



STAFF REPORT

DATE: 06/18/2025

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

FROM: Utilities Department

2025-254

REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

SUBJECT:

RESOLUTION STATING THE INTENTION TO COMPLY WITH ALL CONDITIONS OF STATE REVOLVING FUND LOAN PROGRAM REIMBURSEMENT RESOLUTION REQUIREMENTS FOR THE PFAS REMOVAL PROJECT, AND A RESOLUTION REPEALING RESOLUTION NO. 2024-106

EXECUTIVE SUMMARY:

This staff report asks the City Council to adopt the Reimbursement Resolution for the PFAS Removal Project as part of the Drinking Water State Revolving Fund application to the California State Water Resources Control Board. Due to an update in the project's estimated cost, the maximum principal amount of the application has been revised from \$5,000,000 to \$11,891,000. To comply with the State's requirements, an updated Reimbursement Resolution must be adopted reflecting the revised maximum principal amount. This action will also repeal the previously adopted Resolution No. 2024-106.

RECOMMENDED ACTION:

That the City Council:

- a. Adopt Resolution No. 2025-085, declaring the City's intent to comply with all conditions of the California State Water Resources Control Board's Drinking Water State Revolving Fund loan program reimbursement requirements for the PFAS Removal Project, reflecting a revised maximum principal amount of \$11,891,000.
- b. Adopt Resolution No. 2025-086, repealing Resolution No. 2024-106.

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

BACKGROUND & HISTORY:

The California State Water Resources Control Board (SWRCB) Drinking Water State Revolving Fund (DWSRF) is a financial assistance program designed to help public water systems and communities. The DWSRF provides low-interest loans, grants, and other financial assistance to eligible public water systems for projects that improve the quality, safety, and reliability of drinking water. The DWSRF loan program requires that any entity seeking financial assistance must formally authorize the application process through its governing body. As a condition of receiving funds, a resolution to designate an Authorized Representative must be approved, adopted, and included in the financial assistance application. Additionally, a resolution affirming the City's commitment to comply with all conditions of the loan program's reimbursement requirement is necessary.

On November 20, 2024, City Council approved Resolution No. 2024-106 as the City's Reimbursement Resolution with a maximum principal amount of \$5,000,000. Following discussions with SWRCB representatives, staff were advised that the City could apply for the full estimated project cost and may be eligible for up to 50% principal forgiveness. Based on the updated engineer's cost estimates, the final grant application was submitted with a revised funding request of \$11,891,000.

ANALYSIS:

The SWRCB has allocated significant funding for Per- and Polyfluoroalkyl Substances (PFAS)-related initiatives. The PFAS funding provides essential financial resources to public water systems for the installation of treatment technologies specifically designed to remove PFAS from drinking water. The Utilities Department is requesting financial assistance in the amount of \$11,891,000, which can be awarded as a combination of a loan and a principal forgiveness grant.

If awarded, the funding will help offset the significant costs associated with the installation of a granular activated carbon treatment (GAC) system at two well site locations (Well 7A and 8A) to remove PFAS to acceptable state-mandated levels from the groundwater supply, and the installation of a GAC system and piping modifications at the City Park Granular Activated Carbon Treatment Plan to improve the City's water quality and reduce its reliance on imported water supplies. This PFAS removal project, known as the PFAS and 1, 2, 3-TCP Remediation Capital Improvement Project No. UT-2024-10, is planned to begin construction in Fiscal Year 2026.

As part of the DWSRF financial application requirements, staff recommends adopting the updated Reimbursement Resolution No. 2025-085, which states the revised maximum principal amount of \$11,891,000, and Resolution No. 2025-086, which repeals Resolution No. 2024-106.

FINANCIAL IMPACT:

The adoption of this Resolution will have no financial impact.

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 commonsense 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 seeks the adoption of resolutions updating the reimbursement resolution for the DWSRF application, and there is no possibility that approving the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JACQUELINE ZUKERAN, UTILITY BILLING AND ADMINISTRATION
MANAGER

REVIEWED BY: TOM MOODY, UTILITIES DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Resolution No. 2025-085
2. Exhibit 2 – Resolution No. 2025-086