BIOSOLIDS UPGRADE PROJECT

Final Construction Work Authorization, Biosolids Upgrade Project

Presentation August 12th, 2025

BIOSOLIDS PROJECT

FCWA Request for Biosolids Project:	Wastewater Funds Available:
$35.6 million	~$44 million*

**Additional $1.2M for design build already paid and not included in FCWA request*

**Includes $10 million reserves*

FCWA approval is urgently required so that RWS can initiate critical biosolids system upgrades to address aging equipment and help prevent a potential plant emergency.

Biosolids Upgrade, Rialto Wastewater Plant

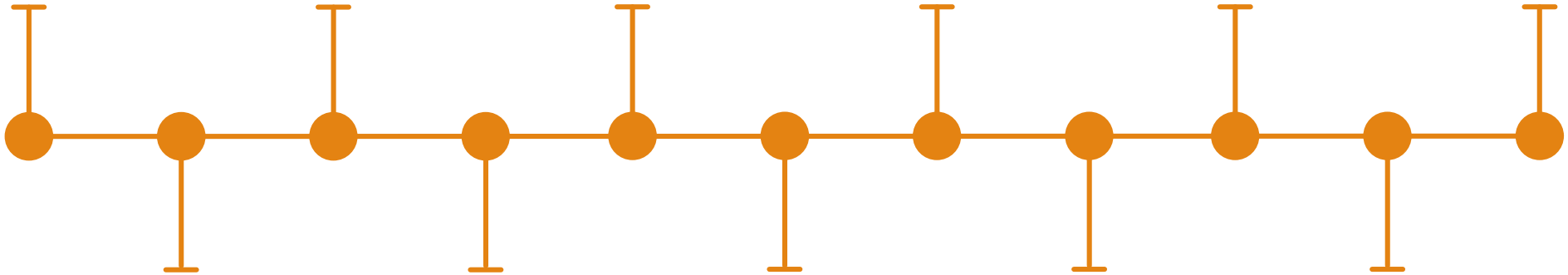
Sludge Storage Tank

- The Biosolids-handling facilities consist of **waste activated sludge (WAS) thickening, anaerobic digestion, digested sludge dewatering**, and **cake drying beds**.
- To provide **uninterrupted wastewater treatment** and **meet discharge compliance** in the future, multiple independent assessments confirmed it is necessary to address conditions of **failing key process equipment**:

  - Life expectancy of this equipment is typically 20-25 years.
  - Belt press #1 has not been operational since 2001
  -Belt press #2 has been in sole operation since 2001 without redundancy
  -Gravity belt thickeners are operating well past their life expectancy

- With completion anticipated in 2027, the “dry side of the plant” will be up to date
  –Greatly reduced **regulatory and operating failure risk**, and
  –Monthly cost savings associated with sludge hauling, due to reduced water content of the sludge cake.

BIOSOLIDS PROJECT HISTORY



2012

Project identified in FIP but later removed from priority list.

Nov 2020

City Council approves 2019 Feasibility Study.

March 2022

City authorized Biosolids Upgrade Study; conditions assessment accepted in Nov 2022.

Feb 2021

AECOM-WM Lyles competitively selected for progressive DB.

Feb 2023

City authorizes 30% design and GMP development.

Feb/April 2024

30% design and cost estimate submitted in Feb; City authorizes 60% design and GMP development in April.

Oct/Dec 2024

60% design and draft GMP submitted in Oct; GMP #1 revalidated in Dec as GMP #2.

Jan 2025

ARUP, Independent Engineer for RWS bondholders, completes review and verifies 60% design and GMP.

April 2025

Offsite, all-parties page turn of project GMP. Refreshed GMP #3

June 2025

Refreshed GMP #4 provided. GMP #4 Extension to 8-27-2025 for independent Jacobs Engineering review of options/alternatives and cost build-up. Review completed July.

July/August 2025

Water Subcommittee receives and approves July 24th, ahead of City Council August 12th.

FCWA COST BREAKDOWN

Description	Amount
Design-Builder Guaranteed Maximum Price (GMP)	$31,614,908
Veolia CM Services	$3,604,100
Veolia Insurance	$379,379
Total Requested FCWA Approval	**$35,598,387**
TM, 60% Design (Paid to Date)	$1,374.034
Total Project Cost	$36,972,421

COST VERIFICATION

To validate GMP and soft cost, the following measures were taken

- **Jacobs Engineering Review:** *Independently evaluated and verified condition of biosolids handling system; evaluated alternative approaches including Repair & Replace, affirmed the selected approach as cost-effective; independently modeled and verified project cost build-up.*

- **Independent Engineer ARUP Review:** *Independently reviewed at inception, 30% Design, 60% Design, and GMP. Verified necessity, cost build-up, risk register, and technical approach. Assessed soft costs as sitting within industry practices, affirmed project cost build-up as reasonable, and flagged equipment supply chain issues as a schedule risk to be incorporated into final schedules.*

- **Veolia Negotiations:** Through 5 rounds of negotiation, RWS reduced Veolia soft costs from 16.22% to 11.4% plus insurance, and profit from $1,138,136 to $157,077. RWS accepted this as fair compensation, over the course of this multi-year project with critical implications for ongoing operations and compliance.

PROJECT SCHEDULE OVERVIEW, JOBS & PROJECT LABOR AGREEMENT

- The Biosolids Project Upgrade project will take approximately 6 months to reach 100% design and preparation for then 24 months of full construction;
- Equipment testing and commissioning occur approximately between Q2, 2026 to Q2, 2027;
- One key sensitivity in the schedule highlighted by Arup is supply chain issues associated with long lead time major equipment elements, which will be anticipated in the final schedule;
- An estimated 30-40 construction jobs will be created. All projects under the Concession Agreement are covered by a Project Labor Agreement with the San Bernardino/Riverside Building & Trades Council membership. The Biosolids Project is covered by this PLA.

PROPOSED COUNCIL ACTION

Council action requested, approve FCWA $35,598,387

August 12th, 2025

Meets August 27th GMP deadline

QUESTIONS?