



# City of Rialto / IEUA Water Resources Partnership Term Sheet

**City of Rialto  
City Council Meeting  
September 27, 2022**

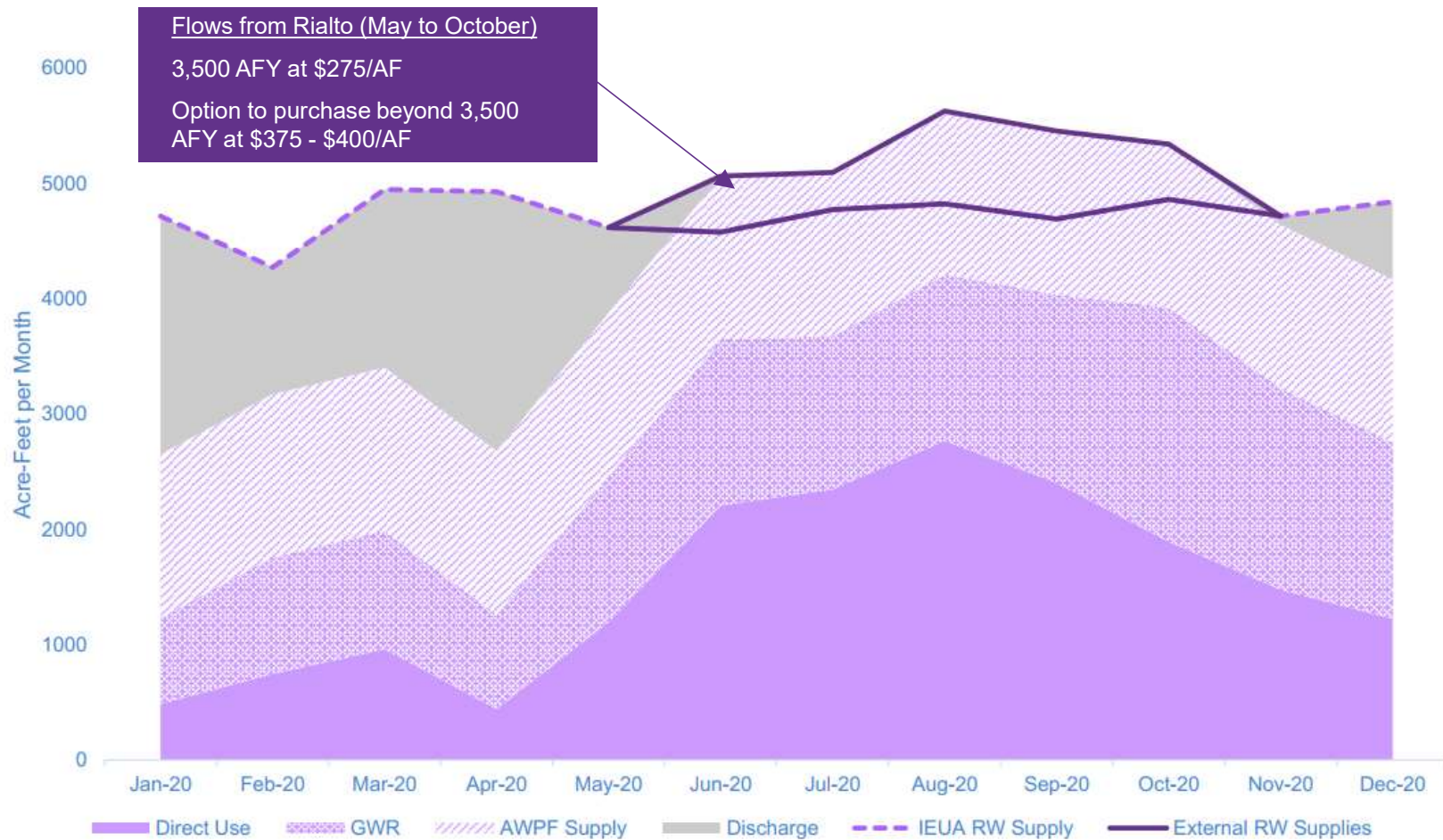
# Background

- The Santa Ana River Multi-Species Habitat Conservation Plan (SAR HCP) identified the benefit of removing flows from the City of Rialto wastewater treatment plant during the summer months due to the adverse impact to native species.
- The City of Rialto is interested in monetizing its recycled water as an annual revenue source.
- Due to the seasonality of recycled water supplies, IEUA needs to augment its recycled water supply during peak demand months between May and October.
- IEUA and the City of Rialto initiated water resources partnership discussions in 2019.





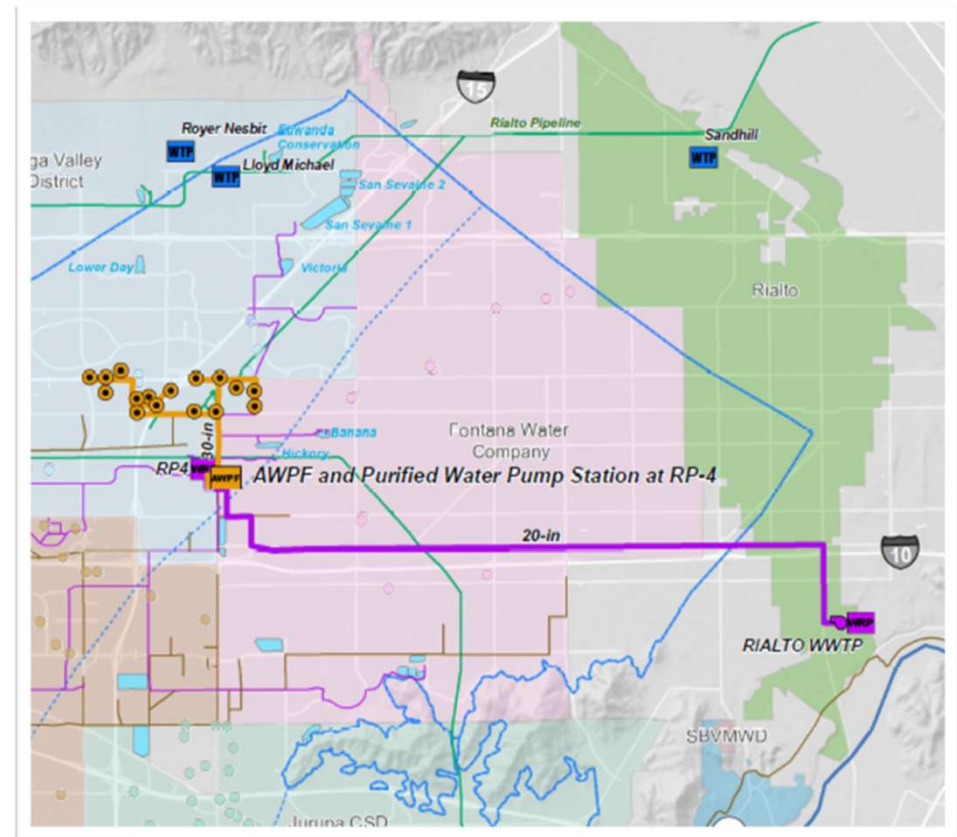
# IEUA Recycled Water Supplies vs Demands



# Proposed Infrastructure & Term Sheet Summary

- **City of Rialto RW supply:  $\approx 7,840$  AFY**
  - Project considered under Upper SAR MSHCP
- **Project Components**
  - 7 MGD for six months [May to October]  
3,500 AFY
  - (1) Pump station + pipeline + interconnection
  - Up to \$1M for supplemental well to meet HCP discharge requirements

Term [Years]	Proposed Commodity Rate
50	\$275/AF
Option to purchase beyond 3,500 AFY	\$375 - \$400/AF



# Key Provisions of the Term Sheet



- IEUA to design, construct, and operate recycled water facilities with a 7,000 acre-foot capacity (i.e., pipeline, pump station, interconnection)
- IEUA to have exclusive rights to divert a “Base Supply” of 3,500 acre-feet of Rialto’s recycled water into IEUA’s system
- IEUA to purchase this “Base Supply” at a rate of \$275 per acre-feet annually between May and October for a period of 50 years. The annual rate is to be adjusted at 2 percent or the CPI index, whichever is higher.
- IEUA has the first right to the “Optional Supply” for the remaining six months or future expanded flows over the facilities’ capacity at a rate of \$375-\$400 per acre-feet. The annual rate is to be adjusted at 2 percent, the CPI index or indexed to Metropolitan Water District’s percentage increase, whichever is higher.
- If alternatives are identified that reduce costs for the proposed recycled water facilities (i.e., pipeline, pump station, interconnection), the Term Sheet provides for the saving to be negotiated for the mutual benefit of the City of Rialto and IEUA.
- Upon execution of the Term Sheet, a “Supply Deposit Fee” of 20% of the “Base Supply” will be initiated until construction of the recycled water facilities and commencement of delivery of recycled water.

# Schedule To Date



- March 8, 2022 – Rialto City Council approved the final Principles of Agreement
- April 4, 2022 – IEUA Preliminary Design Report Began
- April - July 2022 – Stakeholder Meetings
- July – August 2022 – PDR Recycled Water Alignment Alternative and Rialto WWTP water Quality Data Collection
- July – September 2022 – Term Sheet Development
- September 27, 2022 – Rialto City Council approval of the final Term Sheet

*The City of Rialto and IEUA Term Sheet mutually supports the City's goal of monetizing the wastewater effluent, and IEUA's business goal of Water Reliability by implementing an integrated water resources management plan that provides the region with reliable and cost-effective water supply and promotes sustainable water use.*

# Next Steps After Approval of the Principles of Agreement



- IEUA will continue developing the Preliminary Design Report (PDR) for the Pump Stations and Pipeline. The City should continue to play a role in supporting the technical development of the PDR. (*Final PDR completion is expected in May 2023*)
- Continue to evaluate the need for a potential well to facilitate the May to October water diversions in conformance with the HCP. Discussions will continue to determine if benefits to the HCP may result in participation funding of the well. (*On-going*)
- Negotiation and Approval of Final Agreement (*Late Spring/Early Summer 2023*)
- Continue to explore monetization of November to April effluent flows (*On-going*)

# Questions/Discussion