



STAFF REPORT

DATE: 10/02/2024

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

FROM: Utilities Department

2024-73

REQUEST FOR CITY COUNCIL AND CORONA UTILITY AUTHORITY ACTION

SUBJECT:

RECEIVE AND FILE THE UTILITIES RATE STUDY ADMINISTRATIVE REPORT AS PREPARED BY ROBERT D. NIEHAUS, INC.

EXECUTIVE SUMMARY:

This staff report asks the City Council to receive and file the Utilities Rate Study administrative report as prepared by Robert D. Niehaus, Inc.

RECOMMENDED ACTION:

That the City Council receive and file the Utilities Rate Study administrative report.

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

BACKGROUND & HISTORY:

On April 3, 2024, City Council awarded Request for Proposals No. 24-051AS Utility Rate Study Project to Robert D. Niehaus, Inc. (RDN). On May 1, 2024, City Council received a presentation from RDN to clarify the policy objectives of City Council in preparing the Utilities Rate Study. On June 5, 2024, City Council received a presentation regarding the financial plans for the water, sewer, reclaimed water, and greenfield electric utilities and the anticipated shortfall in revenues over the next five years. On July 3, 2024, City Council received a presentation outlining options for rates for water, sewer, reclaimed water, and

greenfield electric. On August 21, 2024, City Council received a presentation by staff that provided responses to prior City Council requests and questions.

ANALYSIS:

RDN has prepared the Utilities Rate Study Administrative Report including water, sewer, and reclaimed water, as well as greenfield electric. The rates provided in the Administrative Report have been previously presented to City Council for review. This staff report asks the City Council to receive and file this report as the administrative record on file to support the rate adjustments outlined in the report.

The Utilities Department will be mailing the Proposition 218 notice to all property owners and customers in the Utilities Department's service area with the legally required information regarding the proposed rates and opportunities to provide feedback and protests.

The rates, as outlined in the Administrative Report, will be considered at a Public Hearing at the November 20, 2024, City Council meeting.

FINANCIAL IMPACT:

Approval of the recommended action will have no financial impact as it is merely a receive and file report.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves the receipt and file of an administrative report and there is no possibility this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KATIE HOCKETT, ASSISTANT DIRECTOR OF UTILITIES

REVIEWED BY: TOM MOODY, DIRECTOR OF UTILITIES

ATTACHMENTS:

1. Exhibit 1 - Presentation
2. Exhibit 2 - 2024 Water, Reclaimed Water, and Sewer Rate Study
3. Exhibit 3 - 2024 Electric Greenfield Utility Rate Study
4. Exhibit 4 - Proposition 218 notice