



Staff Report

File #: 22-0026

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

DATE: 1/5/2022

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

FROM: Public Works Department & Utilities Department

SUBJECT:

Resolution establishing a construction charge to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Rudell Road and Ontario Avenue to the City's Public Sewer System.

EXECUTIVE SUMMARY:

The New Horizons Elderly Residential Care Facility at 7550 Rudell Road, currently connected to a septic system, would like to expand its facility, and the State Water Resources Control Board will not allow them to build another septic system on the property to accommodate the expansion. The property owners have requested to connect to the City's public sewer system in order to expand the facility. The project would construct approximately 1,600 lineal feet of new sewer in Ontario Avenue and Rudell Road to the west end of Rudell Road, allowing 7550 Rudell Road to connect to the public sewer system. The project would benefit 18 total parcels on Rudell Road and Ontario Avenue by providing the opportunity for future sewer connections.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution No. 2022-002, establishing a construction charge to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Rudell Road and Ontario Avenue to the City's public sewer system.
- b. City Council appropriate \$1,000,000 from the Water Reclamation Capacity Fund 440 to a newly created Capital Improvement Project entitled Rudell Road Sewer Extension Project.

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

BACKGROUND & HISTORY:

Rescare Holdings, represented by Mr. Amed Franco and Mr. James Tran, own an existing parcel located at 7550 Rudell Road in the unincorporated County of Riverside area of El Cerrito, which is in the City of Corona's service area. The New Horizons Elderly Residential Care Facility operates its business at this address, which is currently being served by an existing septic system. They seek to expand their facilities and have expressed an interest in connecting to the City sewer system. The New Horizons Elderly Residential Care Facility expansion project is currently in design and has initiated permitting with the State of California Regional Water Quality Control Board - Region 8 (RWQCB8).

RWQCB8 has determined the parcel at 7550 Rudell Road will not be permitted to install an additional septic system for the proposed facilities expansion, and it has contacted City staff to request information regarding sewer availability and the closest sewer connection. Rescare Holdings subsequently contacted the City to request an extension of a sewer line from the nearest terminal manhole located at the intersection of El Cerrito Road and Ontario Avenue to their property on Rudell Road.

To coincide with the State and County's legislation and regulations to protect water quality and public health, it is the goal of the City of Corona Utilities Department to eventually have all existing homes, which currently use septic systems, be connected to the City sewer system.

ANALYSIS:

Rescare Holdings has requested an extension of the City's sewer to their property at 7550 Rudell Road to connect their existing and proposed facilities to the public sewer.

Corona Municipal Code (CMC) [13.12.100](#) requires that prior to connecting to the City's sewer collection system, the person requesting such connection shall pay a construction charge to cover the proportionate cost of constructing the public sewer in the amount, manner, and time of payment established by resolution of the City Council. City staff has estimated the Total Cost (as defined in the attached resolution) for the Rudell Road Sewer Extension Project to be approximately \$1,000,000.

If multiple properties benefit from the construction of a sewer extension, the cost per property is determined based upon the ratio of the frontage of that property to the entire length of frontages benefited by the sewer extension. The Rudell Road Sewer Extension Project will benefit a total of 18 properties along Rudell Road and Ontario Avenue, including residential properties, commercial properties, and a church assembly building by providing the infrastructure necessary to connect to the City's sewer system. City staff is proposing that the construction charge for the Rudell Road Sewer Extension Project be established in an amount equal to the actual Total Cost to construct the project and that such construction charge be allocated to each benefitted parcel based upon the linear footage of the Rudell Road Sewer Extension Project located along the property frontage of

each benefitted parcel. Resolution No. 2022-002 would establish the construction charge and the fair share percentage allocated to each benefitted parcel in the manner described above.

The property at 7550 Rudell Road, as well as any other benefitted parcels that connect to the City's sewer system in the future, will also be required to construct a sewer service lateral (lateral) to connect the benefitted parcel to the sewer main that will be constructed as part of the Rudell Road Sewer Extension. Because the lateral is exclusively for the benefit of each benefitted parcel, the cost to construct the lateral must be paid entirely by the property owner. The property owner can either construct the lateral on their own or can request the City to construct it at the time of construction of the sewer main line. Resolution No. 2022-002 would also establish a charge to construct the lateral in an amount equal to the actual construction cost in the event the City constructs the lateral.

Upon completion of the Rudell Road Sewer Extension Project, the City will document and determine the actual Total Cost of constructing the project and any laterals constructed during the project and then calculate the actual construction charges owed by each benefitted parcel based upon the fair share percentages established in Resolution No. 2022-002.

Corona Municipal Code (CMC) [13.14.060](#) authorizes homeowners of single-family residential properties, non-profit organizations, and industrial customers in good standing with the utility that are converting from septic service to City sewer service to enter into payment plans for the payment of construction charges. Resolution No. 2022-002 incorporates a template payment plan agreement to be used for property owners who are unable to pay the full construction charges upfront when connecting to the City's sewer system. The payment plan agreement will allow the property owner to pay the construction charges in monthly installments at 6% simple interest for 60 months. The payment plan agreement would be recorded against the property and would constitute a contractual lien until such time as the constructions charges and interest are paid in full. This will enable the City to recover the cost of the sewer line construction.

City Staff proposes to construct the sewer extension from the existing terminal manhole at the intersection of El Cerrito Road and Ontario Avenue near 19530 Ontario Avenue, extending northward on Ontario Avenue and then westward on Rudell Road for a total of approximately 1,600 linear feet, in order to serve three (3) properties on Ontario Avenue and 15 properties on Rudell Road, all of which are currently on septic systems. The sewer extension will front portions of 18 properties, as shown in Exhibit 1.

The actions requested will enable the City to recover the construction costs incurred by the City to construct the Rudell Road sewer extension as the benefited parcels connect to the City's sewer system.

FINANCIAL IMPACT:

Resolution 2022-002 identifies the proportionate share of construction costs attributed to each property based on the ratio of each property's frontage to the total frontage of all 18 properties. Cost estimates will be used to prepare the Total Cost Estimate prior to construction for 7550 Rudell Road, a commercial property. The Total Payment Amount will be adjusted after construction has been completed and actual costs have been determined. Sewer service will be provided for 7550 Rudell

Road following payment of the parcel's fair share for construction of the sewer and lateral and all other sewer service application and capacity fees.

The remaining property owners will reimburse the City for their proportionate share of construction costs and all other sewer service application and capacity fees applicable at the time if a property is converted from septic system to the City sewer system per CMC [13.14.070](#). The properties are not obligated to connect to the sewer unless their septic system fails. Future sewer connections by the remaining properties fronting the proposed sewer extension might take years to happen.

In addition to the new sewer construction cost, the sewer capacity fee in effect at the time of sewer connection will be assessed per CMC [13.12.120](#) as part of the sewer connection charge. The sewer connection charge will include a sewer capacity fee. Current sewer capacity fees are based on a cost of \$15.48 per gallon per day and range from \$4,644.00 per single-family home to 96 gallons per day per occupant for an assisted living care center. The sewer capacity fee for the proposed New Horizons Elderly Residential Care Facility expansion to 30 residents would total \$44,582.40 based on a sewer generation rate of 96 gallons per day per occupant at a rate of \$15.48 per gallon per day.

Approval of the recommended actions will result in an appropriation of \$1,000,000 to the Rudell Road Sewer Extension Project in the Water Reclamation Capacity Fund 440.

Account Name	Fund	Project	Total
Water Reclamation Capacity Fund	440	Rudell Road Sewer Extension Project	\$1,000,000
Total			\$1,000,000

Fund	07/01/21 Est. Working Capital	Budgeted Revenues/Sources	Budgeted Expenditures/Uses	Working Capital Impacts	06/30/22 Est. Working Capital
Water Reclamation Capacity Fund 440	\$8,118,177	\$2,553,907	(\$892,162)	Appropriation (\$1,000,000)	\$8,779,922

ENVIRONMENTAL ANALYSIS:

Adoption of this Resolution 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 commonsense rule 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 Resolution simply establishes construction charges to cover the proportionate share of constructing the sewer lines and appurtenances necessary to connect certain private property located on Rudell Road to the City's public sewerage system. This project is also exempt from CEQA pursuant to [Section 15282\(k\)](#), which includes among the list of statutory exemptions the installation of new pipeline or maintenance, repair, restoration, removal, or demolition of an existing pipeline as set forth in [Section 21080.21](#) of the Public Resources Code, as long as the project does not exceed one mile in length. Therefore, no further environmental analysis is required.

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PREPARED BY: VERNON R. WEISMAN, P.E. DISTRICT ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

Attachments:

1. Exhibit 1 - Location Map
2. Exhibit 2 - Resolution No. 2022-002