



City of Rialto

Legislation Text

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For Utilities Commission Meeting [July 20, 2021]

TO: Honorable Chairperson and Commission

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

Receive and File Report on the Water Infrastructure Finance Innovation Act Program.
(RECEIVE AND FILE)

BACKGROUND

The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal credit program administered by EPA to fund eligible water and wastewater infrastructure projects. The WIFIA program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects.

The WIFIA program provides deeply flexible, lowest-cost loans at a locked-in rate that reward innovation and reduce capital expenditures. WIFIA does so by funding 49% of a water or wastewater infrastructure project.

ANALYSIS/DISCUSSION

Rialto Water Services (RWS) requested to submit WIFIA Letters of Intent (LOI) applications for the 2021 WIFIA cycle on behalf of the Rialto. LOIs for the 2021 cycle are due no later than July 23, 2021.

RWS has contracted with Black and Vetch to assist them in preparing the LOI with a Not to Exceed amount of \$30,000. RWS has asked the City to share in the cost of the preparation of the LOI by splitting the cost. The City's portion would not exceed \$15,000.

On June 23, 2021 this item was presented to the Water Subcommittee for consideration; the Water Subcommittee has recommended that Staff present this item to the City Council/RUA Board of Directors for approval. The item was approved on July 13, 2021.

The City Council/RUA Board of Directors approved the item and directed staff and RWS to submit the following projects to the WIFIA program for consideration:

- Lake Rialto - This is a proposed project located just south of the City's existing Wastewater Treatment Plant (WWTP). At this location, a large depression exists that can be converted into a lake by using the City's WWTP effluent to create a wetlands environment. The wetlands environment will help maintain temperature and flow control to the Rialto Channel for the protection for the endangered species existing in the area. The proposed project will also create recreational and educational opportunities in a predominantly industrial section of the

City.

- Rialto Microgrid - The Rialto Microgrid project will boost resilience and reliability of the utility, improve coverage, and mitigate the need for wastewater rate increases for Rialto's ratepayers. It will also allow the City to end the practice of flaring the WWTP's biogas and associated natural gas; end the burning of natural gas in the hot water boilers; recapture revenue currently expended on SCE utility bills; establish backup power capacity without a parallel capital expenditure; improve resiliency in order to maintain water effluent from the WWTP; and carry "black-start" capability during unexpected utility outages.
- Advanced Meter Infrastructure (AMI) - system of "smart" water meters that allow for two-way communication between RWS and water meters installed at connection points throughout the service area.
- Security - Completion of various projects to increase protection of utility assets including facility fencing, monitoring and closed-circuit cameras and intrusion/motion alarms.

FINANCIAL IMPACT:

Operating Budget Impact

The requested action will not have an impact on the Operating Budget. If awarded a WIFIA grant, staff will present the grant award to the City Council/RUA Board of Directors for authorization to accept the award and to make any budget adjustments that may be necessary.

RECOMMENDATION

Staff recommends that the Utility Commission receive and file this report on the Water Infrastructure Finance and Innovation Act of 2014 (WIFIA).