

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 UTILITY AUTHORITY BOARD OF THE CITY OF**
19 **RIALTO DOES 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 Executive Director of the Rialto Utility Authority is hereby
23 authorized and directed to rebook the \$30 million in Catch-up Lease Payments from
24 the Rialto Utility Authority Enterprise Fund to the City General Fund as an interest-free
25 loan.

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

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

8 **Section 2.3:** The \$25 million transfer to the Wastewater Fund will be treated as
9 rate stabilization and available monies of the Rialto Utility Authority and used as
10 needed by Rialto Utility Authority to comply with the Concession Agreement for
11 operating costs, Capital Charges, and/or Capital Improvement Project (CIP) costs until
12 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, President
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9 **ATTEST:**

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

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20 ERIC VAIL, General Counsel
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1 **STATE OF CALIFORNIA**)
2 **COUNTY OF SAN BERNARDINO**) ss
3 **CITY OF RIALTO**)

4 I, Barbara A. McGee, Secretary of the Rialto Utility Authority of the City of Rialto,
5 do hereby certify that the foregoing RUA Resolution No. XX-XX was duly passed and
6 adopted at a regular meeting of the Rialto Utility Authority of the City of Rialto held on
7 the 23rd day of July 2024.

8 Upon motion of Board Member _____, seconded by Board Member
9 _____, the foregoing RUA Resolution No. XX-XX was duly passed and
10 adopted.

11 Vote on the motion:

12 AYES:

13 NOES:

14 ABSENT:

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

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20 BARBARA A. MCGEE, SECRETARY