



## Project Initiation Memorandum

TO: John Rossi, City of Rialto; Stephen Dopudja, Dopudja and Wells Consulting  
Via: Peter Luchetti, Megan Matson, Rialto Water Services  
FROM: Chandrasekar Venkatraman (CV)  
CC: Soheil Sadighi, Marlon Brosco, Troy McCoy, Michelle McLey, Rodrigo Vignau and Frank Garza  
Subject: Project Initiation Memorandum for Trunk Sewer Improvement Project Sycamore Avenue and Baseline Road  
Date: June 2, 2025

Purpose, summarize the project scope for:

- Upsizing the Sewer Main in Sycamore Ave., by installing approximately 5,300 LF of new dedicated 15-inch sewer trunk main from the Sycamore Sewer Lift Station south down Sycamore Ave to Baseline Road, and moving flows to Acacia Ave. via Baseline Road

Action Requested: Approve proceeding with bidding, contracting and construction of the Trunk Sewer Improvement Project Sycamore Avenue and Baseline Road

Sr	Description	Notes
1	Project Driver	Population growth and increased development in the area, leading to higher sewage flow demands that exceed the current system's capacity, compliance with current regulations, prevention of sanitary sewer overflows (SSOs), and accommodation of future development plans in the area.
2	Need for Project	<ul style="list-style-type: none"><li>• Identified in Master Plan documents prepared by Dopudja and Wells Consulting in 2024.</li><li>• Identified by the Collections system team during Closed Circuit Television (CCTV).</li><li>• Line is currently surcharged &gt;80% and at risk for overflows.</li><li>• Identified in previous 5 year Capital Plans.</li></ul>
3	Source of Funds	<ul style="list-style-type: none"><li>• Wastewater Enterprise Funds. Sufficient funds available in the Wastewater Funds to complete this project.</li><li>• Potential to use Development Impact Fees.</li><li>• Separately, RWS is working on a 5 year cash flow</li></ul>



Sr	Description	Notes
		model that projects OPEX/CAPEX sources and uses of funds using a combination of rate revenue, DIF, grants, reserves, general fund contributions and rate increases supporting new debt. RWS is illustrating cash flows on a fiscal year basis because this approach informs the timing and magnitude of rate increases.
4	Project Budget Needs	Estimated project cost is approx. \$5.52M <ul style="list-style-type: none"><li>- 95% of funds would be needed between August'25 and June'26</li><li>- 5% of funds would be needed between July'26 and August'26 to complete construction</li></ul>
5	Timeline	<b>Start: Jun'25 and Complete: August'26</b> <ul style="list-style-type: none"><li>● Bidding: July'25</li><li>● Approvals: August'25</li><li>● Construction: September'25 - July'26</li><li>● Closeout: July'26 - August'26</li></ul>
6	Fees	In accordance with Concession and O&M Agreement: <ul style="list-style-type: none"><li>● O&amp;M Project Development by Veolia &amp; ERSCI, Inc. (1%)</li><li>● Design and Permitting/Bidding Support by ERSCI Inc. and Veolia (6%)</li><li>● Construction Phase Engineering Services by 3rd Party Engineering Consultant and Veolia (5%)</li><li>● O&amp;M Project Management Services by Veolia (8%)</li><li>● Total Soft Costs = 20% including Design-Engineering costs.</li><li>● The soft costs include 6% to 8% for outside design firm and 12% - 14% for Veolia including direct labor, PM-CM oversight, builder's risk, contracting, travel, overhead, etc.</li></ul>
7	Delivery Method	Design-Bid-Build. Veolia has already engaged services of ERSCI and completed the design drawings and Request for Bids document and paid for these services.
8	Procurement Methodology	<ul style="list-style-type: none"><li>● Contractor (Veolia) shall prepare and submit RFB documents for uploading into City's PlanetBids portal.</li><li>● Veolia shall manage the procurement process including answering bid queries, issuing Addenda</li></ul>



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		(as necessary) with support from 3rd party Engineering firm hired by Veolia. <ul style="list-style-type: none"><li>• City and Veolia shall receive bids directly from Contractors. Veolia shall complete bid leveling and bid award recommendation.</li><li>• Veolia shall manage the project construction through closeout, resolve punch list and issue as-built drawings. as part of project closeout documents..</li></ul>
9	Requested Approval Timelines & Next Steps	<ul style="list-style-type: none"><li>• Water Sub-Committee: June 2025</li><li>• Utilities Commission: July 2025</li><li>• City Council: August 2025</li></ul>
10	Project Risks/Sensitivities	Timely response and action required to enable the Contractor to complete pipeline work outside Morgan Elementary during Summer vacation period (June-August'25) or Winter Break (December'25) and reduce traffic congestion and access problems.
11	Roles and Responsibilities	<ul style="list-style-type: none"><li>• Project Manager: Michelle McLey</li><li>• Construction Manager: Brandon Stallings</li><li>• Project Engineer: Jason Howard</li><li>• Rialto's liaison: John Rossi</li></ul>

**VERIFIED AGAINST APPROVED BUDGET & COVERAGE:**

- ☐ YES  
☐ NO

**ACTION:**

- ☐ APPROVED  
☐ APPROVED AS NOTED  
☐ REVISE & RESUBMIT  
☐ REJECTED

On \_\_\_\_\_, Veolia Capital Program Management (CPM) team submitted the Project Initiation Memo for the Sycamore Trunk Line Upsizing Project.

Based on our review of the Project Initiation Memo, and subsequent discussions, City of Rialto approves this Project, and directs the Veolia Capital Program Management team to move forward and obtain competitive bids for our review and approval.



By: \_\_\_\_\_

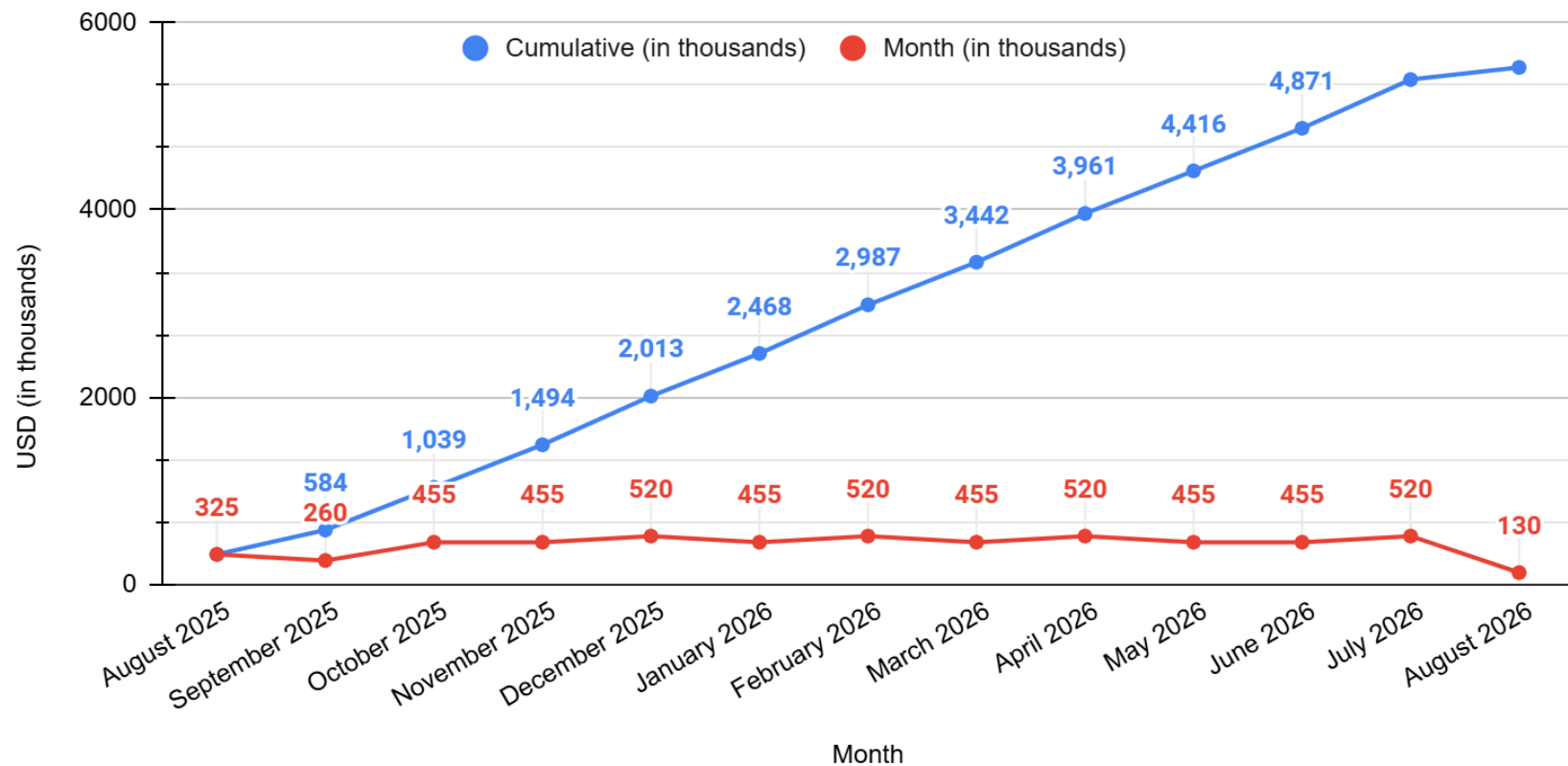
Name & Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Trunk Sewer Improvement Project Sycamore Avenue and Baseline Road

### Cash Flow Projection



**Trunk Sewer Improvement Project Sycamore Avenue and Baseline Road Gantt Chart**

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