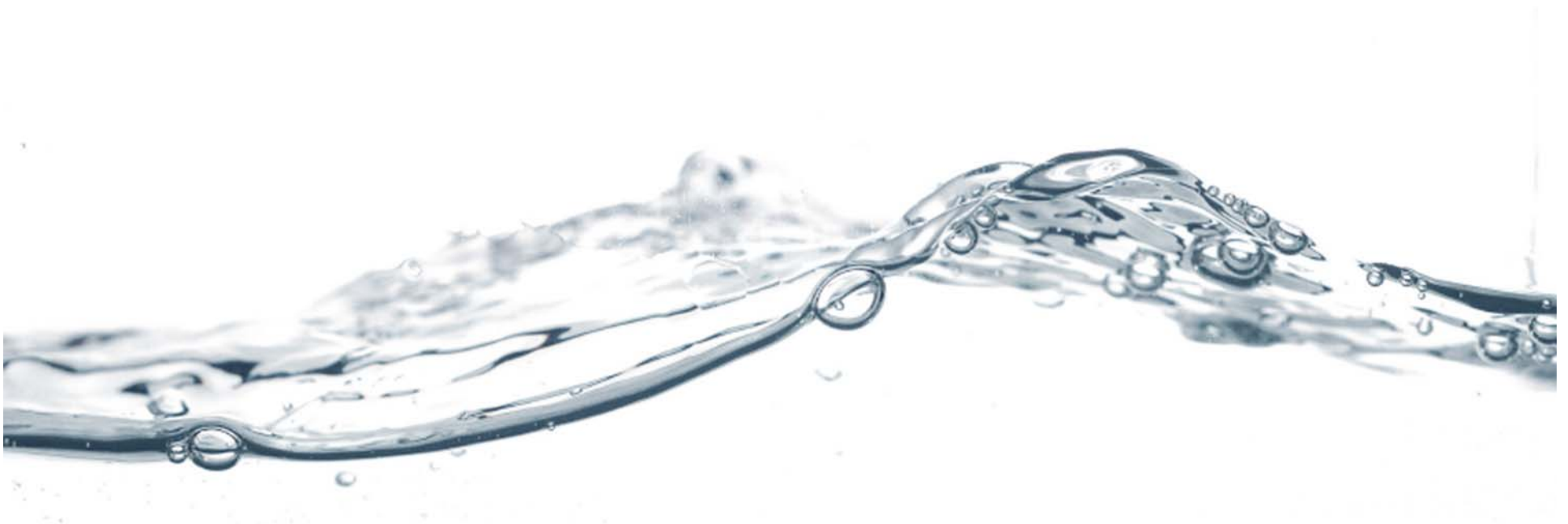


# Tri-Annual Inspection Report Response

## As Presented to the Utility Commission on October 16, 2018



# Rialto Utility Commission 2016 Triennial Inspection Report Responses



# History

- West Yost and the City provided the 2016 Triennial Inspection (TEI) Plan to the Concessionaire in early 2016
- The TEI Plan was reviewed prior to the commencement of the field inspections
- The final TEI Report was provided to the City and Concessionaire in November of 2016

# Background

## Under Article V, Section 5.1(u) of the CA

“Commencing upon the third (3rd) anniversary of the Effective Date, and every third (3rd) year thereafter during the Term, the Authority shall perform a full-scale inspection and review of the state of repair, working condition and performance capability of the Wastewater Facility, including testing of equipment to determine its physical and operational conditions, and inspection of the general status of repairs of all equipment and structures, grounds, utility lines, spare parts, inventories, and operation, maintenance, repair and replacement records.”

# Scope of TEI

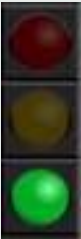

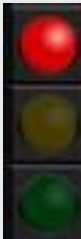
“...the Authority may submit a statement to the Concessionaire detailing any deficiencies found and requiring the Concessionaire to submit a plan of remediation. Deficiencies identified by the Authority shall be limited to (1) structures which fail to meet structural integrity and functionality ratings of 3 or greater, as defined in Schedule J, and (2) items that, if not addressed, could directly affect the performance of the Wastewater Facility and are vital to the successful operation of the Wastewater Facility in accordance with Prudent Industry Practices. The remediation plan shall be sufficient to reasonably demonstrate that, if implemented, the Wastewater Facility will be promptly brought into compliance with the requirements of this Agreement.”

# TEI Task

The Plan developed the following tasks based on the terms and conditions of the CA:

- Full-scale inspection and review of the state of repair;
- Working condition and performance capability of the Wastewater Facility, including visual equipment inspections to determine physical and operational conditions;
- Inspection of the general status of repairs of all equipment and structures, grounds, utility lines, spare parts, and inventories;
- Operation, maintenance, repair and replacement records and asset management practices to ascertain on a comprehensive and focused basis the extent to which the Wastewater Facility is properly maintained, repaired and replaced in accordance with the CA
- Concurrent review of all relevant data, records and reports.

# 2016 TEI Findings

| <u>Overall Summary</u>  |       |            |
|---|-------|------------|
|   | Score | Percentage |
|    | 6     | 32%        |
|   | 7     | 36%        |
|  | 6     | 32%        |

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# Concessionaire Response to 2016 TEI

- The concessionaire provided their response in March 2018
- The response highlighted areas where the Concessionaire agreed and disagreed with the 2016 TEI
- The response also highlighted areas that had been improved since the 2016 TEI
- The response also alleged shared responsibility by the City on key aspects, such as the S1 WWTP Project



# Conclusions

- West Yost agrees there has been continued and commendable improvements by the Concessionaire since the 2016 TEI. However, these improvements were not evident at the time of the inspections.
- There appears to be a disconnect with the requirement to demonstrate compliance vs empirical evidence (i.e Veolia's excellent safety record)
- The S1 project is proceeding under a collaborative Progressive Design Build process, with completion anticipated in two years. However, West Yost does not agree with the Concessionaire's statement of shared responsibility by the City for the delay.

# Recommendations

- The 2019 TEI is now commencing
- Further revisiting the 2016 TEI may not be the best use of the City's or Concessionaire's resources and could be a distraction to the upcoming 2019 TEI
- West Yost will be submitting a draft 2019 TEI Plan for review by the Concessionaire
- West Yost recommends the 2019 TEI plan identify the areas where the 2018 responses could better demonstrate compliance and allow the Concessionaire to demonstrate that compliance through the 2019 process.



Questions?

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