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WHEREAS, pursuant to the Rialto Utility Authority Concession Agreement (“RUA Concession Agreement”), Rialto Water Services (“RWS”) operates and maintains the water and sewer system in the City of Rialto; and

WHEREAS, RWS has entered into an agreement with Veolia North Operating Services, Inc. (“Veolia”) to operate and maintain the water and sewer system in the City of Rialto pursuant to the RUA Concession Agreement; and

WHEREAS, pursuant to the RUA Concession Agreement between the Rialto Utility Authority and RWS, the parties established a Water Trust Agreement to provide the financial framework for the receipt, deposit, accounting, and disbursement of revenues, reimbursements, and expenditures associated with water and wastewater utility operations and capital projects; and

WHEREAS, the Rialto Utilities Authority (“RUA”), RWS, and Veolia are in the process of carrying out the Advanced Metering Infrastructure Project, City Project No. 26AMI, which would replace existing manual-read water meters with smart meters and supporting communication infrastructure to enable real-time, automated collection of water usage data, improve billing accuracy, enhance leak

1 detection, and provide customers with timely information to manage their water consumption (the “AMI
2 Project”); and
3

4 WHEREAS, the City applied to the State of California Department of Water Resources for grant
5 funding in the amount of \$6,000,000 for the purposes of funding the AMI Project, and such application
6 was approved by the State of California Department of Water Resources; and
7

8 WHEREAS, the City applied to the U.S. Department of the Interior for grant funding in the amount
9 of \$2,000,000 for the purposes of funding the AMI Project, and such application was approved by the U.S.
10 Department of the Interior; and
11

12 WHEREAS, the budget for fiscal year 2025-2026 of the City of Rialto has been adopted by this
13 Council in its original form, and said budget will need to be amended at times to fulfill the goals of the
14 City; and
15

16 WHEREAS, the City departments may not exceed their appropriations by character of expense,
17 with character of expense being defined as personnel services, services and supplies, capital outlay, debt
18 service, and transfers, without the consent of the City Manager; and
19

20 WHEREAS, the City Manager may transfer appropriations between departments and within their
21 respective funds, as long as those appropriations do not exceed their fund total unless approved by the
22 City Council; and
23

24 WHEREAS, the City Council desires to amend the FY 2025-2026 Budget to authorize the Veolia
25 Recovery, 2017-24 Project Development fee of \$350,000 (funded from the \$8,000,000 grant
26 appropriation cited herein) to be paid from the Water Fund’s Rate Stabilization Account; and
27
28

1 WHEREAS, the City Council desires to amend the FY 2025-2026 Budget to authorize the
2 appropriation and expenditure of these grant funds for the AMI Project in accounts 56707960-47536 and
3 56707960-53001 Project No. 26AMI, and to approve related actions necessary to complete the project;
4 and

5
6 WHEREAS, in order to accept and utilize the aforementioned grant funding for the purposes of
7 the AMI Project and to authorize the AMI Project, the City Council must take certain actions related
8 thereto.

9
10 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
11 RIALTO AS FOLLOWS:

12
13 Section 1. The above recitals are true and correct and are incorporated herein by this reference.

14
15 Section 2. The City Council of the City of Rialto hereby approves Agreement Number
16 4600015365 Urban Community Drought Relief Grant Funds of \$6,000,000 (“Agreement Number
17 4600015365”) and accepts the grant funding in the amount of \$6,000,000 from the State of California
18 Department of Water Resources as described in Agreement Number 4600015365.

19
20 Section 3. The City Council of the City of Rialto hereby approves Agreement Number
21 R22AP00556-02 WaterSMART Grant Funds of \$2,000,000 (“Agreement Number R22AP00556-02”)
22 and accepts the grant funding from the U.S. Department of the Interior as described in Agreement Number
23 R22AP00556-02.

24
25 Section 4. Upon receipt of the aforementioned grant funds, the City Council of the City of
26 Rialto hereby amends the Fiscal Year 2025-2026 Budget to authorize an increase in estimated revenues
27 in the total amount of \$8,000,000 in the RUA Concession Agreement Grant Funding Account for the
28 purposes of funding the AMI Project.

1 Section 5. Upon receipt of the aforementioned grant funds, the City Council of the City of
2 Rialto hereby authorizes the reimbursement of up to \$8,000,000 in AMI Project grant funds into the Water
3 Trust Agreement Account, as AMI Project expenses are incurred and as described above in Section 4,
4 consistent with applicable grant reimbursement requirements and the Concession Agreement.

5
6 Section 6. The City Council of the City of Rialto hereby approves and authorizes a Final
7 Construction Work Authorization (“FCWA”) in the Amount of \$7,998,719 to RWS, as operated by
8 Veolia, pursuant to the RUA Concession Agreement with the Rialto Utility Authority to implement the
9 AMI Project.

10
11 Section 7. The City Manager, or their designee, is hereby authorized to execute all necessary
12 agreements, amendments, and related documents with the State of California Department of Water
13 Resources, the U.S. Department of the Interior, and any eligible sub-recipients to implement the AMI
14 Project and to ensure compliance with grant requirements and the RUA Concession Agreement.

15
16 Section 8. This resolution shall take effect immediately upon its passage.

17
18 **PASSED, APPROVED AND ADOPTED** this 14th day of October 2025.

19
20
21 _____
22 JOE BACA, Mayor

23 **ATTEST:**

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25
26 _____
27 BARBARA A. McGEE, City Clerk
28

1 **APPROVED AS TO FORM:**

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ERIC S. VAIL, City Attorney

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STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF RIALTO)

I, Barbara McGee, City Clerk of the City of Rialto, do hereby certify that the foregoing Resolution No. _____ was duly passed and adopted at a regular meeting of the City Council of the City of Rialto held on the 14th day of October, 2025.

Upon motion of _____, seconded by _____, the foregoing Resolution No. _____ was duly passed and adopted.

Vote on the motion:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and the Official Seal of the City of Rialto this 14th day of October, 2025.

BARBARA A. McGEE, City Clerk