

## **AMENDED FINAL CONSTRUCTION WORK AUTHORIZATION**

**No. 2026-1**

**November December 3, 2025,**

### **RIALTO ADVANCED METERING INFRASTRUCTURE PROJECT**

#### **Project History**

- 2016 - City of Rialto requested from the Veolia Resource Optimization (VRO) team a commercial offer for a Targeted Meter Replacement program
- 2017 - Veolia VRO team developed a target meter replacement program (June 2017) and delivered a business case for an AMI/AMR technology upgrade (August 2017)
- 2018/2019 - Veolia presented to City (late 2018 / early 2019)
- 2023 - In September 2023, the City of Rialto was awarded two (2) grants, state (DWR) and federal (USBR), for a total of \$8M for AMI implementation
- 2023 & 2024 - Three rounds of bidding completed and in the 3rd round, four bids received three bidders shortlisted and one bidder selected after interviews and discussions
- 2025 - The City led a new RFP process for the project, with Veolia to implement the project, subcontracting to the selected bidder from the RFP
- 2025 - The negotiations with USG previously selected and approved via FCWA contingent on final contract negotiations did not result in acceptable subcontract that meets the Construction Agreement set forth in the Concession Agreement with Rialto Water Services.
- 2025 – Negotiations with the second qualified bidder, Aqua-Metrics, resulted in a conforming subcontract at lower pricing, enabling additional grant capacity for project development cost recovery.

#### **Project Goals and Objectives**

The City received two grants to obtain funding for implementation of an Advanced Metering Infrastructure (AMI) solution, to automate the data collection of water meter information and to have more in-depth information on its customers' usage and system operation. The AMI System will serve as the foundational technology to meet RWS's future Smart Water vision and goals, including the following:

- Reduce asset management cost through data-driven efficiencies, improve quality of service.
- Empower customers to help manage their water consumption.
- Provide a technology platform to meet the increased information needs of its customers.

The AMI project's objectives are listed below and further detailed in the Scope of Work section.

Supply and installation of the AMI system, including:

- Field area network and backhaul communications infrastructure

- AMI head-end hardware and software, in a Software as a Service model
- Customer facing portal/software that interfaces with current customer service website to display captured usage history.
  - Set up an automated notification process by internal reports and directly to customers to alert for any rules set. (e.g. potential leak, inconsistent usage, no usage...)
  - Water meters and MIUs for replacement of non “AMI-ready” meters
  - MIUs for retrofitting of “AMI-ready” meters
- Implementation of a Meter Data Management System (MDMS)
- Implementation of a Customer portal
- System integration with the RWS’s existing CIS/billing systems,
  - Field area network and backhaul communications infrastructure
  - AMI head-end hardware and software, in a Software as a Service model
  - Customer facing portal/software that interfaces with current customer service website to display captured usage history.
  - Set up an automated notification process by internal reports and directly to customers to alert for any rules set. (i.e. potential leak, inconsistent usage, no usage...)
  - Water meters and MIUs for replacement of non “AMI-ready” meters
  - MIUs for retrofitting of “AMI-ready” meters
- Implementation of a Meter Data Management System (MDMS)
- Implementation of a Customer portal
- System integration with the RWS’s existing CIS/billing systems,
- AMI system testing
- Annual equipment and software maintenance and support
- Customer Outreach and Communication Planning
- Operational Change Management
- Process Re-engineering

### **Bid Period**

On July 10, 2025, the City issued a Notice For Request For Proposals (RFP) #25-047 for the supply and installation of an Advanced Metering Infrastructure System for the City of Rialto Water System (RWS). Two proposals were received on August 12, 2025.

### **Cost Proposal Results from August 12, 2025:**

<b>Contractor Name</b>	<b>Proposal Amount</b>
Aqua-Metrics	\$6,024,439.79
Utility Service Group Water Solutions LLC	\$6,742,040.00

Exhaustive reviews were conducted on proposals from Aqua-Metric and Utility Service Group Water Solutions, LLC. These bids were reviewed and scored independently by a review panel

designated by the City (ranking sheet attached for reference). Ultimately, the selection committee determined Utility Service Group Water Solutions LLC as the most qualified firm partner to deliver the AMI project.

However, after protracted negotiations between USG, Rialto Water Services and Veolia, the terms and conditions and exceptions from USG were deemed unacceptable. RWS and Veolia worked with Aqua-Metric to negotiate an agreement that meets the Construction Subcontract Agreement included in the Concession Agreement, with minor deviations, and on a preferable schedule to meet the grant requirements

In addition, subcontractor Advanced Utility Systems (Advanced), was selected by Veolia for the integration of the new AMI systems with the Rialto billing system.

### **Scope of Work**

The project scope is outlined in detail in RFP #25-047 and summarized below. The project will be implemented in Phases as described below:

1. Installation of the AMI System Head End and network components:

- Implementation of the AMI Head End software with integration with existing CIS system.
- Implementation of customer facing portal/software to allow customers to view their water usage and other conservation goals.
- Installation of Network Infrastructure to provide coverage for approximately 12,200 water meters in the RWS service territory.

2. Supply and install water meters and endpoints

- Provide and install approximately 7,200 water meters of varying sizes.
- Provide and install approximately 12,200 Meter Interface Units (MIUs) to be installed on all new meters and retrofitted on existing AMI-ready meters.
- Provide and install approximately 12,200 water meter pit lids compatible with the MIUs provided.

3. Subcontractor shall be responsible for completing a survey to identify all connections to confirm existing size and type prior to ordering any materials.

4. Subcontractor shall be responsible for preparing and obtaining approvals on the engineered Traffic Control Plans, implementing traffic control throughout the duration of the work, as necessary.

5. Subcontractor shall be responsible for obtaining no fee encroachment permit from the City of Rialto.

6. Subcontractor shall be responsible for coordinating sequence of work and schedule with Veolia Project Management.

7. Subcontractor shall be responsible for field fit pipes, valves, and appurtenances as required.

8. Subcontractor has recommended a Contractor/RUA held contingency (allowance) amount of \$300,000 to enable the subcontractor to bill for additional parts and labor used for installation in locations that need additional parts (nipples, flanges, piping length, etc) over and beyond the “normal” installations, for expediting any needed field change approvals and maintain project schedule. This amount is included in the \$456,428 in City-held contingency. The contingency bucket will be a separate line item on each of the monthly pay applications (monthly bills) and will be accompanied by a detailed listing of any approved (by Veolia) expenses charged against this line item. This serves to separate these minor items (i.e. contingency allowance) from the base scope line items for tracking and auditing purposes. After completion of the Meter and Site survey by Aquametric, Veolia will work with Aquametric to review and validate changes to the quantities from the RFB (establish the project baseline). Any net changes after this study would also be billed against the city held contingency item.

\*Specific reporting and invoicing requirements related to the grants will be done by others.

### **Cost Estimate**

This amended FCWA reflects an updated total project cost of \$8,000,000. The revised structure incorporates updated subcontractor pricing, Veolia’s construction management, Veolia Contingency for Project Implementation and insurance fee, Veolia Development Cost Recovery , and a City-held contingency (allowance).

Veolia Development Cost Recovery item (\$350,000 ) represents eligible Project Development Costs. Veolia will receive an additional \$350,000 as a Project Implementation contingency (Veolia Contingency) for managing the project to ensure delivery on time and within budget. Veolia Contingency will be paid monthly on a prorated basis through project completion date. Veolia will control this project contingency, and any unspent balance will remain with Veolia to manage project risk.

Veolia will not be entitled to recover any additional amount that is not already covered by allowance or Veolia Contingency to manage the contractor, schedule or budget. This ensures the City’s total financial exposure remains capped at \$8,000,000.

Aquametric has also requested a City held Contingency (allowance) as described above for differing site conditions. If not used it will be returned to RUA.

The subcontractor’s cost from Advanced Utility Systems (Advanced), for the integrations with the Rialto billing system is estimated at \$75,000

PROJECT COST FOR ADVANCED METERING INFRASTRUCTURE PROJECT				
Item	Unit	Description	Fee	Total Price
1	Lumpsum	Subcontractor Cost - Aqua-Metric	\$6,024,440	
2	Lumpsum	Subcontractor Cost - Advanced Utility Systems (Advanced Metering Infras	\$75,000.00	
		<b>Total 3rd Party Costs</b>		<b>\$6,099,440</b>
3	Lumpsum	Veolia Fee + Insurance (12.2%)	\$744,132	
4		Veolia Project Development Cost Recovery Fee	\$350,000	
5		Veolia Contingency for Project Implementation (Progressive Payment)	\$350,000	
		<b>Total Veolia Scope</b>		<b>\$1,444,132</b>
		<b>SUB-TOTAL</b>		<b>\$7,543,572</b>
		<b>City-held Contingency (Aqua-metric Allowances)</b>		<b>\$456,428</b>
		<b>TOTAL FCWA COST</b>		<b>\$8,000,000</b>

Additionally, an operational cost proposal for Years 2-15 is expected from Aqua-Metric for negotiation, covering annual network support fees, software upgrades, licensing fees, hosting fees, customer portal interface, site leases, backhaul communications costs, etc.

Notice for Request For Proposals (RFP) and Clarifications  
See Attachment 1

Contractor Firm Proposals Received on August 12, 2025  
See Attachment 2

**Approved By Rialto City Council/Rialto Utility Authority:**

Date: \_\_\_\_\_ Tab Item No. \_\_\_\_\_

**Issued by:**

Rialto Utility Authority

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**Received by:**

Rialto Water Services, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

## **ATTACHMENT 1 – Cost Breakdown Sheet**

## **ATTACHMENT 2 – Request for Bids Package**



## **ATTACHMENT 3 – Contractor’s Bids Received**