about any one-year return," Eliopoulos said. "As the board is well aware, we would like to look at longer time periods as they are much more meaningful in measuring our performance."

Eliopoulos' remarks came in a prepared statement to the CalPERS board last week. A [video](#) of the meeting was posted on YouTube but not yet on CalPERS' website. CalPERS posted [monthly financial data](#) Thursday.

Eliopoulos noted that the fund returned 18.4% in the fiscal year ended last June 30. He said the fund's total value stood at \$304.9 billion at the end of April.

The performance of CalPERS is closely watched in the financial world and has broad implications for California taxpayers.

Charged with paying benefits to 1.7 million current and future retirees, CalPERS has the power to compel government employers to make up any shortfall in its fund. The fund was only 77% funded at the end of last June, shy of the 80% funding generally considered adequate.

The 10-month financial statement posted Thursday showed that the fund's global stock portfolio, which represents about 54% of the fund, returned 3.1% in the period, slightly below a benchmark that grew 3.4%.

The other big piece, bonds, which make up nearly 19% of the portfolio, turned in a strong performance in a volatile year, returning 4.3%, nearly nine-tenths of a percentage point better than the benchmark.

The big underperforming category this year has been real assets, which account for 10% of the fund, according to the statement. The category, dominated by commercial real estate, gained 3.7%, which was 4.7 points below its benchmark.

Real estate returned 3.3% in the period, a time when property values generally were making strong gains, and missed the benchmark by more than 4.75 percentage points. Forest land, which CalPERS is selling, returned 3.1%, missing the benchmark by more than 5 percentage points.

Commercial real estate was devastated by the financial crisis of 2008 and, though it has rebounded some, continues to dog the portfolio.

Real estate, like private equity, is often used by portfolio managers to provide diversification to mitigate losses during downturns and add to gains during low-return periods in public markets.

In his remarks, Eliopoulos noted that the fund's average annual return has been 10.8% over three years, 9.5% over five years, 6.7% over 10 years and 8% over 20 years.

Michael Rosen, a principal at Angeles Investment Advisors, which advises institutional investors, said the year-to-date performance was "not outside the bounds of what might be reasonable."

"Whatever your target, you'll never going to hit it exactly in any given year," he said.

**Twitter:** [@deanstarkman](#)

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REAL ESTATE

## When Public Housing Is Across the Street

By C. J. HUGHES JUNE 26, 2015

This spring, city officials announced they would encourage private developers to build on land inside public housing complexes, potentially making luxury apartments their neighbors.

The city's move was intended to raise billions of dollars to fix up the often rundown complexes, and to expand the city's below-market-rate housing stock by requiring that 50 percent of such infill construction be set aside as affordable. But the economics of any new buildings will likely depend on also drawing market-rate tenants to places they once might have shunned.

In many ways, the city is just playing catch-up.

More than a half-dozen developers have already planted their stakes near public housing in places including Red Hook in Brooklyn, the Lower East Side of Manhattan and Mott Haven in the South Bronx. In the hopes of securing cheaper land in a city where lots at any price are growing scarce, they are ignoring taboos against living near public housing and venturing into areas once considered unprepossessing and even dangerous.

"They were isolated in the past, and a lot of that had to do with the perception of crime," said Keith Rubenstein, the managing principal of Somerset Partners, a development firm. "That perception became more pronounced because there was so little interaction with these developments."

That is "an outdated way of thinking," said Mr. Rubenstein, who is

planning a pair of market-rate developments by public housing developments in Mott Haven, a neighborhood where more than 14,000 people call public housing home.

Public housing is certainly not crime-free. Certain complexes have slightly higher crime rates than their neighborhoods as a whole, police data shows. But crime rates are hovering near historic lows everywhere in the city, including at public housing developments, a trend that developers say is helping fuel their newfound interest.

"People who are living in lower-income housing are not necessarily people who are committing crimes," said Charles R. Bendit, the co-chief executive of Taconic Investment Partners, a development firm. "And whatever stigma was attached to that is no longer valid. There's an income difference, and that's it."

Some developers say that negative perceptions of public housing have much to do with where it was put in the first place, on the outskirts of neighborhoods and in industrial areas. But even rough-and-tumble blocks are not so off-limits anymore.

"If anybody had an issue with our location, they would probably not move here," said Jerry Kahan, a principal of Kahan Properties, which in 2014 completed the Adele, a gray brick market-rate rental at 310 East Second Street, at Avenue D, across from the Lillian Wald Houses, a 16-building public housing development.

The Adele, a 12-story building with studios and one- and two-bedroom apartments, filled up quickly, leasing all 135 units in just three months last summer, Mr. Kahan said. Market-rate studios in the building start at \$2,400 a month. The building also has units with affordable rents.

Next month, Sanba Partners is expected to start construction of 22 townhouses along King and Sullivan Streets, near Richards Street in Red Hook, Brooklyn, where factories and warehouses are plentiful.

A half-block away are the Red Hook Houses, Brooklyn's largest public housing development, with more than 6,200 residents

Alessandro Zampedri, a managing partner at Sanba, said the townhouses, with contemporary facades of steel or terra-cotta, and with landscaped

backyards, will fill in lots that had been empty and desolate for years.

"I think it's like everything in life, when you put something nicer in, that keeps within the context of what's there, I think it raises everyone's pride," he said. The townhouses, as yet unpriced, hit the market this fall.

Developers say the amenities their buildings will bring to these newly targeted areas, such as stores, shoreline paths and improved streets, will benefit the neighborhoods as a whole.

Retail will be a major part of the larger of the two developments that Mr. Rubenstein of Somerset and his partner, the Chetrit Group, are planning in Mott Haven. The five-tower complex along the Harlem River will be two blocks from the 3,800-resident Mitchel Houses.

Over all, the project, whose name will likely include "piano district" as a tribute to past manufacturing, will encompass 1,600 apartments, most rentals, and is to break ground early next year, he added.

Mr. Rubenstein also plans to convert a former industrial building on nearby Third Avenue into a six-unit market-rate rental. That site faces Patterson Houses, a 15-building public housing development.

But if new shops come in selling groceries, coffee and clothes that are too pricey for the lower-income residents of these areas, the upsides will be few, critics say. The average gross income of people living in public developments is about \$23,000, according to the New York City Housing Authority, or Nycha.

"These will be luxury apartments. Imagine how that changes the economy of a community," said Victor J. Papa, the president and director of the Two Bridges Neighborhood Council, an affordable-housing landlord on the Lower East Side and a social services advocate. He fears shops that now serve residents may be replaced by merchants catering to the affluent.

Mr. Papa, 70, who grew up in a tenement in the area, was referring to One Manhattan Square, which the Extell Development Company, the luxury apartment builder, is constructing at 250 South Street, by the Manhattan Bridge.

Bustling with construction equipment on a recent afternoon, the site is bordered to the north by the 1960s Rutgers Houses, five 20-story buildings

with about 1,600 residents; on the eastern side is a high-rise Mr. Papa said is populated largely by formerly homeless families.

One Manhattan Square, a working name, will feature two towers, one of which will stretch to 79 stories and contain condos, according to a plan filed with the city this month. Extell, which is perhaps best known for One57, the skyscraper that has broken sales records in Midtown, declined to comment.

What has particularly upset residents is that to build One Manhattan Square, Extell bulldozed a Pathmark grocery store, at which time Pathmark's pharmacy also closed.

Though Gary Barnett, Extell's president, said last year in a presentation to the community that the 45,000 square feet of retail space at One Manhattan Square will include a grocery and a pharmacy to replace what was lost, neighbors are skeptical, Mr. Papa said.

There is also a sense of bewilderment that written-off areas may soon be hyped as cool.

"This kind of development would have been unthinkable," decades ago, Mr. Papa said. The area "wouldn't have been good enough."

Whether wealthy buyers will decide to move to buildings cheek-by-jowl with public housing developments remains to be seen. But rubbing elbows with the locals is not necessarily in the cards, said Jonathan J. Miller, the president of Miller Samuel, an appraisal firm.

The kinds of upscale towers that are going up in once-blighted areas can function as gated communities in the sky, he said, giving residents plenty to do without having to set foot outside.

In any case, Mr. Miller added, most condo buyers don't really care about location; height is what they pay for. Pricewise, "there is less disparity between the least expensive and most expensive neighborhoods," he said, adding that "the primary marketing vehicle is views."

But Mr. Miller added that Extell, which paid \$104 million for the One Manhattan Square site in 2013, might be able to offer its condos at discounts relative to Midtown properties, perhaps in the \$2,500-a-square-foot range, which could fill a major gap in the luxury market.

Perhaps no public development will feel the brunt of new market-rate bedfellows as much as the Astoria Houses in the Hallets Point section of Queens. Occupying more than 32 acres, with 3,180 residents in 22 buildings, Astoria Houses sprawls across about half of Hallets Point, a nub of land in the East River facing the Upper East Side.

Warehouses and fence-ringed parking lots for trucks seem to take up much of the rest of the sleepy area.

But it may come awake soon, because two massive complexes might be on the way. One is Halletts Point, a 2.4-million-square-foot project from the Durst Organization that will add up to 2,400 apartments in seven towers, 480 of which could be affordable. Groundbreaking will be in October, according to a Durst spokesman.

Durst isn't being shy about cozying up to its neighbor. Not only will the bulk of its towers sit across First Street from the Astoria Houses, but the developer also plans to build on land along the southern side of 27th Avenue that currently belongs to Astoria Houses and contains parking lots. Two affordable-only towers will go there, Durst said. Under the terms of the deal, the company would also build a supermarket, repair a waterfront promenade and make other neighborhood improvements.

The other project, Astoria Cove, is to rise along what is now a wooded riverbank near Ninth Street, about a block from the Astoria Houses.

There, in direct view of the Robert F. Kennedy Bridge, the Alma Realty Corporation says it will build a 2.2-million-square-foot mixed-use development with 1,700 units, of which 27 percent will be affordable, higher than the 20 percent customarily required. It, too, has promised a supermarket.

Mayor Bill de Blasio, who has made creating more affordable housing a centerpiece of his administration, received the larger amount of affordable housing in exchange for a zoning change. Alma principals were not available for comment.

While outsiders for years may have been afraid of public housing, fear can cut both ways. The prospect of the two Durst developments does not sit well with some longtime residents, said Claudia Coger, the president of the Astoria

Houses Tenants Organization.

Ms. Coger, a retired train dispatcher, said that some worry about increased traffic and escalating costs, which is why she is pushing to make the Durst supermarket a community-owned cooperative.

“There are mixed emotions. This has been a blighted area for decades,” said Ms. Coger, who has lived since 1955 in the same three-bedroom apartment, for which she pays \$1,590 a month. Public housing rent is typically set at 30 percent of income.

“Some won’t rent here,” she said, referring to prospective arrivals, “because there’s a stigma that goes with public housing not just in New York, but nationwide. But I do think we’re dealing with a whole new generation of people today, and their values are in a different place, a better place.”

Among the first luxury buildings to breach the public housing no-go zone was the Caledonia, a condo-rental hybrid in Manhattan developed by Taconic and the Related Companies a decade ago.

At the corner of 10th Avenue and West 17th Street in West Chelsea, the 24-story building is separated by a narrow alley from the Fulton Houses, an 11-building complex with almost 2,200 residents.

That proximity initially turned off some buyers, said Eric L. Zollinger, who was the main sales agent for the Caledonia when it opened in 2008, and also lives in the building.

One buyer ripped up his contract when he discovered the condo was next to Fulton, saying, “‘Are you crazy? This is never going to sell. I would never purchase next to Section 8 housing,’ ” said Mr. Zollinger, who is now an associate broker with Stribling & Associates.

Eventually, though, the 181 units did sell; there are 170 condos today, he said. The Caledonia also has 288 rentals, 20 percent of which are affordable and mixed in with the market-rate units.

Occasionally, there are tensions between the two groups. Caledonia residents have complained about Fulton Houses residents not picking up after their dogs and about loud music emanating from cars. On the other hand, Mr. Zollinger said he has heard Caledonia residents yell insults at Fulton Houses

residents, including a memorable one from a Caledonia visitor: “Why don’t your parents go get a real job?”

“‘Wow,’ ” he recalls thinking, “did you really just say that to a kid?”

But Miguel Acevedo, 55, who is president of the Fulton Houses Residents Association, and who has lived there on and off since he was born, said it’s been mostly harmonious. “We have the same lifestyle they have,” he said. “The only difference is their incomes are a lot higher.”

And Caledonia residents regularly cut through Fulton’s property without seeming fearful, he added.

While many cities are razing public housing complexes, New York is trying to preserve its stock, a formidable task. According to Nycha, it has an operating deficit of \$98 million, and its buildings, 270 of which are 30 years old or more, require a staggering \$16 billion in deferred maintenance. Selling or leasing land inside public housing complexes for half market-rate, half affordable buildings is a major part of the mayor’s plan. Up to four sites suitable for infill building by private developers will be identified by August, a spokeswoman for Nycha said. Developers will likely submit bids for them next year.

Louis Brown has lived on both sides of the housing fence. Mr. Brown, 56, grew up in the Chelsea-Elliott Houses, on West 26th Street, and today lives in a one-bedroom at the Caledonia.

For Mr. Brown, a retired youth counselor, it all comes down to the moments when he is deejaying in a courtyard at the Fulton Houses. On those days, residents from up and down the block, including from the Caledonia, come over and start dancing to his tunes. “I look around and I think, Wow. I feel like we’ve come a long way.”

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