

1 WHEREAS, on November 29, 2012, the City Council and Rialto Utility Authority
2 Board entered into a Trust Agreement with Rialto Water Services, LLC; and

3 WHEREAS, on January 22, 2013, the City Council authorized \$5 million in
4 General Fund Lease Payments derived from the Concession Agreement financial
5 closing to augment the General Fund Unrestricted Reserves for contingencies; and

6 WHEREAS, since 2013, approximately \$5 million from the Airport Escrow
7 Account has been reallocated to water and wastewater capital improvements that were
8 not identified as projects in the initial Airport Escrow water and wastewater capital
9 improvement list, effectively balancing the \$5 million in Concession Agreement
10 financial closing costs to zero; and

11 WHEREAS, the City of Rialto acknowledges that the Water and Wastewater
12 Enterprises are challenged by increased inflation and operation costs during these
13 economic conditions; and

14 WHEREAS, per Section 5.03, Rate Stabilization Accounts of the Trust
15 Agreement, the City of Rialto and Rialto Utility Authority must maintain a balanced
16 budget of incoming water and wastewater revenues against annual operating
17 expenses and coverage requirements.

18 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RIALTO DOES**
19 **HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

20 **Section 1:** The foregoing recitals are true and correct and incorporated herein
21 by this reference.

22 **Section 2:** The City of Rialto City Manager is hereby authorized and directed to
23 rebook the \$30 million in Catch-up Lease Payments from the Rialto Utility Authority
24 Enterprise Fund to the City General Fund as an interest-free loan.

25 **Section 2.1:** Authorize the repayment of the loan with the transfer of \$30 Million
26 from the City's Unrestricted General Fund Reserve to the Authority's Water Fund and
27 Wastewater Fund, allocating \$5 Million to the Water Reserve Fund and \$25 Million to
28 the Wastewater Reserve Fund.

1 **Section 2.2:** The \$5 million transfer to the Water Fund will be treated as rate
2 stabilization and available monies of the Rialto Utility Authority and used as needed by
3 Rialto Utility Authority to comply with the Concession Agreement for operating costs,
4 Capital Charges, and/or Capital Improvement Project (CIP) costs until potential annual
5 Proposition 218 procedures are undertaken.

6 **Section 2.3:** The \$25 million transfer to the Wastewater Fund will be treated as
7 rate stabilization and available monies of the Rialto Utility Authority and used as
8 needed by Rialto Utility Authority to comply with the Concession Agreement for
9 operating costs, Capital Charges, and/or Capital Improvement Project (CIP) costs until
10 potential annual Proposition 218 procedures are undertaken.

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1 **WHEREFORE**, this Resolution is passed, approved, and adopted on this 23rd
2 day of July 2024.

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5 DEBORAH ROBERTSON, Mayor
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9 **ATTEST:**

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13 BARBARA A. McGEE, City Clerk
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16 **APPROVED AS TO FORM:**

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20 ERIC VAIL, City Attorney
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1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF RIALTO)

4 I, Barbara A. McGee, City Clerk of the City of Rialto, do hereby certify that the
5 foregoing Resolution No. XXXX was duly passed and adopted at a regular meeting of
6 the City Council of the City of Rialto held on the 23rd day of July 2024.

7 Upon motion of Councilmember _____, seconded by Councilmember
8 _____, the foregoing Resolution No. XXXX was duly passed and
9 adopted.

10 Vote on the motion:

11 AYES:

12 NOES:

13 ABSENT:

14 IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of
15 the City of Rialto this _____ day of _____, 2024.

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19 BARBARA A. MCGEE, City Clerk
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