



# City of Rialto

## Legislation Text

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For City Council Meeting and Rialto Utility Authority [September 10, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

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

Request City Council/Rialto Utility Authority to Approve an Increase to the Purchase Authorization for FG Solutions in the Amount of \$30,000 for Consulting Services Related to Rialto Utility Authority Concession Agreement and Utility Operations, Increasing the Total Purchase Authorization to the Amount Not to Exceed \$45,000.

### **BACKGROUND**

The City issued a Purchase Order in the amount of \$15,000 to FG Solutions to perform specialized research and complete several financial analyses related to the utilities and the Concession Agreement. Through this Purchase Order, FG Solutions has analyzed the water and wastewater rates, estimated projected utility reserve amounts and assisted staff with finalizing the Rialto Utilities Authority (RUA) budget.

### **ANALYSIS/DISCUSSION**

The City has exhausted the \$15,000 in fees for the work requested to date. Staff is requesting FG Solutions be retained for continued on-call assistance as needed. Staff believes there is a need for additional specialized financial support to address specific needs of the City, Council or the Water Subcommittee related to the Concession Agreement and utility operations.

It should be noted that the funds would only be expended if the need for FG Solutions services arose.

The consultant has completed the Conflict Disclosure Form, reporting no conflicts or relationships with City representatives. It is included as **Attachment 1**.

Staff recommends that the total purchase authorization increase by \$30,000, for a total authorization of not to exceed \$45,000, for additional specialized financial consulting services.

### **ENVIRONMENTAL IMPACT**

The request is not a "Project" as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a "Project" does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

## **GENERAL PLAN CONSISTENCY**

Approval of this action complies with the following City of Rialto General Plan Goals and Policy:

*Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.*

## **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

## **FINANCIAL IMPACT**

### **Operating Budget Impact**

Funds in the amount of \$25,000 are available in the City Retained Utility Fund Account Number 680-500-7860-2011. Additional funding in the amount of \$2,500 is available in the Wastewater Fund Account No. 660-500-7860-2011 and another \$2,500 is available in the Water Fund Account No. 670-500-7960-2011 for the total amount of \$30,000 for specialized financial consulting services related to the Concession Agreement and utility operations.

### **Capital Improvement Budget Impact**

There is no Capital Improvement budget impact with the requested action.

### **Licensing**

A Business license application and payment of a Business License tax at the Professional Service rate in the amount of \$104, in addition to the Admin and State fees, will be paid by the vendor prior to execution of the Purchase Order Change Notice.

## **RECOMMENDATION**

Staff recommends that the City Council/Rialto Utility Authority approve an increase to the Purchase Authorization for FG Solutions in the amount of \$30,000 for consulting services related to Rialto Utility Authority Concession Agreement and utility operations, increasing the total Purchase Authorization to the amount not to exceed \$45,000.