



City of Rialto

Legislation Text

File #: UC-19-607, **Version:** 1

For Utilities Commission Meeting [June 18, 2019]

TO: Honorable Chairperson and Commission

APPROVAL: Thomas J. Crowley, P.E., Utilities Manager

FROM: Susanne Wilcox, Administrative Analyst

Recommend City Council/Rialto Utility Authority Approve the Appropriations in the General Fund in the Amount of \$1,200,000 and \$1,800,000 in the Rialto Utility Authority Water Fund for Reimbursement of Rialto Colton Basin Legal Service and Operating Expenses for a Total of \$3,000,000.

(ACTION)

BACKGROUND:

The Cities of Rialto and Colton, San Bernardino Valley Municipal Water District and West Valley Water District sued the San Gabriel Valley Water Company d/b/a Fontana Water Company and Fontana Union Water Company (referred to collectively as "Defendants") for over pumping their allocated share of groundwater from the Rialto Colton Basin. A court order established the allocated shares of groundwater for the agencies in 1961.

The primary intentions of litigating the over pumping groundwater was as follows:

1. Require the Defendants to comply with the 1961 Decree
2. Compel the Defendants to replenish the Rialto Colton Basin with at least 61,000 acre-feet of water, and
3. Recover damages caused by the over pumping.

For the past two years, the parties have been engaged in extensive recovery and settlement efforts, most of which occurred concurrently.

The City Council approved the settlement agreement at the February 12, 2019 meeting.

ANALYSIS/DISCUSSION:

As part of the settlement agreement, the City is receiving \$3 million in cash as reimbursement of expenses related to the lawsuit.

Staff is recommending the City Council appropriate \$1,200,000 into the General Fund to reimburse the Fund for legal expenses incurred by the City related to the lawsuit and the remaining amount of \$1,800,000 be deposited into the Rialto Utility Authority Water Fund to be used for infrastructure.

FINANCIAL IMPACT:

If approved by Council, appropriations will be made in the General Fund to Account No. 730-400-

2148-7710 in the amount of \$1,200,000 and in the Rialto Utility Authority Water Fund, Account No. 670-400-7150-7710 in the amount of \$1,800,000.00 for Rialto Colton Basin legal services reimbursement settlement.

RECOMMENDATION:

Staff recommends the Utility Commission recommend City Council approval of the appropriations to the General Fund in the amount of \$1,200,000 and \$1,800,000.00 in the Rialto Utility Authority Water Fund for Reimbursement of Rialto Colton Basin Legal Service and Operating Expenses for a total amount of \$3,000,000.