



Staff Report

File #: 21-1091

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

DATE: 12/01/2021

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 James Street to the City's Public Sewerage System.

EXECUTIVE SUMMARY:

The homeowner at 2844 James Street, Mr. John Ramirez, would like to discontinue using his on-site septic system and connect his single-family home to the public sewer system. There are also seven other properties on James Street that are currently on septic tanks. City staff proposes to construct a sewer extension from the existing terminal manhole near 2804 James Street, approximately 410 lineal feet to the south, in order to serve Mr. Ramirez's home and to also benefit the other seven parcels on James Street by providing the opportunity for future sewer connections. The Corona Municipal Code requires payment of a construction charge to cover the proportionate cost of constructing the public sewer extension prior to connecting to the City's sewer collection system. The attached Resolution would establish the construction charge for the construction of the sewer extension on James Street.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution 2021-115, establishing a construction charge to cover the proportionate share of constructing the sewer line and appurtenances necessary to connect certain private property located on James Street to the City's Public Sewerage System.
- b. City Council appropriate \$175,000 from the Water Reclamation Utility Fund 572 to a newly

created Capital Improvement Project entitled James Street 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:

Mr. John Ramirez owns an existing single-family home built in 1973 at 2844 James Street between Fullerton Avenue and Rimpau Avenue and north of East Chase Drive. The single-family home at 2844 James Street is approximately 120 lineal feet from the terminal sewer manhole near 2804 James Street and is currently connected to an active septic system. There are eight single-family homes on septic systems on the south end of James Street, including Mr. Ramirez's property. Mr. Ramirez has expressed interest in abandoning his septic system and connecting to the public sewer system.

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

ANALYSIS:

A property owner desiring to connect to the public sewer system is required to extend an existing public sewer across the property frontage, connect to the sewer system, and purchase sewer capacity.

City staff has received interest from two additional property owners at 2874 James Street and 2894 James Street to convert from their existing on-site septic systems to the public sewer if the sewer line were to be extended to their properties.

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 James Street Sewer Extension to be approximately \$175,000.

If multiple properties benefit from the construction of a sewer extension, the cost per property is determined from the ratio of the frontage of that property to the entire length of the frontages. As indicated above, the James Street Sewer Extension will benefit a total of eight residential properties on James Street by providing the infrastructure necessary to connect to the City's sewer system. City staff is proposing that the construction charge for the James Street Sewer Extension be established in an amount equal to the actual Total Cost to construct the James Street Sewer Extension and that such construction charge be allocated to each benefitted parcel based upon the linear footage of the James Street Sewer Extension located along the property frontage of each benefitted parcel. Resolution No. 2021-115 would establish the construction charge and the fair share percentage allocated to each benefitted parcel in the manner described above.

Mr. Ramirez, 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 proposed to be constructed as part of the James Street 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. Resolution No. 2021-115 would also establish a charge to construct the sewer service lateral in an amount equal to the actual construction costs in the event the City constructs the lateral at the time of the construction of the mainline.

Upon completion of the James Street Sewer Extension, the City will document and determine the actual Total Cost of constructing the James Street Sewer Extension and any lateral 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. 2021-115.

Corona Municipal Code (CMC) 13.14.060 authorizes homeowners of single-family residential properties that are converting from septic service to City sewer service to enter into payment plans for the payment of construction charges. Resolution No. 2021-115 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 near 2804 James Street, approximately 410 linear feet to the south, in order to serve the remaining properties on James Street currently on septic systems. The sewer extension will front portions of eight properties as shown in Exhibit "1." The action will enable the City to recover sewer construction costs as sewer services are connected.

FINANCIAL IMPACT:

Resolution 2021-115 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 eight properties. Cost estimates will be used to prepare the Total Cost estimate and finance agreement for 2844 James Street prior to construction. The Payment Plan Agreement Payment Schedule and Total Payment amount will be adjusted after construction has been completed and actual costs have been determined. Sewer service will be provided for 2844 James Street following payment (or agreement of payment per the Payment Plan Agreement Payment Schedule) 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 sewerage 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 require a number of years to occur.

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, \$4,644 per single-family home. The sewer capacity for the single-family home at 2844 James Street would total \$4,644 based on the current fee schedule.

With the approval of the recommended actions, funding for the Project is as follows:

| Account Name | Fund | Project | Total |
|--------------------------------|------|--------------------------------------|------------------|
| Water Reclamation Utility Fund | 572 | James Street Sewer Extension Project | \$175,000 |
| Total | | | \$175,000 |

| Fund | 07/01/21 Est. Working Capital | Budgeted Revenues/ Sources | Budgeted Expenditures/ Uses | Working Capital Impacts | 06/30/22 Est. Working Capital |
|--|----------------------------------|----------------------------------|-----------------------------------|-------------------------------|----------------------------------|
| Water Reclamation Utility Fund 572 | \$38,460,751 | \$32,893,509 | (\$39,665,436) | Appropriation (\$175,000) | \$31,513,824 |

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 James Street 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.

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 2021-115