



Staff Report

File #: 23-0282

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 04/05/2023

TO: Honorable Mayor and City Council Members
Honorable President and Board Members

FROM: Utilities Department

SUBJECT:

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORONA, CITY OF NORCO, JURUPA COMMUNITY SERVICES DISTRICT, HOME GARDENS SANITARY DISTRICT, WESTERN MUNICIPAL WATER DISTRICT, AND THE WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY REGARDING THE DESIGN, CONSTRUCTION, OPERATIONS AND CAPACITY OWNERSHIP IN CERTAIN RECYCLED WATER FACILITIES

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a Memorandum of Understanding between the City of Corona, City of Norco, Jurupa Community Services District, Home Gardens Sanitary District, Western Municipal Water District, and the Western Riverside County Regional Wastewater Authority regarding the design, construction, operations and capacity ownership of certain recycled water facilities. The Memorandum of Understanding is a non-binding commitment among the parties for shared capacity ownership and joint funding of a recycled water pump station and water pipelines.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Memorandum of Understanding between the City of Corona, City of Norco, Jurupa Community Services District, Home Gardens Sanitary District, Western Municipal Water District, and The Western Riverside County Regional Wastewater Authority Regarding the Design, Construction, Operations, and Capacity Ownership in Certain Recycled Water Facilities.

- b. Authorize the City Manager, or his designee, to negotiate and execute the Memorandum of

Understanding between the City of Corona, City of Norco, Jurupa Community Services District, Home Gardens Sanitary District, Western Municipal Water District, and the Western Riverside County Regional Wastewater Authority Regarding the Design, Construction, Operations and Capacity Ownership in Certain Recycled Water Facilities, including any non-substantive amendments.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The Western Riverside County Regional Wastewater Authority (WRCRWA) is a Joint Powers Authority formed by and comprised of the City of Corona, City of Norco, Jurupa Community Services District (JCSD), Home Gardens Sanitary District (Home Gardens), and Western Municipal Water District (Western) for the collection, treatment and disposal of wastewater and production of recycled water at the WRCRWA wastewater treatment plant. The treatment plant has the capacity to treat 14 million gallons of wastewater each day. Each member agency, including Corona, owns a certain amount of capacity in the treatment plant. As part of the treatment process, the WRCRWA plant produces recycled water that can be used for direct use such as irrigation, or other beneficial uses including flow to the Santa Ana River and groundwater recharge.

WRCRWA member agencies have been working on a policy regarding the use and transfers of recycled water between the member agencies and external partners. The policy was created to establish a framework that all WRCRWA Member Agencies agreed to vis-à-vis ownership of reclaimed water and general guidelines for internal and external transfers or sales to ensure the equitable opportunity for all WRCRWA member agencies. The Recycled Water Program Policies and operating framework was approved by the WRCRWA Board of Directors on February 23, 2023.

The development of infrastructure to move recycled water from the WRCRWA treatment plant to end users is underway and includes the following three facilities:

- Southerly Pipeline conveying recycled water south to Corona’s service area
- Recycled Water Pump Station (located at the WRCRWA facility)
- Northerly Pipeline conveying recycled water north to JCSD’s service area

The Southerly Pipeline is Corona Capital Improvement Project 6971 entitled WRCRWA Reclaimed Waterline and was awarded by the City Council on September 7, 2022, to Ferreira Coastal Construction Co. for \$4.6 million. The Riverside County Flood Control and Water Conservation District awarded a grant to Corona to cover 50% of design costs and 75% of construction costs for this project. The remaining 25% of construction costs are funded by the United States Bureau of Reclamation Title XVI funding. The Southerly Pipeline was designed by Corona and materials are on order with construction scheduled to begin in early fall 2023.

The Recycled Water Pump Station and Northerly Pipeline are being designed and constructed by JCSD with input from the WRCRWA member agencies. JCSD has secured grant funding for a portion of this work. The Recycled Water Pump Station and Northerly Pipeline projects will be bid by JCSD as multiple projects in late summer 2023.

ANALYSIS:

During the development of the Recycled Water Program Policies, the WRCRWA Member Agencies expressed varying degrees of interest in each of the three facilities. As an example, Corona is building the Southerly Pipeline but will need a pump station to move the water from the WRCRWA plant to Corona. Corona can build its own pump station or partner with JCSD and build one pump station that serves multiple needs. Staff agreed that a cooperative approach was the most efficient way to serve the community. In addition, Inland Empire Utilities Agency (IEUA) has expressed an interest in purchasing 2,500 acre-feet/year (~ 800 million gallons), or more, of recycled water from WRCRWA member agencies. The connection with IEUA would be through the Northerly Pipeline. While Corona does not have customers near the Northerly Pipeline, Corona staff expressed interest in participating in the Northerly Pipeline because the cost to participate can be fully repaid by the revenue received from IEUA. The exact terms with IEUA are still in development, but IEUA executed a similar agreement with the City of Rialto in October 2022 whereby IEUA agreed to pay \$275/acre-foot plus the cost to construct the infrastructure.

The WRCRWA member agencies agreed to present a Memorandum of Understanding (MOU) to the agencies' governing boards to formalize each agency's interest in the recycled water facilities. The WRCRWA member agencies provided their proposed capacity ownership in each of the three facilities:

Recycled Water Pump Station Capacity Interest

Agency	Capacity (MGD)	Percentage (%)
Corona	2.62	26%
Home Gardens	0.56	6%
Norco	1.87	18%
Western	1.54	15%
JCSD	3.56	35%
Total	10.15	100%

Northerly Pipeline Capacity Interest

Agency	Capacity (MGD)	Percentage (%)
Corona	1.5	15%
Home Gardens	0.56	6%
Norco	0.00	0%
Western	1.54	15%
JCSD	6.55	64%
Total	10.15	100%

Southerly Pipeline Capacity Interest*

Agency	Capacity (MGD)	Percentage (%)
Corona	5.46	78%
Home Gardens	0.00	0%
Norco	0.00	0%
Western	1.54	22%
JCSD	0.00	0%
Total	7.00	100%

The table above and the MOU reflect Corona’s capacity in the Southerly Pipeline as 5.46 MGD while Corona only owns 2.62 MGD in the treatment plant. This discrepancy is because Corona is installing this pipeline and Corona will own all the “excess” capacity in the line that can be sold or leased to other agencies in the future. Additionally, while Western has expressed an interest in 1.54 MGD in the Southerly Pipeline, any official purchase of capacity will be completed after the project is completed. Since the Southerly Pipeline has already been awarded and is in progress, Corona staff did not want to slow down or complicate the construction to allow time to execute an agreement with Western. Corona and Western understand Western’s interest in the Southerly Pipeline and will revisit capacity ownership and associated agreements once the project is completed.

The MOU outlines these expressed capacity interests and how costs would be shared amongst the member agencies. The MOU also includes JCSD’s intent to proportionately allocate \$3.2 million in grant funding to the construction of the Recycled Water Pump Station. The MOU will be followed by formal binding agreements regarding the construction, operations and maintenance of each facility. Any such agreements will be presented to the agencies’ governing boards for adoption.

FINANCIAL IMPACT:

Approval of the recommended action will have no immediate financial impact but does represent a non-binding commitment to share in the construction costs associated with the recycled water facilities.

The following illustrates estimated costs but will be fully allocated in the future. The Utilities Department has included the estimated costs for the Recycled Water Pump Station and Northerly Pipeline in the projected Fiscal Year 2025 budget within the Proposed Fiscal Year 2024-2033 Capital Improvement Plan:

Facility	Estimated Cost of Construction	Corona’s Potential Ownership	Corona’s Estimated Contribution
Recycled Water Pump Station	\$17.9 mil	26%	\$4.65 mil
Northerly Pipeline	\$16.01 mil	15%	\$2.40 mil
Southerly Pipeline**	\$6.42 mil	100%	\$6.42 mil
		Total	\$13.47 mil

***Indicates 100% ownership even though Western has expressed interest in this pipeline; however,*

this project is already underway and if Western wants to participate later, then the City can allocate some of Corona's costs to Western. The above table references the Southerly Pipeline at \$6.42 million because this includes other estimated costs such as implementation, staff time, and contingency.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves a Memorandum of Understanding between regional parties, and there is no possibility this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KATIE HOCKETT, ASSISTANT DIRECTOR OF UTILITIES

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

Attachments:

1. Exhibit 1 - Memorandum of Understanding
2. Exhibit 2 - WRCRWA Recycled Water Program Policies