



City of Rialto

Legislation Text

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For City Council and Rialto Utility Authority Meeting [October 12, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Marcus Fuller, City Manager

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

Request City Council/Rialto Utility Authority Board to Approve the Property Lease Agreement By and Between the Rialto Utility Authority and Rialto Bioenergy Facility LLC., in the Amount of \$2,000 per month for the months of October 1, 2021, through March 31, 2022.

BACKGROUND

On February 21, 2006, the City Council ("City"), the Rialto Utility Authority (RUA), and the Redevelopment Agency (RDA) approved agreements with Enertech Environmental California for the clean closure of the Rialto Municipal Landfill and the development of the Enertech Biosolids Recycling Facility. The landfill closure was completed in early 2007, Enertech commenced construction and opened for business in 2009. The Facility encountered numerous technical problems during start-up operations, its creditors withdrew support, and the facility closed in the fall, 2012.

On February 25, 2014, the City and RUA approved a Ground Sublease Agreement with Rialto Bioenergy Facility (RBF) for the former Enertech site for a project to process biosolids.

ANALYSIS/DISCUSSION

RBF has requested to use additional City property at the City's Wastewater Treatment Plant (WWTP) for storage. This would be in addition to the property they are already under agreement to use. The area being requested for use is shown on Exhibit A of the agreement included as **Attachment 1**, and shown on the next page.

RBF would like to utilize the area described as the "road portion" that is adjacent to the site already being leased by RBF at the WWTP. For the use of the land, RBF is offering \$2,000 per month for the months of October 1, 2021, through March 31, 2022.

The lease agreement was presented to the Water Subcommittee on September 20, 2021, and the Utilities Commission on September 21, 2021.

Area of proposed use is shown below.



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. The proposed agreement to include APN 0256-031-21 on an existing wastewater service agreement will not result in a direct or indirect physical change in the environment because the system has sufficient capacity and, as such, the action is not "project" as defined under CEQA.

GENERAL PLAN CONSISTENCY

The proposed action is consistent with the Guiding Principle that "Rialto is committed to environmental sustainability, which means meeting the needs of the present without compromising the ability of future generations to meet their own needs and with the following goals and policies:

Goal 2-34: Achieve waste recycling levels that meet or exceed State mandates. Achieve maximum waste recycling in all sectors of the community: residential, commercial, industrial, institutional and construction.

Policy 2-34.2: Utilize source reduction, recycling, and other appropriate measures to reduce the amount of solid waste generated in Rialto that is disposed in landfills.

Goal 3-10: Minimize the volume of solid waste that enters local and regional landfills.

Policy 3-10.1: Encourage additional recycling in all sectors of the community.

LEGAL REVIEW

The City Attorney has reviewed and supports the staff report and lease agreement.

FINANCIAL IMPACT:

Operating Budget Impact

All rental revenue will be processed by Rialto Water Services and deposited into RUA's Wastewater Fund Account No. 660-400-7860-7402.

Capital Improvement Budget Impact

There is no anticipated impact to the Capital Improvement Budget.

Licensing

The Rialto Bioenergy Facility currently has a business license with the City of Rialto and is subject to additional business license taxes, as well as Administration and State fees, based on land use.

RECOMMENDATION

Staff recommends that the City Council/Rialto Utility Authority Board:

1. Approve the property lease agreement by and between the Rialto Utility Authority and Rialto Bioenergy Facility LLC., in the amount of \$2,000 per month for the months of October 1, 2021, through March 31, 2022, and
2. Authorize the City Manager to execute the lease agreement and all related documents.