



STAFF REPORT

DATE: 10/15/2025

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

FROM: Public Works Department & Utilities Department

2025-394

REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

SUBJECT:

APPROVE THE FUNDING AGREEMENT WITH RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT TO FUND THE DESIGN AND CONSTRUCTION OF THE BUTTERFIELD DRIVE RECLAIMED WATER FLOW CONTROL STATION, CAPITAL IMPROVEMENT PROJECT NO. UT-2023-03

EXECUTIVE SUMMARY:

This staff report asks for the City Council to approve the acceptance and appropriation of project funding administered by the Riverside County Flood Control and Water Conservation District, in the amount of \$5,333,516, for the Butterfield Drive Reclaimed Water Flow Control Station Project.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the Funding Agreement with the Riverside County Flood Control and Water Conservation District, in the amount of \$5,333,516, for the design and construction costs of the Butterfield Drive Reclaimed Water Flow Control Station Capital Improvement Project No. UT-2023-03.

- b. Authorize the City Manager, or his designee, to execute the Funding Agreement with the Riverside County Flood Control and Water Conservation District to memorialize the mutual understandings by and between the District and City of Corona with respect to funding, design, construction, inspection, ownership, operation, and maintenance of the Butterfield Drive Reclaimed Water Flow Control Station Capital Improvement Project No. UT-2023-03.
- c. Authorize an appropriation and an offsetting estimated revenue increase in the amount of \$5,333,516 from the Water Utility Grant/Agreement Fund 571 for the Butterfield Drive Reclaimed Water Flow Control Station, Capital Improvement Project No. UT-2023-03.

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

BACKGROUND & HISTORY:

The Butterfield Drive Reclaimed Water Flow Control Station Project (Project) includes the construction of a small Flow Control Station (FCS) to connect an existing 20-inch reclaimed waterline at Butterfield Drive to another existing 24-inch steel reclaimed waterline to enable the City to receive reclaimed water from the WRCRWA plant. The proposed FCS will utilize pressure-reducing and flow-control valves to manage the flow of reclaimed water from the WRCRWA plant to the Water Reclamation Facility #1 (WRF#1) reclaimed water storage tank and the Cota Ponds for groundwater recharge. This Project is vital to stabilize the Temescal Groundwater Basin by transporting up to 12,000 acre-foot of reclaimed water per year from WRCRWA to the City to address an overdraft due to the lack of adequate Zone 2 storm water retention and recharge facilities. Basin overdraft occurs when the extraction of groundwater exceeds the amount of water that is naturally or artificially charged, leading to a decline in groundwater levels and various environmental impacts.

Project improvements will also include using high-density polyethylene pipe to slip line approximately 4,000 linear feet of the existing 24-inch steel pipe from WRF-1 to the proposed flow control station site. This final link in the reclaimed water transmission pipeline system will enable the City to receive reclaimed water from WRCRWA plant to support the City's ongoing efforts to manage imported water and conserve local groundwater supply. Design work is currently at 60% complete with construction anticipated to begin in the summer or fall of 2026.

On October 20, 2022, the City of Corona applied for and was awarded funding from the Riverside County Flood Control and Water Conservation District (District) to provide for 75% of the proposed improvement costs. The other 25% of the project is funded by the Water Reclamation and Reuse Program administered by the Bureau of Reclamation under Title XVI. In fiscal year 2025, staff identified the need to increase project funding due to the increased construction labor and material costs. As such, the City requested additional funding from the District in October 2024 for fiscal year 2025-2026. At its CIP Public Workshop for fiscal year 2025-2026, the District approved the additional funding

request to allocate a revised budget amount of \$5,333,516 to the City's Project. This agreement, the first presented to the City Council regarding this project, was approved by the City Attorney's Office.

ANALYSIS:

Approval of this funding agreement will provide the remaining amount (75%) necessary to complete the Project. The Project is currently funded by the Water Reclamation and Reuse Program administered by the Bureau of Reclamation under Title XVI, which provides 25% of the total project cost, with the remaining 75% as a cost-share matching requirement. The approval of the recommended actions will secure up to \$5,333,516 in additional funding to be applied towards the local cost-share requirement of 75% and offset an estimated revenue increase in the Reclaimed Water Utility Fund that would otherwise be utilized towards the project cost. This funding will support key project components, including but not limited to the design, acquisition of environmental and regulatory permits, and construction of the Project. Additionally, the recommended actions will also limit the City's cost-share obligation to ancillary expenses outside of design and construction to support a critical infrastructure project that contributes to long-term water reliability and water resource management objectives.

FINANCIAL IMPACT:

Approval of the recommended actions will result in an appropriation and an offsetting estimated revenue increase in the amount of \$5,333,516 from the Water Utility Grant/Agreement Fund 571 to the Butterfield Drive Reclaimed Water Flow Control Station Capital Improvement Project No. UT-2023-03.

ENVIRONMENTAL ANALYSIS:

These actions are exempt from the California Environmental Quality Action (CEQA), as the actions are not a "project" as defined by CEQA, PRC Section 21065, and CEQA Guidelines Section 15378, guidelines which define a "project" as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or reasonable foreseeable indirect physical change in the environment, and that is an activity directly undertaken by any public agency including public works construction and related activities. These actions involve the acceptance and appropriation of project funding to the Butterfield Drive Reclaimed Water Flow Control Station, and there is no possibility that accepting the funding will have a significant impact on the environment. Therefore, no environmental analysis is required. After the approval of the recommended actions herein, staff will continue with this project's design and environmental analysis to complete any application documentation.

PREPARED BY: NATHAN ARMENDARIZ, ASSOCIATE ENGINEER

REVIEWED BY: SAVAT KHAMPHOU, PUBLIC WORKS DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Funding Agreement

2. Exhibit 2 – Location Map