

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2025

NEW ISSUE – BOOK-ENTRY ONLY

RATING: S&P: “__”
See the caption “RATING”

In the opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, subject to certain qualifications described herein, under existing statutes, regulations, rules and court decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income taxes. See the caption “TAX MATTERS.”

\$ _____^{*}
CORONA UTILITY AUTHORITY
2025 WASTEWATER REVENUE BONDS
(WASTEWATER PROJECTS)

Dated: Date of Issuance

Due: September 1, as set forth on the inside front cover page

The 2025 Bonds are being issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers of the 2025 Bonds will not receive securities representing their beneficial ownership in the 2025 Bonds purchased. Interest on the 2025 Bonds is payable on March 1, 2026 and each March 1 and September 1 thereafter, until their maturity. The principal of and interest on the 2025 Bonds are payable by the Trustee to Cede & Co. and such interest and principal payments are to be disbursed to the Beneficial Owners of the 2025 Bonds through their nominees.

The 2025 Bonds are subject to optional redemption and mandatory sinking fund redemption, all as more fully described in this Official Statement. See the caption “THE 2025 Bonds—Redemption.”

The 2025 Bonds are being issued to provide moneys to (i) currently refund the outstanding Corona Utility Authority 2013 Wastewater Revenue Bonds (Wastewater Projects); (ii) finance the acquisition, construction and equipping of certain improvements to the City of Corona’s Wastewater Enterprise; and (iii) pay costs of issuance of the 2025 Bonds, all as more fully described in this Official Statement.

The 2025 Bonds are being issued pursuant to that certain Indenture of Trust, dated as of September 1, 2025, by and between the Utility Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. The 2025 Bonds are a special limited obligation of the Utility Authority payable solely from Net Revenues of the Wastewater Enterprise on a parity with payments under a loan contract with the State Water Resources Control Board, and from certain other funds and accounts held by the Trustee pursuant to the Indenture. The Wastewater Enterprise is operated by the City of Corona Utilities Department on behalf of the Utility Authority, which leases the Wastewater Enterprise from the City pursuant to the Wastewater Enterprise Lease Agreement. Neither the full faith and credit nor any other revenues or funds of the Utility Authority are pledged to or available for the payment of debt service on the 2025 Bonds. The obligation of the Utility Authority to make payments of principal and interest on the 2025 Bonds does not constitute an obligation for which the Utility Authority is obligated to levy or pledge any form of taxation or for which the Utility Authority has levied or pledged any form of taxation. The Utility Authority has no taxing power.

The 2025 Bonds are not a debt of the City of Corona, the County of Riverside, the State of California or any of its political subdivisions in contravention of any constitutional or statutory limitations, and none of the City, said County, said State nor any of its political subdivisions is liable on the 2025 Bonds, nor in any event will the 2025 Bonds be payable out of any funds or properties of the Utility Authority other than the Net Revenues.

No debt service reserve fund or account has been established in connection with the issuance of the 2025 Bonds.

The Utility Authority may incur additional obligations payable from Net Revenues on a parity with the obligation to pay principal of and interest on the 2025 Bonds in the future, subject to the terms and conditions of the Indenture, as more fully described in this Official Statement.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS ARE ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE – See Inside Front Cover Page

The 2025 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of the valid, legal and binding nature of the 2025 Bonds by Best Best & Krieger LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Utility Authority by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and by the City Attorney, for the Underwriter by its counsel, Anzel Galvan LLP, and for the Trustee by its counsel. It is anticipated that the 2025 Bonds will be available for delivery through the facilities of The Depository Trust Company on or about _____, 2025.

[Stifel Logo]

Dated: _____, 2025

^{*} Preliminary, subject to change.

Error! Unknown document property name.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$ _____ *

**CORONA UTILITY AUTHORITY
2025 WASTEWATER REVENUE BONDS
(WASTEWATER PROJECTS)**

MATURITY SCHEDULE

BASE CUSIP®† _____

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP Suffix®†</i>
	\$	%	%		

\$ _____ % Term Bonds Due September 1, 20__ – Yield _____ % CUSIP† _____

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**CITY OF CORONA
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

Jim Steiner, *Mayor, District 4*
Jacque Casillas, *Vice Mayor, District 1*
Tony Daddario, *Council Member, District 2*
Tom Richins, *Council Member, District 3*
Wes Speake, *Council Member, District 5*

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Verification Agent

Causey Public Finance LLC
Denver, Colorado

No dealer, broker, salesperson or other person has been authorized by the Utility Authority, the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such other information or representations must not be relied upon as having been authorized by the Utility Authority, the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the 2025 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained from official sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriter. The information and expression of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Utility Authority or the City since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE 2025 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

CERTAIN STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT REFLECT NOT HISTORICAL FACTS BUT FORECASTS AND "FORWARD-LOOKING STATEMENTS." NO ASSURANCE CAN BE GIVEN THAT THE FUTURE RESULTS DISCUSSED HEREIN WILL BE ACHIEVED, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THE FORECASTS DESCRIBED HEREIN. IN THIS RESPECT, THE WORDS "ESTIMATE," "PROJECT," "ANTICIPATE," "EXPECT," "INTEND," "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. ALL PROJECTIONS, FORECASTS, ASSUMPTIONS, EXPRESSIONS OF OPINIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

The 2025 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such act. The 2025 Bonds have not been registered or qualified under the

securities laws of any state. The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption contained in such act.

The City maintains a website and certain social media accounts. However, the information presented there is for informational purposes only, is not part of this Official Statement and must not be relied upon in making an investment decision with respect to the 2025 Bonds.

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[REGIONAL MAP]

SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement, and the offering of the 2025 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms that are used and not otherwise defined in this Summary Statement have the meanings ascribed to them in this Official Statement.

Purpose. The 2025 Bonds are being issued to provide moneys to: (i) currently refund the outstanding Corona Utility Authority 2013 Wastewater Revenue Bonds (Wastewater Projects); (ii) finance the acquisition, construction and equipping of certain improvements to the City of Corona's Wastewater Enterprise; and (iii) pay costs of issuance of the 2025 Bonds, all as more fully described herein. See the caption "PLAN OF FINANCE."

Security for the 2025 Bonds. The 2025 Bonds are special limited obligations of the Utility Authority payable solely from Net Revenues of the Wastewater Enterprise on a parity with payments under a loan contract with the State Water Resources Control Board, and from certain other funds and accounts held by the Trustee pursuant to the Indenture. Neither the full faith and credit nor any other revenues or funds of the Utility Authority are pledged to or available for the payment of debt service on the 2025 Bonds. The obligation of the Utility Authority to make payments of principal and interest on the 2025 Bonds does not constitute an obligation for which the Utility Authority is obligated to levy or pledge any form of taxation or for which the Utility Authority has levied or pledged any form of taxation. The Utility Authority has no taxing power.

The 2025 Bonds are not a debt of the City of Corona, the County of Riverside, the State of California or any of its political subdivisions in contravention of any constitutional or statutory limitations, and none of the City, said County, said State nor any of its political subdivisions is liable on the 2025 Bonds, nor in any event will the 2025 Bonds be payable out of any funds or properties of the Utility Authority other than the Net Revenues.

See the caption "SECURITY FOR THE 2025 BONDS."

Rate Covenant. The Utility Authority will fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Wastewater Enterprise, or cause the City to do so, during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 125% of Debt Service (including the payments of principal of and interest on the 2025 Bonds) becoming due and payable during such Fiscal Year. See the caption "SECURITY FOR THE 2025 BONDS—Rate Covenant."

Outstanding Parity Obligations. The obligation of the Utility Authority to pay the 2025 Bonds from Net Revenues is on a parity with the obligation of the Utility Authority to make payments on a loan contract with the State Water Resources Control Board maturing in 2046 which was outstanding in the principal amount of \$9,217,896 as of June 30, 2024.

Additional Indebtedness. The Indenture does not permit the Utility Authority to issue or incur any bond, note, warrant evidence of indebtedness, contract, instrument or other agreement payable from Net Revenues the payment of which is prior to and senior to the payment of principal of and interest on the 2025 Bonds. The Indenture permits the Utility Authority to incur Parity Obligations payable on a parity with the payments of principal of and interest on the 2025 Bonds provided that certain conditions are satisfied as described in the Indenture. See the caption "SECURITY FOR THE 2025 BONDS—Additional Indebtedness."

No Reserve Fund. No debt service reserve fund or account has been established in connection with the issuance of the 2025 Bonds.

Redemption. The 2025 Bonds are subject to optional redemption and mandatory sinking fund redemption, all as more fully described under the caption “THE 2025 BONDS—Redemption.”

The Wastewater Enterprise. The Wastewater Enterprise includes approximately 44 miles of wastewater mains, 15 lift stations, 22.5 miles of force mains and 442.5 miles of gravity-fed pipelines ranging in size from 6 inches to 42 inches in diameter, the majority of which were constructed in the 1980s and 1990s. The Wastewater Enterprise has a total treatment capacity of approximately 18.12 million gallons per day (“**mgd**”) and treats an average of approximately 11.9 mgd of wastewater at four facilities: (i) Water Reclamation Facility #1 (“**WRF 1**”); (ii) Water Reclamation Facility #2 (“**WRF 2**”); (iii) Water Reclamation Facility #3 (“**WRF 3**”); and (iv) the Western Riverside County Regional Wastewater Authority regional treatment plant (the “**WRCRWA Treatment Plant**”).

WRF 1, WRF 2 and WRF 3 are operated by the City and wastewater flow from WRF 1, WRF 2 and WRF 3 is fully interconnected and the sludge from each facility is currently treated at WRF 1 alone. The WRCRWA Treatment Plant is operated by the Western Riverside County Regional Wastewater Authority (“**WRCRWA**”). The WRCRWA Treatment Plant is self-contained and processes its own sludge and WRCRWA has its own conveyance system. The Wastewater Enterprise owns 2.62 mgd capacity in the WRCRWA conveyance system. See the captions “THE WASTEWATER mgd—City Treatment and Transmission Facilities” and “—Western Riverside County Regional Wastewater Authority Treatment Plant.”

In Fiscal Year 2024, the average daily flow of the Wastewater Enterprise was approximately 12.81 mgd from 39,060 residential connections and 2,250 commercial connections.

The Wastewater Enterprise is operated by the City’s Utilities Department on behalf of the Utility Authority, which leases the Wastewater Enterprise from the City pursuant to the Wastewater Enterprise Lease Agreement. See the caption “SECURITY FOR THE 2025 BONDS—Net Revenues Consist of Gross Revenues Minus Direct Costs and Allocated Costs.”

§ _____ *

**CORONA UTILITY AUTHORITY
2025 WASTEWATER REVENUE BONDS
(WASTEWATER PROJECTS)**

INTRODUCTION

This Official Statement, including the front cover page, the inside front cover page and all appendices, provides certain information concerning the sale and delivery of the Corona Utility Authority 2025 Wastewater Revenue Bonds (Wastewater Projects) (the “**Bonds**”).

The 2025 Bonds are being issued pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and that certain Indenture of Trust, dated as of September 1, 2025 (the “**Indenture**”), by and between the Corona Utility Authority (the “**Utility Authority**”) and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the “**Trustee**”).

The 2025 Bonds are being issued to provide funds to (i) currently refund the outstanding Corona Utility Authority 2013 Wastewater Revenue Bonds (Wastewater Projects), as described under the caption “—Refunding Plan;” (ii) finance the acquisition, construction and equipping of certain improvements (the “**2025 Project**”) to the City of Corona’s wastewater system (the “**Wastewater Enterprise**”); and (iii) pay costs of issuance of the 2025 Bonds. See the caption “PLAN OF FINANCE.”

The 2025 Bonds are limited obligations of the Utility Authority payable solely from Net Revenues of the Wastewater Enterprise, consisting of all of the Gross Revenues of the Wastewater Enterprise minus the amount required to pay all Direct Costs and Allocated Costs of the Wastewater Enterprise, and from certain other funds and accounts held by the Trustee pursuant to the Indenture, as such terms are defined herein. The Wastewater Enterprise is operated by the City of Corona (the “**City**”) Utilities Department on behalf of the Utility Authority, which leases the Wastewater Enterprise from the City pursuant to the Wastewater Enterprise Lease Agreement described under the caption “SECURITY FOR THE 2025 BONDS—Net Revenues Consist of Gross Revenues Minus Direct Costs and Allocated Costs.”

The obligation of the Utility Authority to pay principal of and interest on the 2025 Bonds is payable from Net Revenues on a parity with payments under State Revolving Fund Loan Contract No. C-06-7894-110, dated September 24, 2014 (the “**SRF Loan**”), with the State Water Resources Control Board (the “**SWRCB**”). Neither the full faith and credit nor any other revenues or funds of the Utility Authority are pledged to or available for the payment of debt service on the 2025 Bonds. The obligation of the Utility Authority to make payments of principal and interest on the 2025 Bonds does not constitute an obligation for which the Utility Authority is obligated to levy or pledge any form of taxation or for which the Utility Authority has levied or pledged any form of taxation. The Utility Authority has no taxing power. See the caption “SECURITY FOR THE 2025 BONDS.”

The 2025 Bonds are not a debt of the City, the County of Riverside (the “**County**”), the State of California (the “**State**”) or any of its political subdivisions in contravention of any constitutional or statutory limitations, and none of the City, the County, the State nor any of its political subdivisions is liable on the 2025 Bonds, nor in any event will the 2025 Bonds be payable out of any funds or properties of the Utility Authority other than the Net Revenues.

No debt service reserve fund or account has been established in connection with the issuance of the 2025 Bonds.

* Preliminary, subject to change.

The Indenture permits the Utility Authority to incur Parity Obligations payable on a parity with the payments of principal of and interest on the 2025 Bonds provided that certain conditions are satisfied as described in the Indenture. See the caption “SECURITY FOR THE 2025 BONDS—Additional Indebtedness.”

The 2025 Bonds are subject to optional redemption and mandatory sinking fund redemption, all as more fully described under the caption “THE 2025 BONDS—Redemption.”

The summaries and references to the Indenture and all documents, statutes, reports and other instruments that are referred to herein do not purport to be complete, comprehensive or definitive, and each such summary or reference is qualified in its entirety by reference to the full Indenture or the respective document, statute, report or instrument, copies of which are available for inspection at the offices of the City in Corona, California or from the Trustee upon request and payment of duplication cost. The capitalization of any word that is not conventionally capitalized or otherwise defined herein indicates that such word is defined in the Indenture and, as used herein, has the meaning that is given to it in the Indenture. See Appendix B for a summary of the Indenture. Unless otherwise indicated, all financial and statistical information herein has been provided by the City.

The City regularly prepares a variety of reports, including audits, budgets and related documents. Any registered owner of the 2025 Bonds may obtain a copy of such reports, as available, from the Trustee or the City. Additional information regarding the Official Statement may be obtained by contacting the Trustee or the City, 400 S. Vicentia Avenue Corona, California 92882, Attention: Finance Department.

Pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“**Rule 15c2-12**”), the Utility Authority has undertaken to provide annual reports and notice of certain enumerated events to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“**EMMA**”) pursuant to a continuing disclosure certificate. See the caption “CONTINUING DISCLOSURE” and Appendix E.

PLAN OF FINANCE

Refunding Plan

The 2013 Bonds, which are currently outstanding in the aggregate principal amount of \$5,375,000, were executed and delivered pursuant to that certain Indenture of Trust, dated as of June 1, 2013 (the “**2013 Trust Agreement**”), by and among the City, the Utility Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**2013 Trustee**”). The Utility Authority plans to apply a portion of the proceeds of the 2025 Bonds refund all of the outstanding 2013 Bonds. See the caption “SECURITY FOR THE 2025 BONDS.”

Under that certain Escrow Deposit and Trust Agreement, dated as of September 1, 2025 (the “**2013 Escrow Agreement**”), by and among the City, the Utility Authority and the 2013 Trustee, the Utility Authority will deliver a portion of the proceeds of the 2025 Bonds to the 2013 Trustee for deposit in the escrow fund established under the 2013 Escrow Agreement (the “**2013 Escrow Fund**”). Additionally, the City will transfer certain amounts from funds and accounts relating to the 2013 Bonds to the 2013 Trustee for deposit in the 2013 Escrow Fund. The 2013 Trustee will invest a portion of the amounts deposited in the 2013 Escrow Fund in Federal Securities as set forth in the 2013 Escrow Agreement. From the maturing principal of the Federal Securities and related investment income and other moneys on deposit in the 2013 Escrow Fund, the 2013 Trustee will pay on _____, 2025 the principal with respect to the 2013 Bonds maturing after _____, 2025, plus related interest accrued to such date, without premium.

Sufficiency of the deposits in the 2013 Escrow Fund for such purposes will be verified by Causey Public Finance, LLC, Denver, Colorado (the “**Verification Agent**”). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the 2013 Escrow Agreement,

the 2013 Bonds will be defeased pursuant to the provisions of the 2013 Trust Agreement. See the caption “— Verification.”

The amounts held and invested by the 2013 Trustee in the 2013 Escrow Fund are pledged solely to the payment of the 2013 Bonds. Neither the funds deposited in the 2013 Escrow Fund nor the interest on the invested funds will be available for the payments of principal of and interest on the 2025 Bonds.

Upon the issuance of the 2025 Bonds, the Verification Agent, an independent firm of certified public accountants, will deliver to the Utility Authority its report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the City, the Utility Authority and their representatives. Included in the scope of the Verification Agent’s examination will be: (i) a verification of the mathematical accuracy of the computations of the adequacy of the cash deposited with the 2013 Trustee and the maturing principal of and interest on the Federal Securities to pay the interest, principal and prepayment price with respect to the 2013 Bonds, on and prior to their prepayment date and (ii) the computations of yield of the 2025 Bonds and the Federal Securities which support Bond Counsel’s opinion that the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes.

The 2025 Project

A portion of the proceeds of the 2025 Bonds are expected to be used by the City, as agent of the Utility Authority pursuant to that certain Agency Agreement, dated as of September 1, 2025 (the “**Agency Agreement**”), by and between the City and the Utility Authority, to finance a portion of the costs of the following capital improvements (collectively, the “**2025 Project**”): (i) the construction of the Sierra Del Oro lift station and pipelines; (ii) improvements to the Water Reclamation Facility #1 digester and electrical equipment; (iii) improvements to the Water Reclamation Facility #1A primary and blower room motor control centers replacement; (iv) the Water Reclamation Facility #2 generator replacement; (v) the construction of the Water Reclamation Facility #2 primary clarifiers rehabilitation; (vi) improvements to the Plant 1A secondary clarifier concrete decks; and (vii) the installation of the Water Reclamation Facility #1 compliance flow meter. The capital improvements described above are expected to cost a total of approximately \$29,000,000. The City expects to apply Wastewater Enterprise reserves to pay the portion of such costs that are not financed from proceeds of the 2025 Bonds.

The City currently expects to receive all necessary environmental and other approvals in connection with the 2025 Project in a timely manner prior to beginning construction and to complete the construction of all components of the 2025 Project in 2028.

Pursuant to the terms of the Agency Agreement, the City, as agent of the Utility Authority, has the right to make any changes to the description of the 2025 Project or of any project component, whenever the City deems such changes to be necessary and appropriate; provided, however, that any such change may not alter (except as otherwise provided in the Indenture) the essential nature of the 2025 Project, and that an increase in construction costs will not result from such change, unless the City confirms that funds with the Utility Authority are sufficient to pay such increase.

Estimated Sources And Uses Of Funds

The following table sets forth the estimated sources and uses of funds relating to the 2025 Bonds and other moneys:

Sources⁽¹⁾:	
Principal Amount	\$
Plus/Less Net Original Issue Premium/Discount	
Other Moneys	
Total Sources:	\$
Uses⁽¹⁾:	
2013 Escrow Fund	\$
Project Fund	
Costs of Issuance ⁽²⁾	
Total Uses:	\$

(1) Amounts rounded to the nearest dollar.

(2) Includes Underwriter's discount and certain legal, municipal advisory, rating agency, printing and other financing-related costs.

Source: Underwriter.

THE 2025 BONDS

General Provisions

The 2025 Bonds will be dated as of their date of initial issuance, will bear interest from such date at the rates per annum set forth on the inside front cover page hereof, payable on March 1, 2026 and each March 1 and September 1 thereafter (each, an "**Interest Payment Date**"), and will mature on the dates set forth on the inside front cover page hereof. Interest on the 2025 Bonds will be computed on the basis of a 360 day year composed of twelve 30-day months.

The 2025 Bonds will be issued only in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the 2025 Bonds. Ownership interests in the 2025 Bonds may be purchased in book-entry form, in any integral multiple of \$5,000. See the caption "**—Book-Entry Only System**" below and Appendix D.

Interest on the 2025 Bonds will be payable semi-annually calculated based on a 360-day year of twelve thirty-day months on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the 15th calendar day of the month preceding such Interest Payment Date (each, a "**Record Date**"), such interest to be paid by check of the Trustee mailed by first class mail to the Owner on the Interest Payment Date at the address of such Owner as its appears on the Registration Books; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the continental United States of America to any Owner of 2025 Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee prior to the applicable Record Date. Principal of any 2025 Bond and any premium upon redemption will be paid by check of the Trustee upon presentation and surrender thereof at the Trust Office. Principal of and interest and premium (if any) on the 2025 Bonds will be payable in lawful money of the United States of America.

Each 2025 Bond will be dated as of the Closing Date and will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) unless it is authenticated on or before February 15, 2026, in which event it will bear interest from its Date of Delivery; provided, however, that if, as of the date of authentication of any 2025 Bond, interest

thereon is in default, such 2025 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Transfers and Exchanges Upon Termination of Book-Entry Only System

In the event that the book-entry system that is described herein is discontinued, the 2025 Bonds will be printed and delivered as provided in the Indenture. Thereafter, any 2025 Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such 2025 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Transfer of any 2025 Bond will not be permitted during the period established by the Trustee for selection of 2025 Bonds for redemption or if such 2025 Bond has been selected for redemption as described below under the heading "Redemption." Whenever any 2025 Bond or Bonds is surrendered for transfer, the Utility Authority will execute and the Trustee will authenticate and deliver a new 2025 Bond or Bonds for a like aggregate principal amount and of like maturity. The Trustee may require the 2025 Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing 2025 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer will be paid by the Utility Authority. The cost of printing 2025 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange will be paid by the Utility Authority.

Any 2025 Bond may be exchanged at the Trust Office for a like aggregate principal amount of 2025 Bonds of other authorized denominations and of like maturity. Exchange of any 2025 Bond will not be permitted during the period established by the Trustee for selection of 2025 Bonds for redemption or if such 2025 Bond has been selected for redemption as described below under the heading "Redemption." The Trustee will require the 2025 Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange.

Redemption*

Optional Redemption. The 2025 Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The 2025 Bonds maturing on September 1, 20__ and thereafter are subject to redemption prior to their stated maturity at the option of the Utility Authority, as a whole or in part on any date, by such maturities as are selected by the Utility Authority from any available source of funds on or after September 1, 20__ at a redemption price equal to the principal amount of the 2025 Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Term Bonds are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on September 1, 20__ with respect to Term Bonds maturing September 1, 20__, and on September 1 each year thereafter, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the 2025 Bonds have been redeemed pursuant to the optional redemption provisions of the Indenture, the total amount of Sinking Account payments to be made subsequent to such redemption will be reduced in an amount equal to the principal amount of the 2025 Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as will be designated pursuant to written notice filed by the Utility Authority with the Trustee:

* Preliminary, subject to change.

***Redemption Date
(September 1)***

***Principal
Amount***

* Final Maturity.

In lieu of such redemption, the Trustee may apply amounts in the Sinking Account to the purchase of Term Bonds at public or private sale for cancellation, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Utility Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Term Bonds, as set forth in a Written Request of the Utility Authority and subsequently cancelled or surrendered to the Trustee for cancellation. The par amount of any Term Bonds so purchased by the Utility Authority in any twelve-month period immediately preceding any August 15 in the table above will be credited towards and will reduce the principal amount of Term Bonds required to be redeemed on the succeeding September 1.

Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Utility Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Utility Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the 2025 Bonds surrendered.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the 2025 Bonds, (other than mandatory sinking fund redemption of Term Bonds) the Trustee will select the 2025 Bonds to be redeemed from all Bonds or such given portion of the 2025 Bonds not previously called for redemption, among maturities as directed by the Utility Authority and within each maturity in a manner selected by the Trustee; provided, however, that if less than all of the 2025 Bonds are called for redemption at any one time, upon the written direction of the Utility Authority, the Utility Authority will specify a reduction in any pending Sinking Account payments required to be made under the Indenture which, to the extent practicable, results in substantially level Debt Service on the 2025 Bonds. For purposes of such selection, the Trustee will treat each Bond as consisting of separate \$5,000 portions and each such portion will be subject to redemption as if such portion were a separate Bond.

Notice of Redemption

Notice of redemption will be mailed by first class mail, postage prepaid, not less than 30 nor more than 60 days before any redemption date, to respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and to the Securities Depositories and to the Information Services. Each notice of redemption must state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the 2025 Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (if less than all Bonds are redeemed) Bond numbers of the 2025 Bonds to be redeemed, the maturity or maturities of the 2025 Bonds to be redeemed and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Bonds the redemption price, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered. Neither the failure to receive any notice nor any defect therein will affect the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Utility Authority, for and on behalf of the Utility Authority.

With respect to any notice of optional redemption of the 2025 Bonds, such notice will state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption

of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice in the manner in which the notice of redemption was given, that such moneys were not so received.

Effect of Redemption

Notice of redemption having been duly given as set forth under the caption “—Notice of Redemption,” the 2025 Bonds (or related portions) so called for redemption will become due and payable, interest on the 2025 Bonds so called for redemption will cease to accrue, said Bonds (or related portions) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof. All Bonds redeemed pursuant to the provisions of the Indenture will be canceled by the Trustee upon surrender thereof and destroyed.

Book-Entry Only System

One fully-registered 2025 Bond of each maturity will be issued in the principal amount of the 2025 Bonds of such maturity. Such 2025 Bond will be registered in the name of Cede & Co. and will be deposited with DTC. As long as the ownership of the 2025 Bonds is registered in the name of Cede & Co., the term “**Owner**” as used in this Official Statement will refer to Cede & Co. and not to the actual purchasers of the 2025 Bonds (the “**Beneficial Owners**”).

The Utility Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the 2025 Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer. See the caption “—Transfers and Exchanges Upon Termination of Book-Entry Only System.”

The Utility Authority cannot and does not give any assurances that DTC Participants or others will distribute payments of principal of and interest on the 2025 Bonds received by DTC or its Nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners (as such term is defined in Appendix D), or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement. See Appendix D for additional information concerning DTC.

DEBT SERVICE PAYMENT SCHEDULE

Set forth below is an annualized schedule of principal of and interest on the 2025 Bonds for the period ending June 30 in each of the years indicated.

<i>Period Ending June 30</i>	<i>Parity Obligation Debt Service</i>	<i>2025 Bonds Principal</i>	<i>2025 Bonds Interest</i>	<i>2025 Bonds Total Debt Service</i>	<i>Total Debt Service</i>
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TOTAL

SECURITY FOR THE 2025 BONDS

General

The 2025 Bonds are special limited obligations of the Utility Authority payable solely from Net Revenues of the Wastewater Enterprise on a parity with payments under the 2014 SRF Loan, and from certain other funds and accounts held by the Trustee pursuant to the Indenture. Neither the full faith and credit nor any other revenues or funds of the Utility Authority are pledged to or available for the payment of debt service on the 2025 Bonds. The obligation of the Utility Authority to make payments of principal of and interest on the 2025 Bonds does not constitute an obligation for which the Utility Authority is obligated to levy or pledge any form of taxation or for which the Utility Authority has levied or pledged any form of taxation. The Utility Authority has no taxing power.

The 2025 Bonds are not a debt of the City, the County, the State or any of its political subdivisions in contravention of any constitutional or statutory limitations, and none of the City, the County, the State nor any of its political subdivisions is liable on the 2025 Bonds, nor in any event will the 2025 Bonds be payable out of any funds or properties of the Utility Authority other than the Net Revenues.

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Revenues and any other amounts (including proceeds of the sale of the 2025 Bonds) held in any fund or account established pursuant to the Indenture (other than a Rebate Account) have been pledged to secure the payment of the principal of and interest on the 2025 Bonds in accordance with their terms and the provisions of the Indenture. Such pledge, charge and assignment constitutes a first lien on and security interest in the Net Revenues and such other amounts held in any fund or account established pursuant to the Indenture (except a Rebate Account) and will attach, be perfected and be valid and binding from and after the date of issuance of the 2025 Bonds, without any physical delivery thereof or further act.

In order to secure the payment of principal of and interest on the 2025 Bonds, the Utility Authority will cause the City to deposit all of the Gross Revenues immediately upon receipt in the Wastewater Enterprise Fund. The Wastewater Enterprise Fund will be held by the City on behalf of the Utility Authority. On or after the first day of each month, amounts deposited in the Wastewater Enterprise Fund will be disbursed in the following order of priority: (i) payment of Direct Costs and Allocated Costs for the preceding month; and (ii)

payment of debt service coming due on any bonds, notes or obligations of the Utility Authority relating to the Wastewater Enterprise, including the 2025 Bonds and the 2014 SRF Loan. See the caption “—Net Revenues Consist of Gross Revenues Minus Direct Costs and Allocated Costs.”

Amounts remaining in the Wastewater Enterprise Fund immediately after making the transfers required to be made pursuant to the Indenture will be used by the Utility Authority for any lawful purpose of the Utility Authority, including making lease payments under the Wastewater Enterprise Lease Agreement (as such term is defined under the caption “—Net Revenues Consist of Gross Revenues Minus Direct Costs and Allocated Costs”).

The Utility Authority has transferred in trust, granted a security interest in and assigned to the Trustee, for the benefit of the Owners from time to time of the 2025 Bonds, all of the Net Revenues and all of the rights of the Utility Authority under the Indenture (but none of its duties or obligations thereunder). The Trustee is entitled to and will, subject to the provisions of the Indenture, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, all of the rights of the Trustee under the Indenture.

All Net Revenues disbursed from the Wastewater Enterprise Fund with respect to the 2025 Bonds as described above will be promptly deposited by the Trustee upon receipt in a special fund designated as the “**Bond Fund**” which the Trustee will establish, maintain and hold in trust; except that all moneys received by the Trustee and required under the Indenture to be deposited in the Redemption Fund will be promptly deposited in such fund. All Net Revenues deposited with the Trustee will be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture.

Not later than the first Business Day preceding each date on which principal of or interest on the 2025 Bonds becomes due and payable, the Trustee will transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee will establish and maintain within the Bond Fund), the following amounts in the following order of priority, the requirements of each such account at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) The Trustee will deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all 2025 Bonds then Outstanding.

(b) The Trustee will deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the 2025 Bonds coming due and payable on such date.

All amounts in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2025 Bonds as it becomes due and payable (including accrued interest on any 2025 Bonds purchased or redeemed prior to maturity pursuant to the Indenture). All amounts in the Principal Account will be used and withdrawn by the Trustee solely to pay the principal amount of the 2025 Bonds at their respective maturity dates.

Nothing contained in the Indenture or in the 2025 Bonds affects or impairs the obligation of the Utility Authority, which is absolute and unconditional, to pay or cause to be paid the principal of and interest and premium (if any) on the 2025 Bonds to the respective Owners of the 2025 Bonds at their respective dates of maturity, or upon call for redemption, if any, as provided in the Indenture, but only out of the Net Revenues and other assets pledged therefor in the Indenture, or affects or impairs the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the 2025 Bonds.

Net Revenues Consist of Gross Revenues Minus Direct Costs and Allocated Costs

In 2002, the City and the former Redevelopment Agency of the City of Corona formed the Utility Authority, which leased the Wastewater Enterprise from the City pursuant to that certain Wastewater Enterprise Lease Agreement, dated as of February 6, 2002 (the “**Wastewater Enterprise Lease Agreement**”). The Utility Authority also leased the City’s water system from the City pursuant to that certain Water Enterprise Lease Agreement, dated as of February 6, 2002 (the “**Water Enterprise Lease Agreement**”). The City, through the Utilities Department, continues to operate the Wastewater Enterprise and the water system pursuant to two Management Agreements, each dated as of February 6, 2002, by and between the City and the Utility Authority.

Pursuant to the Wastewater Enterprise Lease Agreement, the Utility Authority makes annual lease payments to the City in an amount determined by agreement between the City and the Utility Authority. Such lease payments are payable on a subordinate basis to the payments of principal of and interest on the 2025 Bonds from surplus revenues of the Wastewater Enterprise remaining after paying Direct Costs and Allocated Costs, the 2025 Bonds, the 2014 SRF Loan and future Parity Obligations. Pursuant to the Water Enterprise Lease Agreement, the Utility Authority makes annual lease payments to the City in an amount determined by agreement between the City and the Utility Authority.

The obligation of the Utility Authority to pay the principal of and interest on the 2025 Bonds is payable from Net Revenues of the Wastewater Enterprise on a parity with the 2014 SRF Loan and any future Parity Obligations.

“**Net Revenues**” means, for any Fiscal Year of the Utility Authority ending June 30 (each, a “**Fiscal Year**”), an amount equal to all of the Gross Revenues received with respect to such Fiscal Year, minus the amount required to pay all Direct Costs and Allocated Costs becoming payable with respect to such Fiscal Year.

“**Gross Revenues**” means, for any Fiscal Year, the sum of all gross charges received for, and all other gross income and receipts derived by the Utility Authority from the lease and operation of the Wastewater Enterprise or otherwise arising from the Wastewater Enterprise, including but not limited to investment earnings thereon, including Wastewater Capital Impact Fees (as such term is defined in Appendix B), including any fees levied with respect to reclaimed water, to the extent that such fees are allocable to the Wastewater Projects (as such term is defined in Appendix B), and any operational participation revenues received. Gross Revenues do not include reimbursements from the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program.

“**Direct Costs**” means the reasonable and necessary costs, expenses and purchases paid for maintaining and operating the Wastewater Enterprise, including but not limited to: (a) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Wastewater Enterprise in good repair and working order and (b) the reasonable administrative costs of the Utility Authority attributable to the operation and maintenance of the Wastewater Enterprise, but in all cases excluding: (i) debt service payable on obligations incurred by the Utility Authority with respect to the Wastewater Enterprise; (ii) depreciation, replacement and obsolescence charges or reserves therefor; and (iii) amortization of intangibles or other bookkeeping entries of a similar nature. Direct Costs include the Wastewater Enterprise’s share of WRCRWA’s operating budget, but not its share of the cost of expansion of the WRCRWA Treatment Plant (including its share of debt service on the WRCRWA state loan), all as described under the caption “THE WASTEWATER ENTERPRISE—Western Riverside County Regional Wastewater Authority Treatment Plant.”

“**Allocated Costs**” means an amount payable by the Utility Authority to the City based on an allocation of City overhead to the Wastewater Enterprise.

In order to secure the payment of the principal of and interest on the 2025 Bonds, all of the Net Revenues will be pledged as described under the caption “—General.”

Rate Covenant

The Indenture requires the Utility Authority to fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Wastewater Enterprise, or cause the City to do so, during each Fiscal Year which (together with other funds accumulated from Gross Revenues and which are lawfully available to the Utility Authority for payment of any of the following amounts during such Fiscal Year) are at least sufficient, after making allowances for contingencies and errors in estimates, to pay the following amounts in the following order:

- (i) all Direct Costs and Allocated Costs of the Wastewater Enterprise estimated by the Utility Authority to become due and payable in such Fiscal Year;
- (ii) all Debt Service coming due and payable in such Fiscal Year; and
- (iii) all payments required to meet any other obligations of Utility Authority which are charges, liens or encumbrances upon, or payable from, the Net Revenues.

The Utility Authority will fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Wastewater Enterprise, or cause the City to do so, during each Fiscal Year which are sufficient to yield Net Revenues, at least equal to 125% of the amounts payable under clause (ii) above in such Fiscal Year.

No Reserve Fund

The Indenture does not establish a reserve fund or account for the 2025 Bonds. As discussed under the caption “—Additional Indebtedness—Parity Obligations,” any debt service reserve fund established in connection with Parity Obligations will not be available to support payment of the 2025 Bonds.

Additional Indebtedness

No Senior Obligations. After the issuance of the 2025 Bonds, as long as any 2025 Bonds are outstanding and payable, the Utility Authority will not issue or incur any bond, note, warrant, evidence of indebtedness, contract, instrument or other agreement payable from Net Revenues the payment of which is prior and senior to the payment of the 2025 Bonds.

Parity Obligations. The Utility Authority may issue or incur any bond, note, warrant, evidence of indebtedness, contract, instrument or other agreement secured by a pledge of and lien on Net Revenues equally and ratably with the 2025 Bonds (referred to as “**Parity Obligations**”) subject to the following provisions:

- (a) The Utility Authority is not in default under the terms of the Indenture;
- (b) (i) Net Revenues, as certified by the Utility Authority, for the most recent audited Fiscal Year preceding the date of execution of the Parity Obligations; plus (ii) projected Net Revenues (as described below) are at least equal to 125% of Aggregate Maximum Annual Debt Service (as such term is defined in Appendix B).

The projections described in clause (b)(ii) above may take into account the following: (1) increases in the charges made for service from the Wastewater Enterprise which have been adopted by the Utility Authority prior to the date of issuance or incurrence of such Parity Obligations, but which were not in effect for all or part of such preceding Fiscal Year, and which are scheduled to be effective in the period of Debt Service shown for such Parity Obligations; and (2) an allowance for estimated additional average annual Net Revenues from any additions or connections to or improvements or extensions of the Wastewater Enterprise which have occurred from the end of the Fiscal Year preceding the date of execution of the Parity Obligations.

(c) Notwithstanding the requirements described above, Parity Obligations may be issued or incurred to refund outstanding Parity Obligations if, after giving effect to the application of the proceeds thereof, total Debt Service will not be increased in any Fiscal Year in which Parity Obligations (outstanding on the date of issuance or incurrence of such refunding Parity Obligations, but excluding such refunding Parity Obligations) not being refunded are outstanding.

(d) The Utility Authority may, but is not required to, fund a reserve fund or obtain a reserve fund surety or instrument with respect to any Parity Obligations. If a reserve fund is funded for any Parity Obligations or a qualified reserve fund surety or instrument is obtained with respect to any Parity Obligations, such funded reserve fund or qualified reserve fund surety or instrument will secure only the related Parity Obligations and will not support the 2025 Bonds or any other Parity Obligations.

Subordinate Obligations. The Utility Authority has covenanted that the Utility Authority will not issue or incur any obligations that are payable from Net Revenues on a subordinate basis to the payments of principal of and interest on the 2025 Bonds (“**Subordinate Obligations**”) unless Net Revenues or projected Net Revenues, calculated in the same manner as described in clause (b) above under the subcaption “—Parity Obligations,” are equal to at least 100% of the sum of Debt Service on all Parity Obligations and Subordinate Obligations outstanding immediately subsequent to the incurring of such additional obligations.

THE UTILITY AUTHORITY

The Utility Authority is a joint powers authority of the State organized and existing under and by virtue of Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the California Government Code, as amended (the “**JPA Law**”). The Utility Authority was established pursuant to that certain Joint Exercise of Powers Agreement, dated February 6, 2002, as amended by that certain Amended and Restated Joint Exercise of Powers Agreement, dated February 6, 2013, by and among the City, the Successor Agency to the Redevelopment Agency of the City of Corona (the “**Successor Agency**”) and the Housing Authority of the City of Corona. The Utility Authority is governed by a five-member Board comprised of the same individuals who comprise the City Council of the City. The Utility Authority was created for the purpose of leasing, owning, operating, managing and maintaining the Wastewater Enterprise and the City’s water system and providing financing for public capital improvements for the City and the Successor Agency. Under the JPA Law, the Utility Authority is authorized to issue bonds to pay the costs of any public capital improvements.

THE CITY

General

The City is located in northwestern Riverside County, approximately 45 miles southeast of downtown Los Angeles, near the County’s border with the Counties of Orange and Los Angeles. The City was incorporated in 1896 and is a general law city operating under a council/manager form of government. The City had a population of approximately 159,157 as of January 2025 and covers approximately 39 square miles. Land use in the City is primarily residential, with areas of commercial and industrial development. See the caption “—Land Use and Service Area.”

The City provides police protection, fire protection, animal control, building safety regulation and inspection, street lighting, beautification, water and wastewater service, land use planning, zoning, housing and community services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement and recreational and cultural programs for citizen participation.

The Wastewater Enterprise includes approximately 44 miles of wastewater mains, 15 lift stations, 22.5 miles of force mains and 442.5 miles of gravity-fed pipelines ranging in size from 6 inches to 42 inches in diameter, the majority of which were constructed in the 1980s and 1990s. The Wastewater Enterprise has a total treatment capacity of approximately 18.12 million gallons per day (“**mgd**”) and currently treats an average of approximately 11.9mgd of wastewater at four facilities: (i) Water Reclamation Facility #1 (“**WRF 1**”); (ii) Water Reclamation Facility #2 (“**WRF 2**”); (iii) Water Reclamation Facility #3 (“**WRF 3**”); and (iv) the Western Riverside County Regional Wastewater Authority regional treatment plant (the “**WRCRWA Treatment Plant**”).

WRF 1, WRF 2 and WRF 3 are operated by the City and wastewater flow from WRF 1, WRF 2 and WRF 3 is fully interconnected and the sludge from each facility is currently treated at WRF 1 alone. The WRCRWA Treatment Plant is operated by the Western Riverside County Regional Wastewater Authority (“**WRCRWA**”). The WRCRWA Treatment Plant is self-contained and processes its own sludge and WRCRWA has its own conveyance system. The Wastewater Enterprise owns 2.62 mgd capacity in the WRCRWA conveyance system. See the captions “THE WASTEWATER ENTERPRISE—City Treatment and Transmission Facilities” and “—Western Riverside County Regional Wastewater Authority Treatment Plant.”

Land Use and Service Area

The service area of the Wastewater Enterprise encompasses approximately 48 square miles, including all of the City and certain unincorporated areas of the County that are located adjacent to City boundaries, including Coronita, Temescal Canyon and El Cerrito. The total population of the service area is estimated to be approximately 172,900. The City is highly connected to job centers in the County and the Counties of Orange and Los Angeles, with State Route 91 traversing the City east to west, providing access to the City of Riverside to the east and the City of Los Angeles to the west, and Interstate 15 traversing the City north to south.

The service area has elevations varying from 430 feet in the Green River area to over 1,600 feet in the South Corona area. The Wastewater Enterprise service area is approximately 90% built out and includes single family residences, multi-family residential units and industrial and commercial properties. Approximately 9% of the land within the Wastewater Enterprise service area is undeveloped. The City currently expects the Wastewater Enterprise service area to be fully built out in 2045 with an estimated population of 185,600.

Governance and Management

General. The City operates under a council-manager form of government. Councilmembers are elected by district for four-year alternating terms. The City Manager, appointed by the City Council, serves as the City’s chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager’s Office include implementation and administration of City Council policies and programs and providing direction to the departments that administer City programs and services.

City Manager. Jacob Ellis has over 15 years of local government experience and has served as the City Manager since November 2019. Prior to coming to the City, Mr. Ellis served as the Deputy Town Manager and Assistant to the Town Manager for the City of Gilbert, Arizona, and in various management capacities for the municipality of North Cowichan, British Columbia. Mr. Ellis has a Bachelor’s degree in

Political Science from Brigham Young University and a Master's degree in Public Administration and Juris Doctor degree from Cleveland State University.

Other key personnel responsible for management of the Wastewater Enterprise include the City Treasurer, the Finance Director and the Utilities Director. In addition, the City Attorney provides legal services to the City and the Utility Authority.

City Treasurer. Chad Willardson was elected as the City Treasurer in 2016 and re-elected in 2020 and 2024. Mr. Willardson is the President and Founder of Pacific Capital, a financial management business based in the City. Mr. Willardson has a Bachelor's degree in Economics from Brigham Young University. He is a certified member of the National Ethics Association and serves clients as a Certified Financial Fiduciary®. He is also an Accredited Wealth Management Advisor and a Chartered Retirement Planning Counselor.

Finance Director. Kim Sitton is the Finance Director of the City, overseeing the City's budget, accounting and purchasing functions. Ms. Sitton has been with the City for over 30 years and has served as the City's Finance Director since 2019. Ms. Sitton has a Bachelor's degree in Business Administration from California State University, San Bernardino.

Utilities Director. Tom Moody has been with the City since 1995 and has served as the Utilities Director since September 2016. Mr. Moody is responsible for all operations of the Utilities Department, which provides water, reclaimed water, wastewater, and electric service to residents and businesses within the Utilities Department's service area. Mr. Moody has a Bachelor's degree in Business Administration from American InterContinental University and a Master's degree in Business Administration from California Coast University. He also holds a Water Operator Certification for Distribution Grade V from the SWRCB's Division of Drinking Water (the "**Division**").

City Attorney. Dean Derleth has over 30 years of experience serving as counsel to local agencies. He has served as the City Attorney since December 2012. Prior to coming to the City, Mr. Derleth was an attorney in private practice and served as the City's contract City Attorney. Mr. Derleth has a Bachelor's degree in Economics from the University of California, Irvine, and a Juris Doctor degree from the University of the Pacific McGeorge School of Law.

Management Policies. The City has adopted several policies which are designed to ensure the prudent and effective management of City operations, including a Debt Management Policy, an Investment Policy, a Reserve Policy for Utilities Department Operating Funds and a Pension Stabilization Trust Investment Policy. Further information about these policies is set forth below. With the exception of the Reserve Policy for Utilities Department Operating Funds, which was adopted in 2023 and the reserve under which is still being accumulated, the City is in compliance with each of these policies.

Debt Management Policy. The City has adopted a Debt Management Policy in accordance with California Government Code Section 8855 to establish guidelines and parameters for the effective governance, management and administration of debt issued by the City and its related entities and to ensure compliance with legislation, statutes and laws that place regulations on local agency debt. The 2025 Bonds are consistent with the Debt Management Policy. The following elements have been incorporated into this policy:

- The purposes for which debt may be incurred;
- The types of debt that may be issued;
- The relationship of the debt to, and integration with, the City's capital improvement program or budget;
- Policy goals related to the City's planning goals and objectives;
- Debt management practices, including the investment of proceeds and post-issuance compliance; and

- Policies governing initial and continuing disclosure to investors.

Investment Policy. The City invests its funds in accordance with the City’s investment policy (the “**Investment Policy**”), which was most recently reviewed and revised by the City Council on June 18, 2025. The Investment Policy: (a) describes the policies and procedures to be utilized in the City’s investment management system; (b) establishes guidelines for the prudent investment of the City’s funds, and (c) lists and describes suitable investments. The goals of the City’s investment policy are to meet the City’s short and long-term cash flow demands in a manner which will provide for the safety of principal and sufficient liquidity, while providing a suitable investment return.

In accordance with Section 53600 et seq. of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. Eligible investments include the Local Agency Investment Fund which is operated by the California State Treasurer, local agency bonds rated “A” or better (limited to 25% of the portfolio), money market mutual funds (limited to 20% of the portfolio), federal agency or government-sponsored enterprise securities (limited to 5-year maximum maturities and 75% of the portfolio), United States Treasury obligations (limited to 5-year maximum maturities), medium-term corporate notes (limited to 5-year maximum maturities and 30% of the portfolio), negotiable certificates of deposit (limited to 3-year maximum maturities and 20% of the portfolio), banker’s acceptances (limited to 180-day maximum maturities and 20% of the portfolio) and commercial paper (limited to 270-day maximum maturities and 25% of the portfolio). Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Return on Investment.

The Treasurer is required to provide a monthly report to the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest and other such information as may be requested by the City Council.

Approximately \$51.8 million (10.2%) of the City’s total investment portfolio as of June 30, 2024 was attributed to the Wastewater Enterprise.

Reserve Policy for Utilities Department Operating Funds. The City’s Reserve Policy for Utilities Department Operating Funds was originally established in 2023. The policy establishes a target reserve amount for the Sewer Utility Fund equal to 90 days of operating expenses plus the current annual depreciation amount. To build the target reserve amount, the Utilities Department will annually contribute 10% of the difference between the Sewer Utility Fund’s actual operating revenues and actual operating expenses until the target reserve amount is met. Amounts in the reserve may be used as follows: (i) as needed in the event of a local, state or federal emergency declaration; (ii) for emergency projects; (iii) to fulfill debt obligations; (iv) to phase in the impact of unforeseen cost increases, such as significant increases in imported water costs, energy costs and other significant expense fluctuations; and (v) to address unexpected revenue shortfalls. As of June 30, 2024, \$1,325,448 was held in the Sewer Utility Fund reserve and the City estimates approximately \$1,834,530 was held in the Sewer Utility Fund reserve as of June 30, 2025.

Pension Stabilization Trust Investment Policy. The City Council has adopted a Pension Stabilization Trust Policy (the “**Pension Policy**”), which was most recently reviewed and revised by the City Council on June 18, 2025. The Pension Policy is intended to provide guidelines for the investment of funds in the City’s Pension Benefits Trust. See the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Employee Benefits—Pension Obligations.”

Under the Pension Policy, the City Treasurer, City Manager, Assistant City Manager, Finance Director, and Accounting Manager annually review changes in the demographics of participants in its pension plans, amendments to plan provisions that may have a material effect on cash flow needs or the investment

horizon, proposed changes in asset allocations and pension plan actuarial reports, in order to determine whether to adjust investments in the Pension Benefits Trust while ensuring the long-term growth of assets therein, the safety of principal and liquidity. The Pension Policy also establishes guidelines for the retention of an Investment Manager.

Funds in the Pension Benefits Trust must be invested as follows: (i) no more than 5% of the portfolio may be invested in any single security; and (ii) cash and fixed income securities may comprise 10%-30% of the portfolio, while global equities may comprise 50%-80% of the portfolio. Certain investments, including margin purchases, non-United States dollar denominated securities, hedge funds and direct investments in commodities futures contracts, are prohibited. As of June 30, 2024, the City held \$46,483,830 in the Pension Benefits Trust and the City estimates approximately \$54,892,853 was held in the Pension Benefits Trust as of June 30, 2025

Employees

As of June 30, 2024, the Utilities Department had 120.65 full-time equivalent employees (“FTEs”), with responsibility for the Wastewater Enterprise and other public works functions (including 47.26 FTEs who work exclusively on behalf of the Wastewater Enterprise). City employees who work on behalf of the Wastewater Enterprise are represented by the Corona Public Service Employees Association and the Corona Supervisors Association. The current memoranda of understanding between the City and these employee associations expire on December 31, 2027. Management and confidential employees are exempt from collective bargaining. The City has never experienced a work stoppage or other employee action.

Budget Process

The City prepares and adopts a balanced budget for each Fiscal Year which includes proposed expenditures and the means of financing such expenditures. The Corona Municipal Code requires the City Manager to prepare and submit an annual budget to the City Council for approval. Under policy directive and guidance, the budget is developed based upon (i) guidance and policy direction provided by the City Council through the City Manager; (ii) a long-term financial plan which reviews at least three years of actual results with a 5-year economic and financial outlook; (iii) the 2021-2026 Citywide Strategic Plan; and (iv) federal, State, and local law and emerging issues.

The budget process begins in January of each year. Finance staff works in cooperation with all City departments to formulate revenue projections for the upcoming Fiscal Year. From this information, the individual departments use the projected revenues and existing fund balance information to prioritize and recommend departmental budgets to meet the next Fiscal Year’s objectives. The City Manager and Finance staff review each budget proposal, revenue assumptions and all current financial obligations before presenting the proposed budget to the City Council. Prior to approval of the budget, the City Council generally conducts public workshops to obtain comments from residents and ratepayers.

Budget amendments within departments are approved by department directors as long as the amendment does not increase the department’s overall spending authority as dictated by the current budget. Any amendment which increases spending authority must obtain City Council approval by majority vote. Amendments in the Capital Budget may be approved by department directors, within the same funding source and for similar projects, not exceeding 10% of the transferring project budget. Amendments that increase the City’s Capital Budget also require City Council approval.

The City Council adopted the budget for Fiscal Year 2026 on June 4, 2025.

Wastewater Enterprise Insurance

Insurance for the Wastewater Enterprise is maintained by the City through Joint Powers Insurance Agencies and/or commercial carriers as follows:

Property Damage. Coverage is maintained for losses of up to \$1,250,000,000, subject to policy exclusions, sub-limits and various deductibles of up to \$5,000,000, including an “all-risk” deductible of \$50,000 and a \$500,000 deductible for wildfires. Coverage for vehicles is provided at actual cash value (as opposed to replacement value) and coverage off-premises is provided only for vehicles with a value of \$100,000 or more. The Wastewater Enterprise does not maintain coverage for earthquake damage or flood damage. Also, certain portions of the Wastewater Enterprise are excluded from coverage, including, but not limited to, pipelines not in the vicinity of above-ground infrastructure.

General Liability. The Wastewater Enterprise is self insured up to \$1,000,000 and maintains excess coverage for losses between \$1,000,000 to \$25,000,000, subject to certain exclusions. The general liability policy includes automobile liability and public officials errors and omissions coverage.

Workers Compensation. The City is self insured up to \$1,000,000 and has purchased excess insurance for claims between \$1,000,000 and the statutorily required maximum

Other Insurance Coverage. The City also currently maintains coverage for: (1) Master Government Crime up to \$25,000,000 per occurrence, with a deductible of \$2,500 per occurrence; (2) Enhanced Pollution Liability up to \$10,000,000 per pollution condition, with a self-insured retention of \$250,000 per pollution condition; and (3) enhanced cybersecurity insurance. The City has not settled any claims that exceeded its insurance coverage in the past three years.

No assurance can be given as to the adequacy of the insurance maintained now or in the future by the City to fund necessary repairs or replacement of any portion of the Wastewater Enterprise, and the City does not have any obligation under the Indenture to maintain earthquake or flood coverage or to maintain any insurance in the current coverage amounts. Significant damage to the Wastewater Enterprise could affect the City’s ability to generate sufficient Net Revenues to pay the 2025 Bonds.

Other Obligations

No Senior Obligations. The Utility Authority has no obligations that are payable from Net Revenues on a senior basis to the 2025 Bonds.

Parity Obligations. In February 2014, the City and the SWRCB entered into the 2014 SRF Loan to finance the construction of the tertiary filtration project at the Water Reclamation Facility No. 2 (the “**2014 SRF Loan**”). The 2014 SRF Loan was entered into in the initial principal amount of \$11,259,585, of which \$8,902,031 was outstanding as of June 30, 2025. The 2014 SRF Loan bears interest at the rate of 2.10% per annum and is payable in annual installments of approximately \$509,441, with a final payment in Fiscal Year 2047. Payments under the 2014 SRF Loan are payable from Net Revenues on a parity with the 2025 Bonds. See the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage.”

Direct Costs and Allocated Costs. While the Utility Authority does not have any obligations payable from Net Revenues on a senior basis to the 2025 Bonds, as described under the caption “SECURITY FOR THE 2025 BONDS,” the Utility Authority does have certain obligations which are payable as either Direct Costs or Allocated Costs of the Wastewater Enterprise, which are deducted from Gross Revenues prior to the payment of debt service on the 2025 Bonds and the 2014 SRF Loan, and may incur additional Direct Costs or Allocated Costs in the future. Such Direct Costs include, among other things, the Wastewater Enterprise’s share of WRCRWA’s operating budget, all as described under the caption “THE WASTEWATER

ENTERPRISE—Western Riverside County Regional Wastewater Authority Treatment Plant.” The Wastewater Enterprise’s capital contributions to WRCRWA for its capacity right to the infrastructure, including the Wastewater Enterprise’s share of debt service on the WRCRWA state loan, are not Direct Costs of the Wastewater Enterprise and are paid after debt service on the 2025 Bonds and payments under the 2014 SRF Loan.

Financial Statements

A copy of the most recent audited financial statements of the City prepared by the Pun Group, Santa Ana, California (the “**Auditor**”) is set forth in Appendix A. The Auditor’s letter dated December 4, 2024, is located at the beginning of the Financial Section therein.

The summary operating results that are contained under the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Historical Operating Results and Debt Service Coverage” are derived from these financial statements and audited financial statements for prior Fiscal Years (excluding certain non-cash items and after certain other adjustments), and are qualified in their entirety by reference to such statements, including the notes thereto.

The City accounts for moneys received and expenses paid in accordance with Generally Accepted Accounting Principles applicable to governmental agencies (“**GAAP**”). Generally, the City recognizes revenues and expenses on the full accrual basis of accounting, meaning that revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred, regardless of when the related cash flows take place. However, in certain cases, GAAP requires or permits moneys that are collected in one Fiscal Year to be recognized as revenue in a subsequent Fiscal Year and requires or permits expenses that are paid or incurred in one Fiscal Year to be recognized as expenses in a subsequent Fiscal Year. See Note 1.B to the financial statements that are set forth in Appendix A. Except as otherwise expressly noted herein, all financial information that has been derived from the City’s audited financial statements reflects the application of GAAP.

The City’s audited financial statements refer to the Sewer Enterprise Fund to account for the operations of the Wastewater Enterprise Fund. The Sewer Enterprise Fund of the City, which is referred to as the Wastewater Enterprise Fund in the Indenture and this Official Statement, has a separate set of self-balancing accounts and is accounted for as a proprietary fund type (enterprise fund) using the economic resources measurement focus. In governmental accounting, enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

THE WASTEWATER ENTERPRISE

General

The Wastewater Enterprise includes approximately 44 miles of wastewater mains, 15 lift stations, 23 miles of force mains and 443 miles of gravity-fed pipelines ranging in size from 6 inches to 42 inches in diameter, the majority of which were constructed in the 1980s and 1990s. The Wastewater Enterprise has a total treatment capacity of approximately 18.12 million gallons per day (“**mgd**”) and treats an average of approximately 11.9 mgd of wastewater at four facilities: (i) Water Reclamation Facility #1 (“**WRF 1**”); (ii) Water Reclamation Facility #2 (“**WRF 2**”); (iii) Water Reclamation Facility #3 (“**WRF 3**”); and (iv) the WRCRWA Treatment Plant.

As described further under the caption “—City Treatment and Transmission Facilities,” WRF 1, WRF 2 and WRF 3 are operated by the City and wastewater flow from WRF 1, WRF 2 and WRF 3 is fully interconnected and the sludge from each facility is currently treated at WRF 1 alone. As described further under the caption “—Western Riverside County Regional Wastewater Authority Treatment Plant,” the WRCRWA Treatment Plant is self-contained and processes its own sludge. WRCRWA has its own conveyance system and the Wastewater Enterprise owns 2.62 mgd capacity in the WRCRWA conveyance system.

Table 1
City of Corona
Daily Average Flow and Maximum Capacity

<i>Treatment Plant</i>	<i>Daily Average Flow (mgd)</i>	<i>Maximum Capacity</i>
Water Reclamation Facility 1	8.15	11.50
Water Reclamation Facility 2	2.00	3.00
Water Reclamation Facility 3 ⁽¹⁾	0.70	1.00
WRCRWA Treatment Plant ⁽²⁾	<u>1.00</u>	<u>2.62</u>
Total	11.85	18.12

⁽¹⁾ As described under the caption “—City Treatment and Transmission Facilities,” the City is currently in the process of decommissioning WRF 3.

⁽²⁾ As described further under the caption “—Western Riverside County Regional Wastewater Authority Treatment Plant,” the WRCRWA Treatment Plant is operated by WRCRWA and the City has purchased a 2.62 MGD capacity in the WRCRWA Treatment Plant.

Source: City.

City Treatment and Transmission Facilities

Water Reclamation Facility #1. WRF 1 was last expanded in 1998 and has a permitted capacity of 11.5 mgd and treats an average of 8.15 mgd. Primary, secondary and tertiary treatment processes are employed at WRF 1. Secondary treatment is carried out at two separate plants within WRF 1, Plant 1A and Plant 1B. The sludge from each of WRF 2 and WRF 3 are treated at WRF 1.

Plant 1A, which has a capacity of 5.5 mgd, provides a biological nitrogen removal activated sludge and secondary clarification process consisting of (i) two primary sedimentation tanks, each with a surface area of 2,400 square feet; (ii) three aeration tanks configured in a serpentine flow pattern, each with an aeration zone and an anoxic zone; and (iii) and six secondary clarifiers, each with a surface area of 1,836 square feet.

Plant 1B, which has a capacity of 6.0 mgd, provides a biological nitrogen removal activated sludge and secondary clarification process consisting of (i) two oxidation ditches, each with a volume of 3,700,000 gallons; and (ii) two clarifiers, each with a surface area of 12,076 square feet.

Plants 1A and 1B share the following: (i) a common equalization basin for tertiary treatment; (ii) twelve tertiary filter cells, each with a surface area of 200 square feet; (iii) two chlorine contact tanks; (iv) two gravity belt thickeners, with flow limited through sludge drum screens to 200 gallons per minute; (v) two primary digesters and one secondary digester, each with an approximate capacity of 19,500 gallons per day; and (vi) a headworks that splits wastewater into three channels, two of which have mechanical bar screens.

Secondary effluent from Plants 1A and 1B is sent to WRF 1’s tertiary treatment facility. The tertiary treatment process produces reclaimed water that meets the standards of Chapter 3 of Division 4 of Title 22 of the California Code of Regulations (“**Title 22**”) and is used for irrigation, discharged to Butterfield Drain, a tributary of Temescal Creek, or sent to the Utility Authority’s Lincoln Avenue and Cota Street percolation ponds. The Utility Authority’s reclaimed water system does not constitute part of the Wastewater Enterprise and neither the expenses nor revenues of the reclaimed water system are reflected in the Wastewater

Enterprise's revenues and expenses set forth under the caption "WASTEWATER ENTERPRISE FINANCIAL INFORMATION." The maximum flow to the tertiary facility is 15.0 mgd.

WRF 1's treatment process consists of six steps, including: (a) screenings and major solids removal; (b) primary clarification, in which sedimentation basins slow the wastewater's velocity so that organic particles and grease can be removed to reduce the strength of the wastewater; (c) aeration, in which the wastewater is oxygenated to sustain reproduction and growth of bacteria (micro-organism mass) that consume the organic wastes; (d) secondary clarification, in which the wastewater's velocity is slowed down again to allow the micro-organism mass to settle for collection and return to aeration to further consume organic material; (e) filtering, in which sand filters remove suspended solids; and (f) disinfection.

The City leases the site on which WRF 1 is located pursuant to a 1967 Lease (the "**WRF 1 Site Lease**") with the United States Army Corps of Engineers ("**USACE**"). Under the WRF 1 Site Lease, the City is not permitted to assign or sublet its interest without USACE's approval. The WRF 1 Site Lease may be terminated by the Secretary of the Army upon reasonable notice to the City if the Secretary of the Army deems such termination to be in the interest of public health and safety, although the City believes that USACE is highly unlikely to terminate the WRF 1 Site Lease prior to its scheduled expiration dates of the current lease or future leases primarily because WRF 1's purpose is the protection of public health.

In 2023, the City signed an Easement Agreement with USACE (the "**Easement Agreement**") granting the City another lease for an additional 35 years for the WRF 1 site, beginning retroactively on September 28, 2022, and ending September 27, 2057. Under the Easement Agreement, the City will provide in-kind consideration by completing certain operations and maintenance projects on the premises with the total cost of such projects being approximately equivalent to the sum of \$11,543,000, which is the mutually agreed upon value of the easement. The consideration will be provided over a period of seven years, with projects totaling approximately \$2,000,000 per year in years 1-4, and projects totaling \$1,000,000 per year in years 5-7. At the end of year 7, if the total \$11,543,000 has not been spent on in-kind projects, then the remaining funds will be paid out to the USACE.

Water Reclamation Facility #2. WRF 2 became operational in 1988 and has a permitted capacity of 3.0 mgd and treats an average of 2.0 mgd. WRF 2 is a conventional activated sludge facility and includes the following: (i) a headworks consisting of screening channels and grit removal; (ii) two primary clarifiers, each with a flow capacity of 1.9 mgd; (iii) two equalization basins with a total capacity of 651,485 gallons; (iv) three screw pumps that lift wastewater flow from the equalization basins to the aeration basins; (v) two aeration basins, only one of which is currently in use; (vi) three secondary clarifiers with a total surface area of 8,600 square feet; (vii) four down flow dual media filters with a capacity of 4 MGD and (viii) two chlorine contact tanks for disinfection. WRF 2 produces Title 22 reclaimed water for use by the Utility Authority's reclaimed water system. The Utility Authority's reclaimed water system does not constitute part of the Wastewater Enterprise and neither the expenses nor revenues of the reclaimed water system are reflected in the Wastewater Enterprise's revenues and expenses set forth under the caption "WASTEWATER ENTERPRISE FINANCIAL INFORMATION."

Water Reclamation Facility #3. WRF 3 became operational in 2001 and has a permitted capacity of 1.0 mgd and treats an average of 0.7 mgd. The facility utilizes membrane technology to treat wastewater and includes the following: (i) a headworks consisting of two drum screens and a compactor; (ii) three bioreactors, each with five membrane cassettes; and (iii) a chlorine contact tank.

WRF 3 produces Title 22 reclaimed water for use by the Utility Authority's reclaimed water system. The Utility Authority's reclaimed water system does not constitute part of the Wastewater Enterprise and neither the expenses nor revenues of the reclaimed water system are reflected in the Wastewater Enterprise's revenues and expenses set forth under the caption "WASTEWATER ENTERPRISE FINANCIAL INFORMATION."

The Utility Authority is currently in the process of decommissioning WRF 3 upon the projected completion of multiple interconnected projects which include purchased capacity in the WRCRWA Treatment Plant, pipelines, and pump stations to interconnect service areas to additional treatment plants. The costs of decommissioning WRF 3 will be paid from Wastewater Enterprise revenues or Wastewater Enterprise reserves. The Utility Authority does not currently have an expected timeline for decommissioning WRF 3.

Western Riverside County Regional Wastewater Authority Treatment Plant

WRCRWA, a joint exercise of powers authority formed in 1992, operates the WRCRWA Treatment Plant and wastewater collection system on behalf of its members in the County. In 2012, the City executed Addendum No. 6 to the Joint Exercise of Powers Agreement Creating the Western Riverside County Regional Wastewater Authority, thereby becoming a member of WRCRWA. Currently, the other members of WRCRWA are Home Gardens Sanitary District, Jurupa Community Services District, the City of Norco and Western Municipal Water District. The City originally purchased capacity of 2.37 mgd, in the WRCRWA Treatment Plant but a transfer agreement between the City and Home Gardens Sanitary District in April 2019 increased the City's capacity of the WRCRWA Treatment Plant to 2.62 mgd.

On March 8, 2012, the members of WRCRWA, including the City, executed that certain Project and Capacity Agreement for the Expansion of the Western Riverside County Regional Wastewater Authority Treatment Plant, as amended by Amendment No. 1 thereto effective July 31, 2012, pursuant to which the City agreed to participate in financing an expansion of the WRCRWA Treatment Plant from 8 mgd to 14 mgd. In 2014, WRCRWA and the SWRCB entered into a State Revolving Fund loan to finance the WRCRWA treatment plant expansion project. The WRCRWA state loan was entered into with the initial principal amount of \$72,039,206, of which \$53,249,411 was outstanding as of June 30, 2024. The WRCRWA state loan bears interest at the rate of 1.90% per annum and is payable in annual installments of approximately \$1,903,189 with a final payment in 2036. The City's member agency allocation of the total debt service is 42.42%. The WRCRWA Treatment Plant expansion was completed in fiscal year 2018.

The City's share of WRCRWA's operating budget constitute Direct Costs of the Wastewater Enterprise. Such contributions are reflected in the projected operating results set forth under the caption "WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage." The Wastewater Enterprise's capital contributions to WRCRWA for its capacity right to the infrastructure, including the Wastewater Enterprise's share of debt service on the WRCRWA state loan, are not Direct Costs of the Wastewater Enterprise and are paid after debt service on the 2025 Bonds and payments under the 2014 SRF Loan.

Regulatory Matters

City Treatment and Transmission Facilities. The Utility Authority operates WRF 1 pursuant to the terms of the Regional Water Quality Control Board, Santa Ana Region (the "**Regional Board**") Waste Discharge and Producer/User Reclamation Requirements Order No. R8-2020-0021, National Pollutant Discharge Elimination System ("**NPDES**") No. CA8000383 (the "**WRF 1 Permit**"). The WRF 1 Permit expired on June 30, 2025. The Utility Authority has provided all required information and documents to the Regional Board to facilitate an updated permit but, as the permit has not yet been renewed by the Regional Board, the Utility Authority continues to operate WRF 1 in accordance with the terms of the expired permit while the renewal application is considered. There can be no assurance, however, that the WRF 1 Permit will be renewed on similar terms

The Utility Authority operates WRF 2 pursuant to the terms of the Regional Board Waste Discharge Requirements Order No. R8-2011-0015 (the "**WRF 2 Permit**"). The WRF 2 Permit does not have an expiration date.

The Utility Authority operates WRF 3 pursuant to the terms of the Regional Board Waste Discharge and Producer/User Reclamation Requirements Order No. R8-2014-0015, NPDES No. CA8000395 (the “**WRF 3 Permit**”). The WRF 3 Permit expired on March 31, 2019, and the Utility Authority timely submitted an application for renewal thereof to the Regional Board. The Regional Board is currently reviewing the application for renewal and the Utility Authority expects the WRF 3 Permit to be renewed. There can be no assurance, however, that the WRF 3 Permit will be renewed on similar terms. While the application for renewal is being considered, the Utility Authority is operating WRF 3 under the terms of the expired WRF 3 Permit.

The Utility Authority is operating WRF 1, WRF 2 and WRF 3 in compliance with the terms of the permits described above.

On May 2, 2006, the State Water Resources Control Board issued General Waste Discharge Requirements for Sanitary Sewer Systems, Water Quality Order No. 2006-0003 (the “**General Order**”) requiring public agencies that own sanitary sewer systems comprised of more than one mile of pipes or sewer lines to develop sanitary sewer management plans and report all sanitary sewer overflows. The Utility Authority is currently enrolled under the General Order and has a certified sanitary sewer management plan.

Western Riverside County Regional Wastewater Authority Treatment Plant. WRCRWA operated the WRCRWA Treatment Plant pursuant to the terms of the Regional Board Waste Discharge Requirements and Master Reclamation Permit Order No. R8-2019-0066, NPDES No. CA8000316 (the “**WRCRWA Permit**”). The WRCRWA Permit expired on July 31, 2020, and WRCRWA timely submitted an application for renewal thereof to the Regional Board. The Regional Board is currently reviewing the application for renewal and the Utility Authority expects the WRCRWA Permit to be renewed. There can be no assurance, however, that the WRCRWA Permit will be renewed on similar terms. While the application for renewal is being considered, WRCRWA is operating the WRCRWA Treatment Plant under the terms of the expired WRCRWA Permit.

Historic and Projected Wastewater Enterprise Connections

The following table shows the number of active Wastewater Enterprise connections for the Fiscal Years 2020 through 2024.

**Table 2
City of Corona
Historic Wastewater Enterprise Connections**

<i>Fiscal Year</i>	<i>Residential Connections</i>	<i>Commercial Connections</i>	<i>Total Connections</i>	<i>Percentage Change</i>
2020	37,877	2,242	40,119	N/A
2021	38,431	2,215	40,646	1.30%
2022	38,626	2,232	40,858	0.52
2023	38,714	2,249	40,963	0.26
2024	39,060	2,250	41,310	0.84

Source: City.

The following table shows the projected number of active Wastewater Enterprise connections for Fiscal Year 2025, the current Fiscal Year and the next three Fiscal Years.

Table 3
City of Corona
Projected Wastewater Enterprise Connections⁽¹⁾

<i>Fiscal Year</i>	<i>Residential Connections</i>	<i>Commercial Connections</i>	<i>Total Connections</i>	<i>Percentage Change</i>
2025	39,326	2,241	41,567	N/A
2026	39,523	2,252	41,775	0.50%
2027	39,720	2,263	41,983	0.50
2028	39,919	2,275	42,194	0.50
2029	40,118	2,286	42,405	0.50

⁽¹⁾ Reflects City projections of additional growth based upon approved multifamily or infill developments.
Source: City.

Increases in projected connections reflect the Utility Authority’s estimates of development within the Wastewater Enterprise service area based on information provided by the City’s Planning Department relating to project entitlement applications.

Historic and Projected Wastewater Enterprise Daily Average Flow

The following table shows the Wastewater Enterprise daily average wastewater flow in mgd per day for Fiscal Years 2020 through 2024.

Table 4
City of Corona
Historic Wastewater Enterprise Daily Average Flow

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)</i>	<i>Percentage Change</i>
2020	12.60	N/A
2021	12.80	1.59%
2022 ^{(1) (2)}	13.22	3.28
2023 ⁽²⁾	12.97	(1.89)
2024 ⁽²⁾	12.81	(1.23)

⁽¹⁾ The City began diverting flow to the WRCRWA Treatment Plant in 2022. See the caption “—Western Riverside County Regional Wastewater Authority Treatment Plant.”

⁽²⁾ Increased flow in 2022 and 2024 when compared to historical flow is primarily attributed to diversion from neighboring agencies. A metering issue within the Wastewater Enterprise begin in April 2024 that resulted in lower reported flows.

Source: City.

The following table shows the projected Wastewater Enterprise daily average wastewater flow in mgd for Fiscal Year 2025, the current Fiscal Year and the next three Fiscal Years.

Table 5
City of Corona
Projected Wastewater Enterprise Daily Average Flow

<i>Fiscal Year</i>	<i>Daily Average Flow (mgd)⁽¹⁾</i>	<i>Percentage Change</i>
2025 ⁽²⁾	11.8	N/A
2026	12.9	9.32%
2027	12.9	0.00
2028	13.0	0.78%
2029	13.0	0.00

⁽¹⁾ Projections do not include temporary or semi-permanent diversions from neighboring agencies.

⁽²⁾ Amounts shown for Fiscal Year 2025 reflect actual data; however, the decrease in recorded flow is due to a metering issue within the Wastewater Enterprise that is currently being resolved through the installation of a combined influent plant meter. Amounts for Fiscal Years 2026 through 2029 represent the City’s projected actual flow.

Source: City.

Historic and Projected Wastewater Enterprise Service Charge Revenues

The following table shows the Wastewater Enterprise service charge revenues for Fiscal Years 2020 through 2024. During such period, an average of approximately 84% of such revenues were attributable to residential customers and an average of approximately 16% of such revenues were attributable to commercial, industrial and public agency customers.

Table 6
City of Corona
Historic Wastewater Enterprise Service Charge Revenues

<i>Fiscal Year</i>	<i>Wastewater Enterprise Service Charge Revenues</i>	<i>Percentage Change</i>
2020	\$30,590,108	N/A
2021	31,328,167	2.41%
2022	31,610,498	0.90
2023	31,773,519	0.52
2024	32,255,290	1.52

Source: City.

The following table shows the projected Wastewater Enterprise service charge revenues for Fiscal Year 2025, the current Fiscal Year and the next three Fiscal Years.

Table 7
City of Corona
Projected Wastewater Enterprise Service Charge Revenues

<i>Fiscal Year</i>	<i>Wastewater Enterprise Service Charge Revenues⁽¹⁾</i>	<i>Percentage Change</i>
2025	\$31,883,000.00	N/A
2026	37,147,065.00	16.51%
2027	41,065,099.00	10.55
2028	45,396,042.00	10.55
2029	50,184,205.00	10.55

⁽¹⁾ Reflects increases in projected Wastewater Enterprise connections and daily average wastewater flow described under the captions “—Historic and Projected Wastewater Enterprise Connections” and “—Historic and Projected Wastewater Enterprise Daily Average Flow,” respectively, and adopted rate increases of approximately 10% per year through December 31, 2029, as described under the caption “—Wastewater Enterprise Rates and Charges.”

Source: City.

Largest Wastewater Enterprise Customers

The following table sets forth the ten largest Wastewater Enterprise customers for Fiscal Year 2025, as determined by annual payments.

Table 8
City of Corona
Ten Largest Wastewater Enterprise Customers

<i>Customer</i>	<i>Type of Business</i>	<i>Fiscal Year 2025 Payment</i>	<i>Percentage of Total Wastewater Enterprise Service Charge Revenues</i>
1. Raintree Corona Pointe, LLC	Residential Multi Family	\$ 352,827	1.17%
2. AMFP VI Ashton LLC	Residential Multi Family	273,515	0.91
3. Hills LLC	Residential Multi Family	225,216	0.75
4. Avanath River Run LP	Residential Multi Family	196,790	0.65
5. Triana at Corona Ranch Maintenance Corporation	Residential Multi Family	188,628	0.63
6. Fairfield Marquessa Villas LLC	Residential Multi Family	186,524	0.62
7. Fairfield Marquessa Villas LLC	Residential Multi Family	184,857	0.61
8. Breit MF Promenade Terrace LLC	Residential Multi Family	181,985	0.60
9. Green River Village MH Comm	Residential Multi Family	175,561	0.58
10. Fairfield Deerwood LLC	Residential Multi Family	<u>174,880</u>	<u>0.58</u>
TOTAL		\$ 2,140,781	7.10%

Source: City.

These ten largest customers accounted for approximately 7.10% of total Wastewater Enterprise service charge revenues for Fiscal Year 2025.

Wastewater Enterprise Rates and Charges

General. Rates and charges for wastewater service within the Wastewater Enterprise service area are set by the City Council and are not subject to the jurisdiction of, or regulation by, the California Public

Utilities Commission or any other regulatory body. The City is, however, required to comply with the notice, hearing and majority protest provisions of Article XIID of the State Constitution, which is popularly known as Proposition 218. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218” for further information with respect to Proposition 218.

The City Council currently sets wastewater charges at a level that it determines is sufficient to pay all Direct Costs of the Wastewater Enterprise, to recover Allocated Costs and other operating expenses of the Wastewater Enterprise, to pay debt service payments and to maintain appropriate reserves for the Wastewater Enterprise. The current charge consists of a monthly fixed service charge for all customer types and a variable charge for non-residential accounts. See the caption “—Wastewater Enterprise Collection Procedures” for further information with respect to the collection of Wastewater Enterprise rates and charges.

On December 4, 2024, the City Council adopted wastewater service charge increases effective January 3, 2025 and each January 1 thereafter through January 1, 2029 (the “**Adopted Rate Plan**”) in accordance with the provisions of Proposition 218. The projected operating results which are set forth under the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage” assume Wastewater Enterprise rate increases in accordance with the Adopted Rate Plan through January 1, 2029.

The projected revenues set forth under the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage” reflect adopted rate increases of approximately 10% for Fiscal Years 2025, 2026, 2027, 2028 and 2029, all in accordance with Adopted Rate Plan. There is no assurance that the City Council will enact wastewater service charge increases under Adopted Rate Plan as projected herein. Furthermore, there is no assurance that the City Council will not repeal or modify such rate increases in the future or that the City’s ratepayers will not approve an initiative to repeal or modify any increase in wastewater service charges approved by the City Council.

The Utility Authority is subject to certain covenants with respect to the 2025 Bonds which require that the Utility Authority fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Wastewater Enterprise, or cause the City to do so, during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 125% of debt service of the Wastewater Enterprise in such Fiscal Year. See the caption “SECURITY FOR THE 2025 BONDS—Rate Covenant.”

Selected Rates. The Utility Authority charges a fixed monthly service charge for all Wastewater Enterprise customers. Non-residential customers also incur an additional monthly variable charge per hundred cubic feet (“**hcf**”) for water use above eight hcf. Wastewater Enterprise monthly rates approved by the Adopted Rate Plan are set forth below. See the caption “—General.”

Table 9
City of Corona
Wastewater Enterprise Rates
Fiscal Years 2025 Through 2029

<i>Service Type</i>	<i>1/3/2025</i>	<i>1/1/2026</i>	<i>1/1/2027</i>	<i>1/1/2028</i>	<i>1/1/2029</i>
All Connections	\$ 45.46	\$ 50.01	\$ 55.01	\$ 60.51	\$ 66.56
Non-Residential over 8 hcf ⁽¹⁾	5.50	6.05	6.66	7.32	8.05

⁽¹⁾ Non-residential customers also incur an additional monthly per hcf variable charge for water use above eight hcf.
Source: City.

Comparative Rates. Set forth below is a comparison of the Wastewater Enterprise’s typical monthly bill for a single family residential customer as compared to other neighboring communities as of July 2024,

with the assumptions of ¾” meter size, households of four people per connection, a 4,000 irrigable area and 13 hcf water use.

Table 10
City of Corona
Typical Residential Customer Sewer Bill

<i>Community</i>	<i>Monthly Charge</i>
Western Municipal Water District	\$79.96
Elsinore Valley Municipal Water District	61.06
City of Norco	59.89
City of Chino Hills	55.27
Jurupa Community Services District	46.37
Corona Utility Authority Wastewater Enterprise	45.60

Source: City.

The projected wastewater service charge revenues set forth under the captions “—Historic and Projected Wastewater Enterprise Service Charge Revenues” and “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage” reflect adopted wastewater service charge rate increases in Fiscal Years 2025 through 2029, as described under the caption “—General.”

Capacity Fees. Sample fees for each new connection to the Wastewater Enterprise are set forth below.

Table 11
City of Corona
Capacity Fees

<i>Type of Connection</i>	<i>Base Rate</i>	<i>Multiplied By</i>	<i>Total Capacity Fee</i>
Single Family Dwelling	\$15.48/ gallon per day	300 gallons per day	\$ 4,644.00
Multi-Family Dwelling	\$15.48/ gallon per day	240 gallons per day	3,715.20
Apartments ⁽¹⁾	\$15.48/ gallon per day	200 gallons per day	3,096.00
Office Building ⁽²⁾	\$2.32/ sq. ft.	100 sq. ft.	232.20
Warehouse ⁽²⁾	\$0.46/ sq. ft.	100 sq. ft.	46.44
Manufacturing ⁽²⁾	\$0.77/ sq. ft.	100 sq. ft.	77.40

⁽¹⁾ Per unit.

⁽²⁾ Base Rate \$15.48 per gallon per day. Estimated sewer rates: Office 0.15 GPD/ sq. ft., Warehouse 0.03 GPD/ sq. ft., Warehouse 0.05 GPD/ sq. ft.

Source: City.

From July 1, 2023 through June 30, 2024, the Wastewater Enterprise received approximately \$1,814,973 in capacity fees, during which period approximately 347 new connections to the Wastewater Enterprise came online. Capacity fees are paid when building permits are issued, which may not necessarily occur in the same Fiscal Year that the Wastewater Enterprise begins service to new connections. See the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION” for historical and projected capacity fee revenues.

The Wastewater Enterprise capacity fee structure has been established to reflect, among other things, the costs of the City’s participation in the expansion of the WRCRWA Treatment Plant. City staff regularly assesses the capacity fees to determine whether increased capacity fees are warranted to reflect increased costs

attributable to the WRCRWA Treatment Plant expansion or other capital costs of the Wastewater Enterprise. See the caption “—Western Riverside County Regional Wastewater Authority Treatment Plant” for a discussion of the WRCRWA Treatment Plant. The projected Wastewater Enterprise operating results set forth under the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Wastewater Enterprise Operating Results and Debt Service Coverage” reflect certain assumed increases in capacity fees however, any such fee increases are subject to City Council approval and there can be no assurance that capacity fees will be increased. See the captions “CERTAIN RISKS TO BONDHOLDERS—Rate-Setting Process Under Proposition 218” and “—Rate Covenant Not a Guarantee.”

Wastewater Enterprise Collection Procedures

The Utilities Department is on a monthly billing cycle for water, wastewater, electric, and emergency management system service, as applicable. A consolidated bill is sent out every month to customers. Payment is due by the 20th day after the billing date and is considered delinquent if not paid by that date. If payment is not received, a delinquency message appears on a reminder bill, with a 10% penalty assessment. Wastewater services cannot be discontinued; however, the Utility Department sends a delinquency message to inform customers that water service will be discontinued if the bill is not paid in full within 80 days. Approximately 15 days prior to water service disconnection, a notice of disconnection for water service will be mailed to the billing address of the customer. A processing charge will be assessed on that notice and the date of discontinuance of service will again be noted. Accounts that have been shut off may be reconnected upon payment in full of outstanding balances for all services or by entering into a payment arrangement, and paying a reconnection fee of \$53. As of June 30, 2024, less than 12% of accounts were more than 60 days delinquent. The total amount for such delinquencies for wastewater is approximately \$679,160.39.

The 2025 Project and Future Wastewater Enterprise Improvements

The Utility Authority projects total capital improvements to the Wastewater Enterprise of approximately \$47,470,000 in Fiscal Years 2026 through 2028, as set forth in the below table. Certain projected capital improvements have not yet been approved by the City Council, and all of such projections are subject to change at any time.

Table 12
City of Corona
Projected Wastewater Enterprise Capital Improvement Projects

<i>Project Description</i>	<i>Fiscal Year</i>			<i>Total</i>
	<i>2026</i>	<i>2027</i>	<i>2028</i>	
Water Reclamation Facility #2 Equalization Basin Replacement	\$2,800,000	\$ 7,200,000	--	\$10,000,000
Water Reclamation Facility #1B Energy Efficiency	--	23,000,000	--	23,000,000
Research/Railroad Sewerline Replacement	--	3,120,000	--	3,120,000
Water Reclamation Facility #1 Grating Replacement	50,000	700,000	--	750,000
Water Reclamation Facility #1 Paving Project	--	200,000	\$ 3,000,000	3,200,000
Water Reclamation Facility #1 Chlorine Contact Basin Instrumentation and Electrical Improvements	700,000	--	--	700,000
Water Reclamation Facility #1 Compliance Flow Meter	500,000	--	--	500,000
Water Reclamation Facility #1 Security Cameras	200,000	--	--	200,000
Water Reclamation Facility #1 Digester Equipment Rehab and Electrical Upgrade	2,000,000	2,000,000	1,000,000	5,000,000
Water Reclamation Facility #1 Boiler Project Design	--	1,000,000	--	1,000,000
Total	\$6,250,000	\$37,220,000	\$ 4,000,000	\$47,470,000

Source: City.

As described under the caption “PLAN OF FINANCE,” the Utility Authority currently anticipates funding approximately \$28.3 million of such improvements from the proceeds of the 2025 Bonds. The Utility Authority currently expects to fund the remainder of such capital improvements through a combination of

Wastewater Enterprise reserves and Net Revenues remaining after the payment of debt service on the 2025 Bonds. Other than the 2025 Bonds, the Utility Authority does not currently expect to enter into any additional installment purchase agreements or loan agreements or to issue any additional bonds in the next five years to finance such capital improvements. See the captions “SECURITY FOR THE 2025 BONDS—Additional Indebtedness—Parity Obligations.”

WASTEWATER ENTERPRISE FINANCIAL INFORMATION

Available Cash

As of June 30, 2024, the Wastewater Enterprise maintained approximately \$67,085,514 in cash on hand, capital replacement reserves, operating reserves and other available moneys, which is equivalent to approximately 554 days’ operating expenses of the Wastewater Enterprise. See Notes 1.C and 3 to the financial statements set forth in Appendix A for further information with respect to the City’s reserves and investment policies.

See the caption “THE CITY—Governance and Management—Management Policies—*Reserve Policy for Utilities Department Operating Funds*” for a discussion of the Sewer Utility Fund reserve. As of July 1, 2024, \$1,325,448 was held in the Wastewater Utility Fund reserve. Such amount is included in the \$67,085,514 cash on hand amount that is discussed in the prior paragraph.

Historical Operating Results and Debt Service Coverage

The following table is a summary of operating results of the Wastewater Enterprise for Fiscal Years 2020 through 2024, which are the five most recent audited Fiscal Years. These results have been derived from the audited financial statements of the City but exclude certain receipts which are not included as Gross Revenues under the Indenture and certain non-cash items and include certain other adjustments. Projections for Fiscal Year 2025 are provided in Table 14 and are based on unaudited estimated results for Fiscal Year 2025.

Table 13
City of Corona
Historic Wastewater Operating Results (Fiscal Year Ended June 30)⁽¹⁾

	2020	2021	2022	2023	2024
Gross Revenues					
Wastewater Service Charges ⁽²⁾	\$ 30,590,108	\$ 31,328,167	\$ 31,610,498	\$ 31,773,519	\$ 32,255,290
Fees and Permits	164,719	557,388	39,837	63,005	58,013
Fines and Penalties ⁽³⁾	229,582	(888)	129,884	325,486	279,874
Capacity Fees	2,788,119	2,287,463	1,846,859	2,221,317	1,814,973
Investment Earnings	1,462,409	1,692,293	1,309	1,024,994	1,730,403
Other Revenues ⁽⁴⁾	<u>209,925</u>	<u>367,130</u>	<u>382,490</u>	<u>687,542</u>	<u>375,273</u>
Total Gross Revenues	\$ 35,444,862	\$ 36,231,553	\$ 34,010,877	\$ 36,095,863	\$ 36,513,825
Direct Costs and Allocated Costs					
Personnel Services	\$ 6,384,567	\$ 5,079,734	\$ 3,960,920	\$ 7,003,868	\$ 8,040,616
Contractual ⁽⁵⁾	1,558,809	1,371,801	1,754,271	1,854,661	9,441,927
Materials and Supplies ⁽⁶⁾	10,522,392	11,633,982	15,476,586	14,824,918	9,147,885
Utilities	<u>2,512,692</u>	<u>2,242,071</u>	<u>2,185,827</u>	<u>2,463,142</u>	<u>2,507,861</u>
Total Direct Costs and Allocated Costs	\$ 20,978,460	\$ 20,327,588	\$ 23,377,604	\$ 26,146,589	\$ 29,138,288
Net Revenues	\$ 14,466,402	\$ 15,903,965	\$ 10,633,273	\$ 9,949,275	\$ 7,375,537
Debt Service					
2013 Bonds	\$ 1,011,276	\$ 1,011,845	\$ 1,011,413	\$ 1,009,982	\$ 1,001,813
2014 SRF Loan	<u>505,078</u>	<u>503,775</u>	<u>504,268</u>	<u>504,159</u>	<u>504,578</u>
Total Debt Service	\$ 1,516,354	\$ 1,515,619	\$ 1,515,681	\$ 1,514,141	\$ 1,506,391
Debt Service Coverage	9.54	10.49	7.02	6.57	4.90
Cash Available for Capital Projects or Other Improvements	\$ 12,950,048	\$ 14,388,346	\$ 9,117,592	\$ 8,435,134	\$ 5,869,145

⁽¹⁾ Reflects certain accrued Gross Revenues and accrued Direct Costs and Allocated Costs of the Wastewater Enterprise.

⁽²⁾ Reflects wastewater service charge revenues set forth under the caption "THE WASTEWATER ENTERPRISE—Historic and Projected Wastewater Enterprise Service Charge Revenues."

⁽³⁾ As discussed under the caption "THE WASTEWATER ENTERPRISE—Wastewater Enterprise Collection Procedures," the Utilities Department sends customers a consolidated invoice for utility services.

⁽⁴⁾ Includes pretreatment surcharges, penalties, reimbursements, and other miscellaneous income.

⁽⁵⁾ Increase in Fiscal Year 2024 due to increase in capital improvement projects that entered the construction phase.

⁽⁶⁾ Includes the Wastewater Enterprise's share of WRCRWA's operating budget. Excludes the Wastewater Enterprise's share of the cost of the expansion of the WRCRWA Treatment Plant, including annual payments of approximately \$2.6 million representing the Wastewater Enterprise's share of the WRCRWA SRF loan, as this is recorded as an investment for financial reporting purposes. See the captions "THE CITY—Other Obligations" and "THE WASTEWATER ENTERPRISE—Western Riverside County Regional Wastewater Authority Treatment Plant." Fiscal Year 2022 includes the one-time purchase of 2.62 mgd conveyance capacity from WMWD for approximately \$2.7 million). Overall increase due to inflation in the cost of construction materials and chemicals. Decrease in 2024 is due to a reporting structure/categorization of capitalized expenditures.

Source: City.

Projected Wastewater Enterprise Operating Results and Debt Service Coverage

Projected operating results for the Wastewater Enterprise for Fiscal Years 2025 through 2029, reflecting certain significant assumptions concerning future events and circumstances (including those set forth in the footnotes to the table), are set forth below. All of such assumptions are material in the development of the City's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

Table 14
City of Corona
Projected Wastewater Operating Results (Fiscal Year Ending June 30)

	2025 ⁽¹⁾	2026 ⁽¹⁾	2027	2028	2029
Gross Revenues					
Wastewater Service Charges ⁽²⁾	\$ 31,883,000	\$ 37,147,065	\$ 41,065,099	\$ 45,396,042	\$ 50,184,205
Fees and Permits ⁽³⁾	53,566	59,425	59,722	60,021	60,321
Fines and Penalties ⁽³⁾	308,000	271,878	273,237	274,604	275,977
Capacity Fees ⁽⁴⁾	1,989,835	1,464,903	1,472,228	1,479,589	1,486,987
Investment Earnings ⁽⁵⁾	2,198,446	2,202,438	2,043,762	2,148,215	2,131,472
Other Revenues ⁽⁶⁾	220,896	247,286	249,301	239,161	245,249
Total Gross Revenues	<u>\$ 36,653,743</u>	<u>\$ 41,392,995</u>	<u>\$ 45,163,349</u>	<u>\$ 49,597,632</u>	<u>\$ 54,384,211</u>
Direct Costs and Allocated Costs					
Personnel Services ⁽⁷⁾	\$ 7,501,909	\$ 8,447,299	\$ 9,123,083	\$ 9,852,930	\$ 10,641,164
Contractual ⁽⁸⁾	1,955,232	1,959,619	2,013,508	2,068,880	2,125,774
Materials and Supplies ⁽⁹⁾	19,571,825	20,330,164	21,407,662	22,542,268	23,737,008
Utilities ⁽¹⁰⁾	2,817,882	3,005,294	3,108,376	3,214,993	3,325,267
Total Direct Costs and Allocated Costs	<u>\$ 31,846,848</u>	<u>\$ 33,742,376</u>	<u>\$ 35,652,629</u>	<u>\$ 37,679,071</u>	<u>\$ 39,829,213</u>
Net Revenues	\$ 4,806,895	\$ 7,650,619	\$ 9,510,720	\$ 11,918,561	\$ 14,554,998
Debt Service					
2013 Bonds ⁽¹¹⁾	\$ 1,012,875	\$ 1,010,750	--	--	--
2014 SRF Loan	509,441	509,441	\$ 509,441	\$ 509,441	\$ 509,441
2025 Bonds ⁽¹²⁾	--	1,621,544	1,775,250	1,778,750	1,776,000
Total Debt Service	<u>\$ 1,522,316</u>	<u>\$ 3,141,735</u>	<u>\$ 2,284,691</u>	<u>\$ 2,288,191</u>	<u>\$ 2,285,441</u>
Debt Service Coverage	3.16	2.44	4.16	5.21	6.37
Cash Available for Capital Projects or Other Improvements	\$ 3,284,579	\$ 4,508,884	\$ 7,226,029	\$ 9,630,370	\$ 12,269,557

(1) Based on budgeted amounts for Fiscal Years 2025 and 2026.

(2) Reflects projected wastewater service charge revenues set forth under the caption "THE WASTEWATER ENTERPRISE—Historic and Projected Wastewater Enterprise Sales Revenues" as well as rates and charges set forth under the caption "THE WASTEWATER ENTERPRISE—Wastewater Enterprise Rates and Charges."

(3) Projected to increase approximately 0.5% per annum from Fiscal Year 2027 through Fiscal Year 2029 based on projected fee increases and permit renewals.

(4) Reflects City projections of additional growth through approved multi-family or infill developments. See the caption "THE WASTEWATER ENTERPRISE—Historic and Projected Wastewater Enterprise Connections."

(5) Projected using average annual earnings for the most recent three Fiscal Years. Actual earnings may vary based on market conditions and investment performance.

(6) Includes pretreatment surcharges and penalties, reimbursements, and other miscellaneous income.

(7) Projected to increase approximately 8% per annum in Fiscal Year 2027 reflecting adjustments associated with MOUs with the City's bargaining units and approximately 4% per annum thereafter.

(8) Projected to increase approximately 2.75% per annum beginning in Fiscal Year 2027.

(Footnotes continue on following page.)

(Footnotes continued from previous page.)

- ⁽⁹⁾ Projected to increase approximately 5.3% per annum beginning in Fiscal Year 2027 based on projected increases in the price of chemicals. Includes the Wastewater Enterprise's share of WRCRWA's operating budget. Excludes the Wastewater Enterprise's share of the cost of the expansion of the WRCRWA Treatment Plant, including the annual payments of Wastewater Enterprise's share of the WRCRWA state loan, as this is recorded as an investment for financial reporting purposes. See the captions "THE CITY—Other Obligations" and "THE WASTEWATER ENTERPRISE—Western Riverside County Regional Wastewater Authority Treatment Plant."
- ⁽¹⁰⁾ Projected to increase approximately 3.43% per annum beginning in Fiscal Year 2027 based on projected increases in the price of energy.
- ⁽¹¹⁾ Expected to be prepaid from proceeds of the 2025 Bonds as described under the caption "PLAN OF FINANCE—Refunding Plan."
- ⁽¹²⁾ *Preliminary, subject to change.*

Source: City.

Employee Benefits

Pension Obligations. Accounting and financial reporting by state and local government employers for defined benefit pension plans is governed by GASB Statement No. 68 ("GASB 68"). GASB 68 includes the following components: (i) unfunded pension liabilities are included on the employer's balance sheet; (ii) pension expense incorporates rapid recognition of actuarial experience and investment returns and is not based on the employer's actual contribution amounts; (iii) lower actuarial discount rates are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns will be recognized over a closed five-year smoothing period. GASB 68 affects the City's accounting and reporting requirements, but it does not change the City's pension plan funding obligations.

The City participates in a Miscellaneous Plan to fund pension benefits for employees that serve the Wastewater Enterprise. The City's pension plan is administered by the California Public Employees' Retirement System ("CalPERS"). CalPERS administers agent multiple-employer public employee defined benefit pension plans for all of the City's full-time and certain part-time employees. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries and acts as a common investment and administrative agent for participating public entities within the State, including the City. CalPERS plan benefit provisions and all other requirements are established by State statute and the City Council.

City employees are subject to different benefit levels based on their hire date. Current benefit provisions for City employees are set forth below.

Table 15
City of Corona
CalPERS Miscellaneous Plan – Summary of Benefit Provisions

	<i>Employees Hired Before January 1, 2013</i>	<i>Employees Hired On or After January 1, 2013 (Not Prior CalPERS Members)</i>
Benefit Formula	2.7% @ age 55	2.0% @ age 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Minimum Retirement Age	50	50
Monthly Benefits as % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.5%
Employee Normal Cost	8.0% ⁽¹⁾	6.5% ⁽¹⁾
Employer Normal Cost Rate	11.53% ⁽²⁾	11.53% ⁽²⁾

⁽¹⁾ Employees are required to make the full employee contribution themselves. The City does not make any portion of the employee contribution.

⁽²⁾ The Employer Normal Cost Rate shown is a blended rate for all benefit groups in the plan. For a breakout of the normal cost by benefit group, refer to the most recent actuarial valuation.

Source: City, CalPERS Actuarial Valuation as of June 30, 2024.

Contributions to the City’s pension plan consist of: (a) contributions from plan participants (i.e., employees); and (b) contributions by the City.

City employees who were hired on or after January 1, 2013 and who were not previously CalPERS members receive benefits based on 2.0% at age 62 formula. Such employees are required to make the full amount of required employee contributions themselves under the California Public Employees’ Pension Reform Act of 2013 (“**AB 340**”), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier for such employees. Benefits for such participants are calculated on the highest average annual compensation over a consecutive 36-month period. Employees are required to pay at least 50% of the total normal cost rate. AB 340 also capped pensionable income as noted below. Amounts are set annually, subject to Consumer Price Index increases, and retroactive benefits increases are prohibited, as are contribution holidays and purchases of additional non-qualified service credit.

Table 16
City of Corona
Pensionable Income Caps for Calendar Year 2025 (AB 340 and Non-AB 340 Employees)

	<i>Employees Hired Before January 1, 2013 (Non-AB 340 Employees)</i>	<i>Employees Hired On or After January 1, 2013 (AB 340 Employees)</i>
Maximum Pensionable Income	\$350,000	\$186,096
Maximum Pensionable Income if also Participating in Social Security	N/A	\$155,081

Source: CalPERS Circulation Letter 200-001-25 for 2025.

Additional employee contributions, limits on pensionable compensation and higher retirement ages for new members as a result of the passage of AB 340 are expected to reduce the City’s unfunded pension liability and potentially reduce City contribution levels in the long term.

The City is also required to contribute the actuarially determined remaining amounts necessary to fund benefits for its members. Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The total minimum required employer contribution is the sum of: (i) the plan's employer normal cost rate, which funds pension benefits for current employees for the upcoming Fiscal Year (expressed as a percentage of payroll); plus (ii) the employer unfunded accrued liability contribution amount, which funds pension benefits that were previously earned by current and former employees (billed monthly).

For Fiscal Year 2023, required employer normal cost rates as a percentage of payroll were 10.88% for Miscellaneous Plan employees. For Fiscal Year 2024, required employer normal cost rates as a percentage of payroll are 12.03% for Miscellaneous Plan employees.

For Fiscal Year 2023, the total required employer payment of the unfunded accrued liability for the City's Miscellaneous Plan was \$9,471,994, of which \$1,699,138 was allocable to the Wastewater Enterprise. For Fiscal Year 2024, there was no required employer payment of the unfunded accrued liability for the City's Miscellaneous Plan due to the City having paid off the balance with pension obligation bond proceeds in 2021.

In addition to amounts that are required to be funded by CalPERS' actuary, the City has elected to fund additional amounts to a trust that was established in 2022 under Internal Revenue Code Section 115 (the "**Pension Benefits Trust**"). The Pension Benefits Trust and investment earnings on the deposits therein are irrevocable and constitute funding contributions of the City that will be remitted to CalPERS at a later date. The City's total pension assets include funds held by both CalPERS and the Pension Benefits Trust. The funds held in the Pension Benefits Trust are legally protected from the claims of the general creditors of the City. As of June 30, 2025, the City held \$54,892,853 in the Pension Benefits Trust.

Beginning in Fiscal Year 2018, CalPERS began collecting employer contributions toward a pension plan's unfunded liability as dollar amounts instead of the prior method of a percentage of payroll. According to CalPERS, this change was intended to address potential funding issues that could arise from a declining payroll or a reduction in the number of active members in the plan. Funding the unfunded liability as a percentage of payroll could lead to underfunding of pension plans. Due to stakeholder feedback regarding internal needs for total contributions expressed as an estimated percentage of payroll, the CalPERS reports include such results in the contribution projection for informational purposes only. Contributions toward a pension plan's unfunded liability will continue to be collected as set dollar amounts.

The City's required contributions to CalPERS fluctuate each year and, as noted, include a normal cost component and a component that is equal to an amortized amount of the unfunded liability. Many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the City's required contributions to CalPERS in future years. Accordingly, the City cannot provide any assurances that the City's required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions. CalPERS earnings reports for Fiscal Years 2013 through 2024 report investment gains (and losses) of approximately 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7%, 4.7%, 21.3%, (6.1%), 5.8% and 9.3%, respectively. CalPERS preliminary earnings report for Fiscal Year 2024-25 reported investment gains of approximately 11.6%. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City. The City notes that CalPERS' earnings in Fiscal Year 2020 were below its investment targets as a result of stock market declines in the wake of the COVID-19 outbreak, which could increase future contribution rates for plan participants, including the City.

On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from 7.50% to 7.00% over a three period. For public agencies such as the City, the new discount rate took effect

July 1, 2017. Lowering the discount rate means that employers which contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 will also see their contribution rates rise under AB 340. The reduction of the discount rate will result in average employer rate increases of approximately 1% to 3% of normal cost as a percentage of payroll for most retirement plans such as the City’s plans. Additionally, many employers will see a 30% to 40% increase in their current unfunded accrued liability payments (relative to the unfunded accrued liability payments projected in the June 30, 2015 valuation report) for pension plans. These payments are made to amortize unfunded liabilities over 20 years to bring pension funds to a fully funded status over the long-term.

The announcement on July 12, 2021 that CalPERS achieved investment returns of 21.3% in Fiscal Year 2021 caused the CalPERS Board of Administration to lower CalPERS’ discount rate from 7.00% to 6.80% in fall 2021 in accordance with a risk mitigation policy that was adopted in 2015, which calls for the discount rate to be lowered if returns exceed the then-current discount rate by two or more percentage points. Lowering the discount rate means that employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 who were not previously CalPERS members will also see their contribution rates rise under AB 340.

The table below is derived from CalPERS’ annual valuation report as of June 30, 2024 for the City’s Miscellaneous Plan, which was completed in July 2025, and shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in the CalPERS annual valuation reports. Such projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. The projected normal cost percentages in the projections below does not reflect that the normal cost will decline over the time as new employees are hired into lower cost benefit tiers after the passage of AB 340.

The following projections assumed the investment return for fiscal year 2024-25 would be 6.8%. As described above, CalPERS announced preliminary investment returns of 11.6% for Fiscal Year 2025. As a result, the actual contribution requirements for Fiscal Year 2028 and the following years shown below can be expected to differ from such projections.

Table 17
City of Corona
Projected Future Employer Contributions – CalPERS Miscellaneous Plan

<i>Fiscal Year</i>	<i>Required Contribution</i>		<i>Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)</i>			
	<i>2026-27</i>	<i>2027-28</i>	<i>2028-29</i>	<i>2029-30</i>	<i>2030-31</i>	<i>2031-32</i>
Normal Cost %	11.24%	11.1%	10.9%	10.7%	10.5%	10.3%
UAL Payment	\$3,795,268	\$4,208,000	\$4,621,000	\$4,445,000	\$4,188,000	\$4,188,000
Total as a % of Payroll	20.42%	21.0%	21.5%	20.6%	19.6%	19.1%
Projected Payroll	\$41,343,287	\$42,500,899	\$43,690,925	\$44,914,270	\$46,171,870	\$47,464,683

Source: CalPERS’ Annual Valuation Report as of June 30, 2024.

No assurance can be provided that the City’s CalPERS plan expenses will not increase significantly in the future.

The Schedule of Funding Progress below shows the City’s total pension liability for its Miscellaneous CalPERS plan, CalPERS assets and the relationship of the total pension liability to such assets. Moneys held in the Pension Benefits Trust are *excluded* from the below figures.

Table 18
City of Corona
Schedule of Funding Progress – CalPERS Miscellaneous Plan

Valuation Date⁽¹⁾	Accrued Liability	Market Value of Assets⁽²⁾	Unfunded Accrued Liability	Funded Ratio	Annual Covered Payroll
6/30/20	\$387,945,232	\$264,290,618	\$123,654,614	68.1%	\$24,269,621
6/30/21	409,759,952	320,651,806	89,108,146	78.3	26,963,410
6/30/22	429,922,074	398,716,612	31,205,462	92.7	29,431,217
6/30/23	452,809,072	405,944,864	46,864,208	89.7	34,398,956
6/30/24	470,489,454	427,602,502	42,886,952	90.9	38,056,221

(1) Figures are as of the measurement dates of June 30 of the years 2020 through 2024, which apply to the Fiscal Years ended June 30, 2020 through 2024, respectively.

(2) Excludes moneys held in Pension Benefits Trust.

Source: CalPERS Annual Valuation Report as of June 30, 2024.

Portions of the above disclosures are primarily derived from information that has been produced by CalPERS, its independent accountants and its actuaries. The City and the Utility Authority have not independently verified such information and neither makes any representations nor expresses any opinion as to the accuracy of the information that has been provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on CalPERS' Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information that concerns benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The City, the Utility Authority and the Underwriter cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future.

The City's Miscellaneous Plan had a total net pension liability of \$30,791,658 for Fiscal Year 2024 (as of the measurement date of June 30, 2023), of which approximately \$3,291,628 was attributable to the Wastewater Enterprise. The net pension liability is the difference between the total pension liability and the fair market value of pension assets. The City's total pension assets include funds that are held by CalPERS, and its net pension asset or liability is based on such amounts. For Fiscal Years 2024 and 2023, the City incurred Miscellaneous Plan pension expenses of \$13,941,526 and \$13,494,623, respectively.

A summary of principal assumptions and methods used to determine the total pension liability for the City's Miscellaneous pension plan for Fiscal Year 2023 is shown below.

Table 19
City of Corona
Actuarial Assumptions for CalPERS Miscellaneous Plan

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
<i>Actuarial Assumptions:</i>	
Accounting Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Postretirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Source: City.

Changes in the net pension liability for the City's Miscellaneous pension plan in Fiscal Year 2023 were as follows:

Table 20
City of Corona
Changes in CalPERS Miscellaneous Plan Net Pension Liability

	<i>Increase / (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability / (Asset)</i>
Balance at June 30, 2022	\$ 416,786,666	\$ 398,723,741	\$ 18,062,925
Balance at June 30, 2023	<u>436,846,507</u>	<u>406,054,849</u>	<u>30,791,658</u>
Net Changes for period from July 1, 2022 through June 30, 2023	\$ 20,059,841	\$ 7,331,108	\$ 12,728,733

Source: City.

The table below presents the net pension liability of the City’s Miscellaneous pension plan, calculated using the discount rate applicable to Fiscal Year 2023 (6.90%), as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the Fiscal Year 2023 rate:

Table 21
City of Corona
Sensitivity of CalPERS Miscellaneous Plan Net Pension Liability
to Changes in the Discount Rate

<i>Plan’s Net Pension Liability/(Asset)</i>	<i>Discount Rate – 1% (5.90%)</i>	<i>Applicable Discount Rate (6.90%)</i>	<i>Discount Rate + 1% (7.90%)</i>
Miscellaneous Plan	\$91,306,327	\$30,791,658	\$(18,603,887)

Source: City.

For additional information relating to the City’s CalPERS Miscellaneous pension plan, see Note 13 to the City’s audited financial statements set forth in Appendix A.

Issuance of Pension Obligation Bonds. On October 14, 2021, the City issued pension obligation bonds in the aggregate principal amount of \$276,710,000, the proceeds of which were applied to pay a portion of the City’s CalPERS Miscellaneous pension plan liability, among other things. The pension obligation bonds are *not* secured by a pledge and lien on or payable from Net Revenues of the Wastewater Enterprise. The issuance of the pension obligation bonds, however, is expected to reduce the pension plan liability that is attributable to the Wastewater Enterprise over the long term.

For Fiscal Year 2024, the debt service payment for the pension obligation bonds totaled \$22,605,269 of which \$900,892 was allocable to the Wastewater Enterprise. For Fiscal Year 2025, the debt service payment for the Pension Obligation Bonds totaled \$23,543,737, of which \$1,031,583 was allocable to the Wastewater Enterprise.

Other Post-Employment Benefits. In addition to the pension benefits that are described under the subcaption “—Pension Obligations,” the City provides certain health care and life insurance benefits (“OPEB”) for retired employees and eligible dependents. OPEB is provided for retired employees who are age 50 or over (52 for AB 340 members), have a minimum of 5 years of service with the City.

The contribution requirements of OPEB plan members and the City are established under memoranda of understanding with the City’s employee associations. See the caption “THE CITY—Employees.” Currently, contributions are not required from plan members. The annual contribution amount is based on the actuarially determined employer contribution. The City elected to prefund its OPEB obligation through the California Employers’ Retiree Benefit Trust Program (“CERBT”), a trust fund established under Internal Revenue Code Section 115 which is dedicated to prefunding OPEB for eligible California public agencies. CERBT is administered by CalPERS’ Board. In Fiscal Years 2023 and 2024, the City’s cash contribution to its OPEB plan was \$9,994,224 and \$10,203,431, respectively, of which \$1,304,638 and \$1,063,005, respectively, was made to CERBT, with the remainder consisting of either direct payment to service providers or reimbursement to retirees. The City has budgeted to contribute \$13,757,764 to its OPEB plan, including \$3,302,434 to CERBT, in Fiscal Year 2025. CERBT assets are irrevocable and may not be used for any purpose other than funding OPEB.

Governmental Accounting Standards Board Statement No. 75 (“GASB 75”) requires governmental agencies to account for and report the outstanding obligations and commitments related to OPEB in essentially the same manner as for pensions. While requiring the City to disclose the unfunded actuarial accrued liability and the Actuarially Determined Contribution (the actuarial value of benefits earned during a Fiscal Year plus

costs to amortize the unfunded actuarial accrued liability, or “OPEB ADC”) in its financial statements, GASB 75 does not require the City to fund the OPEB ADC. The OPEB ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years.

The City’s OPEB contributions for the last five Fiscal Years were as follows:

Table 22
City of Corona
OPEB Contributions

<i>Fiscal Year Ended June 30</i>	<i>Actuarially Determined Contribution</i>	<i>City OPEB Contribution</i>	<i>Deficiency/ (Excess)</i>	<i>Covered Payroll</i>
2020	\$11,087,025	\$11,847,476	\$(760,451)	\$67,841,626
2021	10,481,185	10,489,894	(8,709)	68,613,350
2022	10,744,736	10,744,736	(1,051,688)	74,680,408
2023	9,983,374	9,994,224	(10,850)	84,958,125
2024	10,282,357	10,203,431	78,952	89,487,961

Source: City.

As of the June 30, 2023 measurement date, the City OPEB plan was 41.37% funded. The actuarial accrued liability for benefits was \$160,302,881 and the actuarial value of assets was \$66,319,740, resulting in an unfunded actuarial accrued liability (the “OPEB UAL”) of \$93,983,141. The covered payroll (annual payroll of active employees covered by the plan) was \$84,958,125 and the ratio of the OPEB UAL to the covered payroll was 110.62%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement and mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Changes in the net liability for the City’s OPEB plan were as follows.

Table 23
City of Corona
Changes in OPEB Liability

	<i>Increase / (Decrease)</i>		
	<i>Total OPEB Plan Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Plan Liability / (Asset)</i>
Balance at June 30, 2022	\$ 155,068,194	\$ 61,086,162	\$ 93,982,032
Balance at June 30, 2023	<u>160,302,881</u>	<u>66,319,740</u>	<u>93,983,141</u>
Net Changes for period from July 1, 2022 through June 30, 2023	\$ 5,234,687	\$ 5,233,578	\$ 1,109

Source: City.

The following table presents the net liability of the City’s OPEB plan, calculated using the discount rate applicable to Fiscal Year 2023 (6.05%), as well as what the net OPEB liability would be if it were

calculated using a discount rate that is 1 percentage point lower (5.05%) or 1 percentage point higher (7.05%) than the Fiscal Year 2023 rate:

Table 24
City of Corona
Sensitivity of OPEB Plan Net Liability to Changes in the Discount Rate

	<i>Discount Rate – 1% (5.05%)</i>	<i>Applicable Discount Rate (6.05%)</i>	<i>Discount Rate + 1% (7.05%)</i>
Plan’s Net Liability/(Asset)	\$112,994,843	\$93,983,141	\$78,186,021

Source: City.

The City’s projections of operating expenses shown under the caption “—Projected Operating Results and Debt Service Coverage” do not assume further unusual increases in OPEB funding expenses. Future changes in OPEB funding policies and assumptions, however, including those related to assumed rates of investment return and inflation, could trigger increases in the City’s annual required contributions, and such increases could be material to the finances of the Wastewater Enterprise. No assurance can be provided that such expenses will not increase significantly in the future. The City does not expect that any increased funding of OPEB will have a material adverse effect on the ability of the City to pay the 2025 Bonds.

For additional information relating to the City’s OPEB plan, see Note 14 to the City’s audited financial statements set forth in Appendix A.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Article XIII B

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, authority, special district or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The “base year” for establishing such appropriation limit is the 1978-79 State fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (a) the financial responsibility for a service is transferred to another public entity or to a private entity; (b) the financial source for the provision of services is transferred from taxes to other revenues; or (c) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations that are subject to Article XIII B generally include the proceeds of taxes levied by or for the State or other entity of local government, exclusive of certain State subventions, refunds of taxes and benefit payments from retirement, unemployment, insurance and disability insurance funds. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (i) regulatory licenses, user charges, and user fees (but only to the extent that such proceeds exceed the cost reasonably borne by the entity in providing the service or regulation); and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amounts that are permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Certain expenditures are excluded from the appropriations limit, including payments of indebtedness that were existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters, and payments that are required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

The City is of the opinion that its charges for wastewater service do not exceed the costs that it reasonably bears in providing such service and therefore are not subject to the limits of Article XIII B. The Utility Authority has covenanted in the Indenture that it will fix, prescribe, revise and collect rates and charges for the services and facilities furnished by the Wastewater Enterprise, or cause the City to do so, during each Fiscal Year which are sufficient to yield Net Revenues, at least equal to 125% of the Debt Service payable in such Fiscal Year.

Proposition 218

General. An initiative measure entitled the “Right to Vote on Taxes Act” (the “**Initiative**”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Articles XIII C and XIII D to the State Constitution. According to the “Title and Summary” of the Initiative prepared by the State Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIII D. Article XIII D defines the terms “fee” and “charge” to mean “any levy other than an ad valorem tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property-related service.” A “property-related service” is defined as “a public service having a direct relationship to property ownership.” Article XIII D further provides that reliance by an agency on any parcel map (including an assessor’s parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIII D requires that any agency which imposes or increases any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, because fees for water service are a “fee” or “charge” as defined in Article XIII D, the local government’s ability to increase such fees or charges may be limited by a majority protest.

In addition, Article XIII D includes a number of limitations that are applicable to existing fees and charges, including provisions to the effect that: (a) revenues that are derived from the fee or charge may not exceed the funds which are required to provide the property-related service; (b) such revenues may not be used for any purpose other than that for which the fee or charge was imposed; (c) the amount of a fee or charge that is imposed upon any parcel or person as an incident of property ownership may not exceed the proportional cost of the service attributable to the parcel; and (d) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the State Supreme Court, it was generally believed that Article XIII D did not apply to charges for water and wastewater services that are “primarily based on the amount consumed” (i.e., metered water or wastewater rates), which had been held to be commodity charges related to consumption of the service, not property ownership. The State Supreme Court ruled in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (the “**Bighorn Case**”), however, that fees for ongoing water service through an existing connection were property-related fees and charges. The State Supreme Court specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218. The City has complied with the notice and public hearing requirements of Article XIII D in determining whether to change Water Enterprise rates and charges since at least 2007.

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (the “**SJC Case**”)

upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage, including the capital costs of improvements to provide additional increments of water. The opinion included a finding that the City of San Juan Capistrano did not make any attempt to calculate the actual costs of providing water at various tier levels. The City's current residential water rate structure includes tiered rates based on usage. The City has reviewed the *SJC* Case decision and does not expect the decision to affect its rate structure. The City believes that its current water rates comply with the requirements of Proposition 218 because they are tied to the cost of service and capital improvements, and expects that any future water rate increases will comply with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

Article XIII C. Article XIII C provides that the initiative power may not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges is applicable to all local governments. Article XIII C does not define the terms "local tax," "assessment," "fee" or "charge," so it was unclear whether the definitions set forth in Article XIII D referred to above are applicable to Article XIII C. Moreover, the provisions of Article XIII C are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn* Case that the provisions of Article XIII C applied to rates and fees charged for domestic water use. In the decision, the Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal.5th 1105 holding that taxpayers do not have the right under Proposition 218 to challenge water rates by referendum, and the City does not believe that Article XIII C grants to the voters within the City the power (whether by initiative under Article XIII C or otherwise, or by referendum, which is not authorized under Article XIII C) to repeal or reduce rates and charges for water service in a manner that would interfere with the contractual obligations of the City or the Utility Authority or the obligation of the City and the Utility Authority to maintain and operate the Water Enterprise. However, there can be no assurance as to the availability of particular remedies adequate to protect the Beneficial Owners of the 2025 Bonds. Remedies that are available to Beneficial Owners of the 2025 Bonds in the event of a default by the Utility Authority are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain. So long as the 2025 Bonds are held in book-entry form, DTC (or its nominee) will be the sole registered owner of the 2025 Bonds and the rights and remedies of the 2025 Bond Owners will be exercised through the procedures of DTC.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 applies to charges imposed or increased after November 2, 2010 and provides that the local government bears the burden of proving by a preponderance of the evidence that a

levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City believes that its water rates and charges meet the exception that is described in clause (g) above and are not taxes under Proposition 26.

Future Initiatives

Articles XIII B, XIII C and XIII D and Proposition 26 were adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiatives could be proposed and adopted affecting the Utility Authority's revenues or ability to increase revenues.

CERTAIN RISKS TO BONDHOLDERS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the 2025 Bonds. The following, however, does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the 2025 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal of or interest on the 2025 Bonds.

Limited Obligations

The obligation of the Utility Authority to pay the 2025 Bonds is a limited obligation of the Utility Authority and is not secured by a legal or equitable pledge or charge or lien upon any property of the Utility Authority, the City or any of their respective incomes or receipts, except the Net Revenues. The obligation of the Utility Authority to pay the 2025 Bonds does not constitute an obligation for which the general credit or taxing power of the Utility Authority or the City is pledged.

Accuracy of Assumptions

To estimate the revenues that will be available to pay debt service on the 2025 Bonds, the Utility Authority has made certain assumptions with regard to the rates and charges to be imposed in future years, the expenses associated with operating the Wastewater Enterprise and the interest rate at which funds will be invested. The Utility Authority believes these assumptions to be reasonable, but to the extent that any of these assumptions fail to materialize, the Net Revenues available to pay debt service on the 2025 Bonds will, in all likelihood, be less than those projected herein. See the caption "WASTEWATER ENTERPRISE FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage." The Utility Authority may choose, however, to maintain compliance with the rate covenant that is set forth in the Indenture in part by means of contributions from other available reserves or resources. In such event, Net Revenues may generate amounts which are less than 125% of Debt Service in any given Fiscal Year. See the caption "SECURITY FOR THE 2025 BONDS—Rate Covenant."

System Demand

There can be no assurance that the demand for wastewater services will occur as described in this Official Statement. Reductions in demand could require an increase in rates or charges in order to comply with the rate covenant. Demand for wastewater services could be reduced as a result of an economic downturn or other factors. See the captions "THE WASTEWATER ENTERPRISE—Wastewater Enterprise Rates and Charges" and "—Accuracy of Assumptions."

System Expenses

There can be no assurance that the City's expenses will be consistent with the descriptions in this Official Statement. Operation and maintenance costs may vary with labor costs (including costs related to pension liabilities and the costs of retaining qualified personnel with the proper certifications to operate Wastewater Enterprise treatment and other facilities), treatment costs, energy costs, regulatory compliance costs, increased costs to access groundwater due to land subsidence or falling water tables, increased imported water purchase costs and other factors. Increases in expenses could require an increase in rates or charges in order to comply with the rate covenant. See the caption "SECURITY FOR THE 2025 BONDS—Rate Covenant." Rate increases are subject to the provisions of Proposition 218 and there can be no assurance that the City will be able to increase rates as needed to address increases in Wastewater Enterprise expenses. See the caption "—Rate-Setting Process under Proposition 218."

Limited Recourse on Default

If the Utility Authority defaults on its obligation to pay the principal of and interest on the 2025 Bonds, the Trustee has the right to declare the total unpaid principal of the 2025 Bonds, together with the accrued interest thereon to be immediately due and payable. In the event of a default and such acceleration, however, there can be no assurance that the Utility Authority will have sufficient funds to pay the accelerated amounts due on the 2025 Bonds from Net Revenues.

Rate-Setting Process Under Proposition 218

Proposition 218, which added Articles XIII C and XIII D to the State Constitution, affects the City's ability to maintain existing rates and impose rate increases, and no assurance can be given that future rate increases will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of majority protest or initiative, the Utility Authority might thereafter be unable to generate Net Revenues in the amounts required by the Indenture to pay the 2025 Bonds. The City believes that its current water rates approved by the City Council were implemented in compliance with the notice, public hearing and majority protest provisions of Proposition 218. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Statutory and Regulatory Compliance

Laws and regulations governing the treatment and distribution of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the Wastewater Enterprise for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Wastewater Enterprise or from other legally available sources. In addition to claims by private parties, changes in the standards for public agency water systems such as that operated by the Utility Authority may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders could also impose substantial additional costs on the Utility Authority. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the Utility Authority to generate Net Revenues sufficient to pay the 2025 Bonds.

Natural Disasters

General. The occurrence of any natural disaster in the City, including, without limitation, fire, earthquake, landslide, land subsidence, high winds, drought or flood, could have an adverse material impact on the economy within the City, the Wastewater Enterprise and the revenues available for the payment of the

2025 Bonds. In the event of a severe earthquake, wildfire, drought, windstorm, landslide, flood or other natural disaster, there may be significant damage to both property and infrastructure in the City, including to the Wastewater Enterprise. The occurrence of natural disasters in the City's service area could result in substantial damage to the Wastewater Enterprise which, in turn, could substantially reduce revenue generated by the Wastewater Enterprise and affect the ability of the Utility Authority to pay the 2025 Bonds.

The City maintains liability insurance for the Wastewater Enterprise and property casualty insurance for certain portions of the Wastewater Enterprise. However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, as described under the caption "THE CITY—Wastewater Enterprise Insurance," portions of the Wastewater Enterprise, including subsurface pipelines, are not covered by property casualty insurance. Damage to such portions of the Wastewater Enterprise as a result of natural disasters would result in uninsured losses to the City.

Earthquakes. The City is located in a seismically active region. Significant known faults near the City include the Elsinore and Newport-Inglewood faults. There is potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land along fault lines may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure within the City, including the Wastewater Enterprise. The City has an emergency operations center that would be activated under such circumstances.

The City does not maintain earthquake insurance coverage for the Wastewater Enterprise, as discussed under the caption "THE CITY—Wastewater Enterprise Insurance." There can be no assurance that the Wastewater Enterprise will not be susceptible to damage in the event of an earthquake. Such damage is not expected to be covered by insurance, and seismic activity could result in damage to or destruction of the Wastewater Enterprise.

The City addresses seismic risk and vulnerability through the City of Corona Local Hazard Mitigation Plan, which was last updated in 2023, and the Riverside County Operational Area Multi-Jurisdictional Local Hazard Mitigation Plan. Newer Wastewater Enterprise facilities are designed to withstand earthquakes with minimal damage, as earthquake loads are taken into consideration in the design of project structures. The City has also undertaken a vulnerability assessment of critical Wastewater Enterprise facilities. The vulnerability assessment ranks Wastewater Enterprise infrastructure by importance, builds redundancy into existing operations and includes contingency plans in the event of damage to City assets and succession plans for critical staff. There are currently no significant seismic enhancement projects that are required to be undertaken by the Utilities Department. The impact of lesser magnitude seismic events is expected by the City to be temporary, localized and repairable. The Wastewater Enterprise has never sustained major damage to its facilities or experienced extended incidences of service interruptions as a result of seismic disturbances.

Wildfires. In recent years, wildfires have caused extensive damage throughout the State, including within the County. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection ("Cal Fire") periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Southern California region and portions of the City are located within areas classified as "Moderate," "High" or "Very High" Fire Hazard Severity Zones by Cal Fire.

Approximately ___% of the Wastewater Enterprise customer connections are located within either “High” or “Very High” Fire Hazard Severity Zones, and two of the Wastewater Enterprise lift stations are located in areas which Cal Fire has designated as “Very High” Fire Hazard Severity Zones.

Cybersecurity

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. Recently, there have been significant cybersecurity incidents affecting municipal agencies, including ransomware attacks targeting Los Angeles Unified School District and the San Bernardino County Sheriff’s Department, a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore’s 911 system, an attack on the Colorado Department of Transportation’s computers, an attack that resulted in the temporary closure of the Port of Los Angeles’ largest terminal and an attack on a water treatment facility in Oldsmar, Florida.

The City’s Information Technology Department employs a multi-level cyber protection strategy that includes firewalls, anti-virus software, anti-spam/malware software, intrusion protection, intrusion detection, identity management, lateral movement detection, log monitoring and other security measures. The City contracts with third-party vendors to perform external audits of its network and to perform similar internal audits. The City has also established a Security Operations Center with third-party vendors to monitor and augment internal and external monitoring of the City’s computer systems 24 hours per day, 7 days per week. The City conducts cybersecurity training for all staff and regular simulated phishing campaigns. Email is inspected inbound and outbound by a cloud email filtering service, and measures are in place to protect against spoofing internal addresses. The City also employs domain name system filtering and endpoint protection on its servers and desktops to catch and prevent cyberattacks. The City practices the principle of least privilege across all of its systems. It maintains regular, redundant, online and offline backups to minimize damage and allow for quick recovery in the event of an attack.

To date, the City has not experienced a successful attack against its network and servers. However, there can be no assurance that a future attack or attempted attack would not result in disruption of City operations. The City expects that any such disruptions would be temporary in nature due to its backup/restore procedures, utilization of third-party incident response teams and disaster recovery planning.

Limitations on Remedies

The ability of the Utility Authority to comply with its covenants under the Indenture and to generate Net Revenues in amounts that are sufficient to pay principal of and interest on the 2025 Bonds may be adversely affected by actions and events outside of the control of the City or the Utility Authority or actions taken (or not taken) by voters, property owners, taxpayers or persons obligated to pay assessments, fees and charges. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” Furthermore, the remedies available to the owners of the 2025 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain. In the event that the Utility Authority fails to comply with its covenants under the Indenture or fails to pay principal of and interest on the 2025 Bonds, there can be no assurance as to the availability of remedies adequate to protect the interest of the holders of the 2025 Bonds.

In addition to the limitations on remedies contained in the Indenture, the rights and obligations under the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities in the State. The opinion to be delivered by Bond Counsel concurrently with the issuance of the 2025 Bonds will be

subject to such limitations, and the various other legal opinions to be delivered concurrently with the issuance of the 2025 Bonds will be similarly qualified. See Appendix C.

In addition, usual equity principles may limit the specific enforcement under State law of certain remedies, as may the exercise by the United States of America of the powers delegated to it by the federal Constitution, and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the 2025 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Remedies may be limited because the Wastewater Enterprise serves an essential public purpose.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2025 Bonds or, if a secondary market exists, that the 2025 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Parity Obligations

The Indenture permits the Utility Authority to enter into additional Parity Obligations which are payable from Net Revenues on a parity with the 2025 Bonds, subject to the terms and conditions set forth therein. The entry into additional Parity Obligations could result in reduced Net Revenues available to pay the 2025 Bonds. The Utility Authority has covenanted to maintain Debt Service coverage of 125%, as further described under the caption “SECURITY FOR THE 2025 BONDS—Additional Indebtedness.”

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the City is difficult to predict, but it could be significant and it could have a material adverse effect on the Wastewater Enterprise’s finances by requiring greater expenditures to counteract the effects of climate change, by changing the business and activities of Wastewater Enterprise customers. See the captions “—System Expenses.”

In March 2019, the City adopted an updated Climate Action Plan (the “CAP”), which has four primary goals: (i) to measure the City’s greenhouse gas (“GHG”) emissions; (ii) to establish GHG emissions reduction targets within designated timeframes; (iii) to undertake actions to meet the GHG emissions reduction targets; and (iv) to develop adaptive strategies to cope with the effects of climate change. The CAP is intended to keep dollars in the local economy, create new green jobs and improve the community’s health, safety, and welfare by addressing climate change.

The City’s target is to reduce GHG emissions 49% below 2008 levels by 2030 and 66% below 2008 levels by 2040. In order to achieve these targets, the City intends to increase energy and water efficiency in residences and commercial buildings through training, education, renovations and offering rebates in partnership with energy providers, promote the planting of trees throughout the City, utilize light reflecting technology on roofs and paved surfaces, reduce vehicle miles traveled and solid waste generation and promote

clean energy such as solar panels, among other efforts. Adaptive strategies include creating cooling centers at public spaces, encouraging development that has a lower demand for water and energy, prioritizing infrastructure improvements, encouraging buffer space between development and wildfire-prone areas and ensuring that the City has adequate staff and funding to implement the foregoing efforts.

Rate Covenant Not a Guarantee

The 2025 Bonds are payable from Net Revenues of the Wastewater Enterprise. See the caption “SECURITY FOR THE 2025 BONDS.” The Utility Authority’s ability to pay debt service on the 2025 Bonds depends on its ability to generate Net Revenues at the levels required by the Indenture. Although the Utility Authority has covenanted in the Indenture to impose rates and charges, or cause the City to do so, as more particularly described under the caption “SECURITY FOR THE 2025 BONDS—Rate Covenant,” and although the Utility Authority expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in amounts that are sufficient to pay the 2025 Bonds. Among other matters, the availability of and demand for water and changes in law and government regulations could adversely affect the amount of Net Revenues realized by the Utility Authority.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2025 Bonds, the Utility Authority has covenanted in the Indenture to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and not to take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the 2025 Bonds under Section 103 of the Code. Interest on the 2025 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of such 2025 Bonds as a result of acts or omissions of the Utility Authority in violation of this or other covenants in the Indenture applicable to the 2025 Bonds. The 2025 Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See the caption “TAX MATTERS.”

APPROVAL OF LEGAL PROCEEDINGS

The valid, legal and binding nature of the 2025 Bonds is subject to the approval of Best Best & Krieger LLP, acting as Bond Counsel. The form of such legal opinion is attached hereto as Appendix C, and such legal opinion will be attached to each 2025 Bond. Certain legal matters will be passed upon for the Utility Authority by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and by the City Attorney, for the Underwriter by its counsel, Anzel Galvan LLP, and for the Trustee by its counsel.

LITIGATION

At the time of delivery of and payment for the 2025 Bonds, the Utility Authority will certify substantially to the effect that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Utility Authority, threatened against the Utility Authority affecting the existence of the Utility Authority or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the 2025 Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the validity or enforceability of the 2025 Bonds, the Indenture, or any action of the Utility Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Utility Authority or its authority with respect to the 2025 Bonds or any action of the Utility Authority contemplated by any of said documents, nor to the knowledge of the Utility Authority, is there any basis therefor.

TAX MATTERS

In the opinion of Best Best & Krieger LLP, Riverside, California, subject, however, to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes, and interest on the 2025 Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, interest on the 2025 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Utility Authority and City comply with all requirements of the Internal Revenue Code of 1986, as amended (“Tax Code”) that must be satisfied subsequent to the issuance of the 2025 Bonds. The Utility Authority and City have made certain representations and covenanted to comply with each such requirement. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2025 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2025 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2025 Bonds may adversely affect the value of, or the tax status of interest on, the 2025 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events, or matters.

If the initial offering price to the public (excluding bond houses and brokers) at which a 2025 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a 2025 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2025 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2025 Bonds to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such 2025 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2025 Bonds who purchase the 2025 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2025 Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2025 Bond (said term being the shorter of the bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2025 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2025 Bond is amortized each year over the term to maturity of the 2025 Bond on the basis of a constant interest rate

compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2025 Bond premium is not deductible for federal income tax purposes. Owners of premium 2025 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2025 Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code, or court decisions may cause interest with respect to the 2025 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code, or court decisions may also affect the market price for, or marketability of, the 2025 Bonds. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2025 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Utility Authority or City or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Utility Authority and City have covenanted, however, to comply with the requirements of the Tax Code.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C.

Owners of the 2025 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2025 Bonds other than as expressly described above.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2025 Bonds, or as to the consequences of owning or receiving interest on the 2025 Bonds, as of any future date. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

RATING

The Utility Authority expects that S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**"), will assign the 2025 Bonds the rating of " ". Future events could have an adverse impact on the rating of the 2025 Bonds, and there is no assurance that any credit rating that is given to the 2025 Bonds will be maintained for any period of time or that the rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such qualification, downgrade, lowering or withdrawal of the rating may have an adverse effect on the market price of the 2025 Bonds. The rating reflects only the views of S&P (which views and criteria could change at any time), and an explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it (which may include information and material from the City or the Utility Authority that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

The Utility Authority has covenanted in a Continuing Disclosure Certificate to file notices of any rating changes on the 2025 Bonds with EMMA. See the caption “CONTINUING DISCLOSURE” and Appendix E. Notwithstanding such covenant, information relating to rating changes on the 2025 Bonds may be publicly available from the rating agencies prior to the time that such information is provided to the City or the Utility Authority and prior to the date by which the Utility Authority is obligated to file a notice of rating change. Purchasers of the 2025 Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the 2025 Bonds after the initial issuance of the 2025 Bonds.

In providing a rating on the 2025 Bonds, S&P may have performed independent calculations of coverage ratios using its own internal formulas and methodology, which may not reflect the provisions of the Indenture. The Utility Authority makes no representations as to any such calculations, and such calculations should not be construed as a representation by the Utility Authority or the City as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

MUNICIPAL ADVISOR

The City has retained CSG Advisors Incorporated, San Francisco, California, as municipal advisor (the “**Municipal Advisor**”) in connection with the issuance of the 2025 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The 2025 Bonds will be purchased by Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), pursuant to a purchase contract, dated the date hereof (the “**Purchase Contract**”), by and between the Utility Authority and the Underwriter. Under the Purchase Contract, the Underwriter has agreed to purchase all, but not less than all, of the 2025 Bonds for an aggregate purchase price of \$ _____ (representing the principal amount of the 2025 Bonds, [plus/less] an original issue [premium/discount] of \$ _____, and less an Underwriter’s discount of \$ _____). The Purchase Contract provides that the Underwriter will purchase all of the 2025 Bonds if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2025 Bonds to certain dealers (including dealers depositing 2025 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Utility Authority and to persons and entities with relationships with the Utility Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Utility Authority (directly, as

collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Utility Authority.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Utility Authority.

CONTINUING DISCLOSURE

The Utility Authority has covenanted in a Continuing Disclosure Certificate, dated the date of issuance of the 2025 Bonds, for the benefit of the holders and Beneficial Owners of the 2025 Bonds to provide certain financial information and operating data relating to the Wastewater Enterprise by not later than April 1 following the end of the City's Fiscal Year (currently its Fiscal Year ends on June 30) (the "**Annual Report**"), commencing on April 1, 2026 with the report for the Fiscal Year ended June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the Utility Authority with EMMA, which is maintained on the Internet at <http://emma.msrb.org/>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix E. These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12.

[The City's audited financial statements for Fiscal Year 2021, as well as certain information required to be updated for Fiscal Years 2021 and 2022, was not properly linked to all CUSIPs for one series of bonds issued by the City's former redevelopment agency. In addition, certain Fiscal Year 2022 information required to be updated under continuing disclosure undertakings for the 2012 Bonds and wastewater revenue bonds issued by the Utility Authority was filed one day after the date when such information was due. Except as set forth in this paragraph, the City, the Utility Authority and their related entities have not failed to comply in all material respects with their continuing disclosure undertakings in the last five years.]

In order to assure compliance with its continuing disclosure obligations going forward, the City has adopted continuing disclosure compliance policies and procedures as part of its debt management policy. See the caption "THE CITY—Governance and Management—Management Policies—Debt Management Policy." In addition, the City retains third party consultants (Willdan Financial Services and Spicer Consulting) to assist with its continuing disclosure obligations.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel and counsel to the Underwriter are contingent upon the issuance and delivery of the 2025 Bonds.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the 2025 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Utility Authority.

CORONA UTILITY AUTHORITY

By: _____
Executive Director

APPENDIX A
FINANCIAL STATEMENTS

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

APPENDIX D

INFORMATION CONCERNING DTC

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Utility Authority and the City believe to be reliable, but the Utility Authority and the City take no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2025 Bonds, payment of principal, premium, if any, accreted value, if any, and interest on the 2025 Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2025 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2025 Bonds. The 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2025 Bond will be issued for each annual maturity of the 2025 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2025 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2025 Bonds with DTC and their registration in the name

of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bonds documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Utility Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Utility Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Utility Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Utility Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A 2025 Bond Owner shall give notice to elect to have its 2025 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such 2025 Bond by causing the Direct Participant to transfer the Participant's interest in the 2025 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of 2025 Bond in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2025 Bond are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2025 Bond to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Utility Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Utility Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 2025 Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE 2025 BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE 2025 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the 2025 Bonds, the Utility Authority proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Corona Utility Authority (the “Utility Authority”) in connection with the issuance of the \$____ Corona Utility Authority 2025 Wastewater Revenue Bonds (Wastewater Projects) (the “Bonds”). The 2025 Bonds are being issued pursuant to that certain Indenture of Trust, dated as of September 1, 2025 (the “Indenture”), by and between the Utility Authority (the “Utility Authority”) and The Bank of New York Mellon Trust Company, N.A., as trustee. The Utility Authority covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Utility Authority for the benefit of the Holders and Beneficial Owners of the 2025 Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the Utility Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Financial Obligation. The term “Financial Obligation” means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement relating to the Bonds dated September ___, 2025 relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The Utility Authority shall provide not later than each April 1 following the end of its Fiscal Year (commencing April 1, 2026 with a report for Fiscal Year 2025) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Utility Authority is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Utility Authority, in a timely manner, shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The combined audited financial statements of the City of Corona (the “City”) and the Utility Authority for the prior Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Disclosure Report and audited financial statements will be provided when and if available; and

(b) To the extent not contained in the audited financial statements, updates of the below-listed financial information and operating data relating to the Bonds and the Wastewater Enterprise substantially similar to the information and data contained in the Official Statement; provided that such information shall be updated only for the last completed Fiscal Year prior to the filing of the Annual Report:

(c) Principal amount of the Bonds outstanding.

(d) An update of the information in the following tables in the Official Statement:

(I) Under the caption “THE WASTEWATER ENTERPRISE”:

(i) City of Corona Historic Wastewater Enterprise Connections;

(ii) City of Corona Historic Wastewater Enterprise Daily Average
Flow;

(iii) City of Corona Ten Largest Wastewater Enterprise Customers; and

(iv) City of Corona Wastewater Enterprise Rates;

(II) Under the caption “WASTEWATER ENTERPRISE FINANCIAL INFORMATION,” Historic Wastewater Operating Results (Fiscal Year Ended June 30); and

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or the Utility Authority or related public entities, which have been submitted to EMMA; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the Utility Authority shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Utility Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings of the Utility Authority; Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and
10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Utility Authority, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Utility Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after the event:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond Holders;

3. Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the Utility Authority or the sale of all or substantially all of the assets of the Utility Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. appointment of a successor or additional trustee or the change of the name of a trustee; and
8. incurrence of a Financial Obligation of the Utility Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Utility Authority, any of which affect security holders, if material.

(c) If the Utility Authority determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Utility Authority shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the Utility Authority shall provide to any person financial information and operating data regarding the Utility Authority which is customarily prepared by the Utility Authority and is publicly available.

7. Termination of Obligation. The Utility Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Utility Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Utility Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Utility Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Utility Authority chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Utility Authority shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the Utility Authority to file an annual report under Section 4 hereof or to file a report of a listed event under Section 5 hereof, any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Utility Authority to make such filing. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Utility Authority to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the Utility Authority satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the Utility Authority shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Utility Authority, the City, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: September __, 2025

CORONA UTILITY AUTHORITY

By: _____
Its: Executive Director