



Legislation Text

File #: 19-0528, Version: 1

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

DATE: June 5, 2019

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

FROM: Department of Water and Power

SUBJECT:

City Council and Corona Utility Authority consideration of the Western Riverside County Regional Wastewater Authority Fiscal Year 2019-20 budget.

RECOMMENDED ACTION:

That the:

1. City Council approve the proposed Western Riverside County Regional Wastewater Authority Fiscal Year 2019-20 budget.
2. Corona Utility Authority (CUA), review, ratify and to the extent necessary direct that the City Council take the above action.

ANALYSIS:

The Western Riverside County Regional Wastewater Authority (WRCRWA) exists for the purposes of planning, constructing, and operating a cost-effective regional water reclamation treatment system for the benefit of its member agencies.

The City of Corona Department of Water and Power (DWP) is part of WRCRWA. WRCRWA 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 (MGD) 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 2017-18 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 MGD but the recent Capacity Transfer Agreement with Home Gardens Sanitary District (approved by City Council on April 17, 2019) increases capacity to 2.62 MGD. Corona's 2019-20 obligation is outlined in the following table:

Expenditure Category	Amount	Fund Name
<u>Operations:</u>		
Treatment System	\$924,756	Water Reclamation
Conveyance System	\$0	
General & Administration	\$260,600	Water Reclamation
<u>Debt Service:</u>		
SRF Loan Principal	\$1,332,238	Water Reclamation Capacity
SRF Loan Interest	\$572,745	Water Reclamation Capacity
<u>Capital</u>		
Non-Replacement Capital	\$1,145,858	Water Reclamation
Asset Replacement Reserve	\$55,450	Water Reclamation
Total Member Contribution	\$4,291,647	

WRCRWA's Fiscal Year 2019-20 proposed budget was approved by the Board of Directors on April 25, 2019. The approved budget requires ratification by each member agency's governing body. Staff has reviewed the budget documents and recommends that the City Council approve the item.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL 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 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 \$4,291,647 for Fiscal Year 2019-20 based on WRCRWA's budget. The amount has been planned for and is included in the City of Corona's Water Reclamation Utility's proposed operating budget for Fiscal Year 2019-20.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: KATIE HOCKETT, ASSISTANT GENERAL MANAGER

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR

Attachments:

- WRCRWA's Fiscal Year 2019-20 proposed budget
- Project and Capacity Agreement for the expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant
- Addendum No. 6 to the Joint Exercise of Powers Agreement creating the Western Riverside County Regional Wastewater Authority (City of Corona Membership)
- City of Corona and Home Gardens Sanitary District Capacity Transfer Agreement