

NEWS

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For more information, contact
David Wert, Public Information Officer
(909) 387-5412
dwert@sbcounty.gov

Board of Supervisors reaches settlement in Colonies case

The Board of Supervisors, acting as the directors of the County Flood Control District, by a 3-2 vote today approved an offer, which was later signed and finalized, aimed at ending the district's legal dispute with the Colonies Partners over an Upland flood control project.

The \$102 million settlement, which was accepted and signed by the Colonies Partners, includes \$22 million from the district's reserve fund, and \$80 million in bond proceeds. If a bond transaction cannot be accomplished within 180 days, the \$80 million will be paid from district revenues over 10 years at an interest rate of 9 percent. The settlement also calls for the district to operate and maintain the flood control basin located at the 210 Freeway and Campus Avenue in the City of Upland. The settlement does not affect the district's legal effort to seek participation from the City of Upland, San Bernardino Associated Governments, and Caltrans.

Chairman Bill Postmus, Vice Chairman Paul Biane, and Supervisor Gary Ovitt voted in favor of the settlement offer. Supervisors Josie Gonzales and Dennis Hansberger voted against it.

District officials said the settlement will not impair the district's ability to operate and maintain existing flood control facilities and react to emergencies throughout the county, nor will it significantly delay the completion of planned projects.

The Colonies had claimed the district's liability could eventually exceed \$300 million if the case ended up before a jury. Additionally, the district had already spent more than \$7 million in legal fees on the case.

"This settlement is a win for County taxpayers," Postmus said. "If we had not settled this, the district could have been responsible for triple the amount of this settlement, and that amount could have compromised the district's ability to protect citizens from flooding."

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Biane agreed.

"The settlement approved today represents a responsible decision by the Board of Supervisors to stop spending money on what very likely could have been a losing effort," said Biane, whose Second District includes the property at issue in the case.

"The size of this settlement is daunting, and agreeing to it was one of the most difficult things I've had to do as a supervisor, but I could not justify continuing to pay legal fees and risk additional unfavorable court rulings that could result in a judgment the district could not afford to pay," said Biane, who added that an impending Superior Court ruling in the case made settlement an urgent matter.

Added Postmus, "This settlement ends the risk to taxpayers and puts this matter in the past, so we can invest our energies in other important priorities."