



Staff Report

File #: 23-0651

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

DATE: 08/16/2023

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

FROM: Utilities Department

SUBJECT:
WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY FISCAL YEAR 2024 BUDGET

EXECUTIVE SUMMARY:

This staff report asks the City Council to ratify the Western Riverside County Regional Wastewater Authority Fiscal Year 2024 budget. Corona's Fiscal Year 2024 obligation is \$4,835,537 which was partially included in the City's Fiscal Year 2024 Sewer operating budget.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the proposed Western Riverside County Regional Wastewater Authority Fiscal Year 2024 budget.
- b. Approve an appropriation of \$499,626 from the Sewer Utility Fund 572 to the Fiscal Year 2024 Sewer Operating Budget.

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) exists for the purpose of operating a cost-effective regional water reclamation treatment system for the benefit of its member agencies. The City of Corona is a member of WRCRWA which also consists of the City of Norco, Jurupa Community Services District, Home Gardens Sanitary District, and Western Municipal Water

District.

On July 18, 2012, the City Council and the Corona Utility Authority approved the Project and Capacity Agreement for the expansion of the treatment facility from eight million gallons per day to fourteen million gallons per day. The expansion provided the operational capacity required by Corona and other member agencies. The WRCRWA treatment plant expansion was completed in Fiscal Year 2018 and, according to Addendum No. 6 to the Joint Exercise of Powers Agreement creating the Western Riverside County Regional Wastewater Authority (City of Corona Membership), the City of Corona will now assume its fair share responsibility of administrative costs of the plant. The City's original owned capacity was 2.37 million gallons per day but the Transfer Agreement with Home Gardens Sanitary District approved by City Council on April 17, 2019, increases capacity to 2.62 million gallons per day.

ANALYSIS:

The WRCRWA Fiscal Year (FY) 2024 proposed budget was approved by the WRCRWA Board of Directors on April 27, 2023. The final values for WRCRWA's budget were not available to City staff when the Utilities FY 2024 Operating Budget was prepared. Staff used estimates based on previous fiscal years' expenses and requested \$4,335,911 for Fiscal Year 2024. WRCWRA staff has been enhancing their maintenance and asset planning programs, which caused the budget for capital expenditures to be greater than staff's original estimates. The approved budget requires ratification by each member agency's governing body. Corona's Fiscal Year 2024 obligation is outlined in the following table. Staff has reviewed the budget documents and recommends that the City Council approve the item.

Expenditure Category	Amount	Fund Name
Operations:		
Treatment System	\$1,459,804	Sewer Fund 572
Conveyance System	\$118,149	Sewer Fund 572
General & Administration	\$261,952	Sewer Fund 572
Debt Service:		
SRF Loan Payment	\$1,903,189	Sewer Capacity Fund 440
Capital:		
Non-Replacement Capital	\$936,356	Sewer Fund 572
Asset Replacement Reserve	\$156,087	Sewer Fund 572
Total Member Contribution	\$4,835,537	

FINANCIAL IMPACT:

As a member agency of WRCRWA, the City of Corona is responsible for the operation and maintenance costs of the plant for 2.62 million gallons per day (MGD) (of the total 14.0 MGD plant capacity) and the debt service related to the State Revolving Fund (SRF) loan for 2.62 MGD (of the 6.0 MGD) associated with the treatment plant expansion. The City's current obligation, as outlined

above, is \$4,835,537 for FY 2024 based on WRCRWA's budget. Approval of the recommended action will result in an appropriation of \$499,626 from the Sewer Utility Fund 572 to the Sewer Operating Budget. There is sufficient working capital in the Sewer Utility Fund 572 for the recommended action.

Expenditure Category	Amount	Budgeted Amount	Appropriation Required
Operations:	\$1,839,905	\$2,090,442	(\$250,537)
Debt Service:	\$1,903,189	\$1,903,189	\$0
Capital:	\$1,092,443	\$342,280	\$750,163
Total		\$4,335,911	\$499,626

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301 of the Guidelines for the California Environmental Quality Act (CEQA), which states that operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the CEQA determination, and is therefore exempt from CEQA. This action involves budget approval. 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 - WRCRWA Fiscal Year 2024 Budget