



City of Rialto

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Title: Request City Council/Rialto Utility Authority to Approve a Final Construction Work Authorization in the Amount of \$300,000 to Rialto Water Services for the Facility Improvement Project WA, Year 5 Meter Replacements.
(ACTION)
Sponsors: Susanne Wilcox
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Attachments: 1. Attachment 1 - WAY5 FCWA Pack 11.7.17, 2. Attachment 2 - NOE

Date	Ver.	Action By	Action	Result
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For City Council Meeting and Rialto Utility Authority [November 14, 2017]

TO: Honorable Mayor and City Council

APPROVAL: Michael E. Story, City Administrator

FROM: Thomas J. Crowley, P.E., Utilities Manager

Request City Council/Rialto Utility Authority to Approve a Final Construction Work Authorization in the Amount of \$300,000 to Rialto Water Services for the Facility Improvement Project WA, Year 5 Meter Replacements.
(ACTION)

BACKGROUND:

On March 27, 2012, the City Council and the Rialto Utility Authority (RUA) took several actions related to approval of a Concession Agreement (CA) with Rialto Water Services, LP, (RWS) assigning operation and maintenance of the City's water and sewer utilities to RWS. Pursuant to Article XII "Water Facility Improvements and Capital Projects" of the CA, certain priority capital projects were identified by the CA for implementation by RWS. Some of these projects related to recurring replacement (or maintenance) projects associated with the water facility, including "Capital Recurring Project WA - Meter Replacements".

On May 28, 2013, the City Council and RUA approved the Rialto Water Master Plan (WMP), which modified some of the capital projects identified in the CA. The project identified as "Project WA - Meter Replacements" was identified in Schedule B.9 of the CA with the following recommended solution:

"Change out approximately 800 meters per year. Utilize smaller 5/8" meters to

maximize registration at low flows, and touch read type to minimize meter reading costs.”

Project WA - Water Meters was identified in the WMP with the following “Need for Project”:

“This project is needed to replace inaccurate meters with new technology and to test and calibrate large meters (3” and above).”

The basis and justification for Project WA is given as follows:

“Flow meters of appropriate size are fitted at service connections. Asset management analysis revealed that most of meters reported in GIS system are well over published Useful Life Industry Standards (ULIS) service life limit in a need of attention. The fact that approximately 4,000 meters are aged would explain to some extent the fact that the most recent system losses are reported at 21%. Based on Industry standards meters 20 yrs. and older are expected to measure with accuracy of approximately 80%. The lack of meter replacement operation and maintenance routine would explain high system losses reported in last years. Therefore, replacement schedule for meters and service lines at the paste [sic] of 800 meters/year would replace all known 4,000 aging meters in 5-year CIP time frame. Asset list for unknown meters at this point is updated with information from the available record drawings and service pipe database. Future CIP updates and master plan revisions should refine and improve total meter age assessment and make necessary adjustments of the future meter replacement recurring dynamics.”

Implementation of the water facility capital projects identified in the CA is carried out pursuant to the process outlined in Article XII of the CA. Given the routine nature of the recurring replacement projects, the City/RUA waived the requirement for a Conceptual Design Report (CDR) for Project WA, and RWS submitted the Substantially Complete Design (SCD) to the RUA on July 18, 2014, which was subsequently reviewed by Leidos on behalf of the RUA.

On October 14, 2014, the City Council approved the “Final Construction Work Authorization” (FCWA) for Years 1-2 of the recurring Project WA in the amount of \$260,454. On February 24, 2015, the City Council approved the FCWA for Year 3 of the recurring Project WA in the amount of \$118,934. On June 27, 2016, the City Council approved the FCWA for Year 4 of the recurring Project WA in the amount of \$146,234. To date, RWS/Veolia completed the replacement of approximately 3,200 meters.

ANALYSIS/DISCUSSION:

Year 5 of the Meter Replacement project was presented to the Utility Commission at their April 2017 meeting. The Commission voted to recommend that the City Council approve the next round of meter replacements. However, additional information was received after that meeting to explore the latest automated meter read technology and make sure that the next round of meters, and any future meters purchased, would be compatible with automated meter read technology. The additional information has been evaluated and staff is recommending the next round of meter replacements be meters that are the most inefficient and most likely to be leaking water. These meters and the 3,200 previously replaced meters support the Advanced Metering Infrastructure (AMI), which is a form of automated meter read technology, regardless of the specific vendor technology selected.

The most significant project cost is the cost of the meters and related parts. For this project, RWS

will replace various inefficient meters that do not register actual flows. Pursuant to Section 12.3(c) of the CA, upon approval of the FCWA, Veolia (on behalf of RWS) will administer the replacement of 155 water meters at a total not to exceed amount of \$300,000. These meters will be a variety of different sizes and costs and many will be installed on commercial accounts. Replacing these meters will ensure a more accurate measurement of water flow to the customer, thereby having the potential to increase revenues and eventually paying for themselves over time through the additional revenue anticipated. A copy of the FCWA documents are included as **Attachment 1**.

ENVIRONMENTAL IMPACT:

Section 21084 of the California Public Resources Code requires Guidelines for Implementation of the California Environmental Quality Act (CEQA). The Guidelines are required to include a list of classes of projects which have been determined not to have a significant effect on the environment and which are exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources identified classes of projects that do not have a significant effect on the environment, and are declared categorically exempt from the requirement for the preparation of environmental documents. In accordance with Section 15301 "Existing Facilities", of the CEQA Guidelines, a Class 1 project consists of the operation, repair, maintenance, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The replacement of existing water meters is considered a Class 1 project, and is categorically exempt from CEQA. A Notice of Exemption was previously filed on June 1, 2012, and is included as **Attachment 2**.

GENERAL PLAN CONSISTENCY:

Approval of this action complies with the City of Rialto General Plan Goal and Policies:

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Goal 3-8: Promote affordable and quality water service capable of adequately meeting normal and emergency water demands to all areas in Rialto.

Policy 3-8.5: Upgrade outdated and undersized water service facilities to prevent unnecessary system failures in the City's water system.

LEGAL REVIEW:

The City Attorney has reviewed and approved the staff report

FINANCIAL IMPACT:

Sufficient budget is available in Water Fund Account No. 670-500-7960-3001-140401 for the Project WA - Meter Replacement Year 5 project.

RECOMMENDATION:

Staff recommends that the City Council/Rialto Utility Authority approve a Final Construction Work Authorization in the amount of \$300,000 to Rialto Water Services for the Facilities Improvement Project WA for Year 5 Meter Replacements.