



For
Commercial
Customers

Notice of Public Hearing

PROPOSED CHANGES TO WATER & SEWER RATE STRUCTURES
COMMERCIAL CUSTOMER CLASS

Wednesday, November 20, 2024

Time: 6:30 p.m.

**Location: Corona City Hall, 400 South Vicentia Ave
Corona, California 92882**

Important Information About Your Water Rates

The City of Corona City Council will conduct a public hearing to consider changes to the water and sewer rate structures and rates. The proposed changes are based on an independent cost-of-service study that was completed and received by City Council in October 2024.

All property owners and customers of record whose parcels receive water, reclaimed water, and/or sewer services provided by the City of Corona are being issued this notice of public hearing. The proposed rate adjustments will be applicable to all parcels that receive water, reclaimed water, or sewer services from the City of Corona. The hearing is open to the public. The property owners upon which the rates and charges are proposed and for any tenants directly responsible for the payment of water, reclaimed water and sewer service fees and charges may submit a written protest to the proposed rate changes provided that only one protest will be counted per parcel. See "How Can I Participate?" to learn more. Additional information about the proposed changes is available in this document and online at CoronaCA.gov/rates

*Este documento es importante para todos los residentes de la Ciudad de Corona.
Para recibir este aviso en español por favor, póngase en contacto con la ciudad
llamando al (951) 736-2321.*





Corona: At A Glance

The City of Corona reliably delivers water, reclaimed water, and sewer services to residents and businesses throughout our 39.2 square mile service area. We serve a population of more than **160,000 residents**.

WATER SERVICE

Our water services ensure local families, business and the community have access to safe, high-quality water, high-quality water. In 2023, Corona residents and businesses used approximately **9.1 billion gallons of drinking water**. Corona's water supply comes from different sources: groundwater wells owned and operated by the City of Corona provide 45.8 percent, 49.7 percent comes through Lake Mathews from the Colorado River, and 4.5 percent comes from the State Water Project's California Aqueduct.

SEWER SERVICE AND RECLAIMED SERVICE

The City of Corona's sewer system serves approximately **144,000 customers** and treats **13.5 million gallons per day** on average. We have a long history of recycled water facilities — the City of Corona's first water reclamation facility was built in 1968, and the clean water was returned to the environment.

Our large-scale water reclamation system saves precious drinking water for homes and businesses by generating reclaimed water for golf courses, local parks and school grounds. It serves approximately 387 connections.





Why Have I Received This Notice?

You have received this notice because the City of Corona is considering rate adjustments and structural changes affecting your water, reclaimed water and sewer service charges. The City is committed to transparency: this document and the public hearing will further explain the research, reasoning, and analysis behind these proposed rate adjustments.

Why Are Rate Changes Being Considered?

Rate adjustments are being considered to support resilient infrastructure, to avoid unplanned service interruptions, and ensure the City can continue to provide first-rate utilities to its families and businesses. The proposed rates fund operations and necessary capital projects to advance community sustainability. The City maintains revenue stability through rate changes to protect financial sufficiency — another vital part of reliable, continued service.

The City of Corona is considering water rate adjustments to address regulatory changes necessary for the proactive treatment of chemicals such as per- and polyfluoroalkyl substances (PFAS) and 1,2,3-trichloropropane (TCP). Metropolitan Water District of Southern California's imported water rate hikes have also impacted our wholesale water provider, Western Municipal Water District, and those increases have trickled down to our rates here at the City of Corona.



How Will This Impact My Bill?

As a government agency, the City can only charge what it costs to provide a utility service. This means the customer will never pay more than their fair share of the service cost.



The proposed water, reclaimed water, and sewer rate adjustments are based on an independent study completed in 2024 that evaluates the cost of providing utility service.

This includes operations and maintenance, debt service, and capital expenditures. If rate adjustments are approved, most residential customers would see an increase in their water bill and a slight decrease in sewer in the next year.

The new proposed water rate structure also refines billing tiers, making customer utility bills simpler to understand and more accessible. For commercial customers, the proposed water rate structures refine billing tiers from four to three.



To learn how these rate adjustments may affect your household or business, use our bill estimator at **CoronaCA.gov/rates**

Understanding the Proposed Water Rate Structure

As a Commercial Customer, your water bill includes a monthly fixed ready-to-serve charge. This is for each water service connection and is paid by all users connected to the City's water system, whether or not any water is actually used.

Your water bill also includes variable charges based on water usage. The variable water rate is established by the number of units of water delivered to a property and consists of three tiers that impose higher rates as the level of water use increases. A reasonable amount of water is allocated to each customer based on their particular needs; this is referred to as a "water budget."



Your monthly variable water budget is calculated using a three-year rolling average based on your water usage. It changes monthly.



TIER 1 is your water budget. You are charged at the proposed budget rate.



Above your water budget, you are charged more for additional water use. **TIER 2** comprises 1% to 50% over your water budget. **TIER 3** comprises more than 51% over your water budget.

Have questions about
your future bill?

We would be happy to meet
with you. For more information
please call (951) 736-2321

What are Budget-Based Rates for Commercial Customers?

Think of your water budget as a series of buckets available for efficient use all month.



Tier 1: This is your water budget, based on a three-year rolling average. Use this water efficiently to support your business, production and customers.



Tier 2: You are charged at the Tier 2 rate for the proportion of water going 1 to 50% over budget.

This happens when water use becomes inefficient.



Tier 3: You are charged at the Tier 3 rate for the proportion of water exceeding 51% over budget. Water use at this level is excessive. Look for leaks and more ways to reduce water use. You can also contact the City for a water audit to investigate your increased water use.



How Your Water Budget is Calculated

Commercial Budget Three-Year Rolling Average Formula:

STEP 1: Determine average daily use for the same period during the previous 3 years.

$(\text{Usage} + \text{Usage} + \text{Usage}) / (\# \text{ of days} + \# \text{ of days} + \# \text{ of days}) = \text{Average Daily Use}$

STEP 2: Multiply Average Daily Use by Days in the current Billing Cycle
 $\text{Average Daily Use} \times \text{Days in Billing Cycle} = \text{Monthly Budget}$

Meter Size	Current Charge	Proposed Monthly Fixed Service Charge				
		Effective 1/3/2025	Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029
Domestic Customer Class (Commercial Customers)						
5/8 inch	\$27.09	\$32.79	\$35.75	\$38.96	\$42.47	\$46.29
3/4 inch	\$36.46	\$42.94	\$46.80	\$51.02	\$55.61	\$60.61
1 inch	\$55.18	\$63.23	\$68.92	\$75.12	\$81.88	\$89.25
1 1/2 inch	\$101.98	\$113.94	\$124.20	\$135.38	\$147.56	\$160.84
2 inch	\$158.13	\$174.81	\$190.54	\$207.69	\$226.38	\$246.75
3 inch	\$335.95	\$367.54	\$400.62	\$436.67	\$475.97	\$518.81
4 inch	\$598.02	\$651.56	\$710.20	\$774.12	\$843.79	\$919.74
6 inch	\$1,505.89	\$1,635.51	\$1,782.70	\$1,943.15	\$2,118.03	\$2,308.65
8 inch	\$2,629.02	\$2,852.76	\$3,109.51	\$3,389.36	\$3,694.40	\$4,026.90
10 inch	\$3,939.33	\$4,272.88	\$4,657.44	\$5,076.61	\$5,533.51	\$6,031.52
Fire Protection Customer Class						
5/8 inch	\$8.60	\$12.64	\$13.78	\$15.02	\$16.37	\$17.84
3/4 inch	\$8.60	\$12.64	\$13.78	\$15.02	\$16.37	\$17.84
1 inch	\$8.60	\$12.64	\$13.78	\$15.02	\$16.37	\$17.84
1 1/2 inch	\$8.60	\$13.33	\$14.53	\$15.84	\$17.27	\$18.82
2 inch	\$9.74	\$14.91	\$16.25	\$17.71	\$19.31	\$21.05
3 inch	\$10.81	\$17.63	\$19.21	\$20.94	\$22.83	\$24.88
4 inch	\$16.76	\$27.38	\$29.84	\$32.53	\$35.46	\$38.65
6 inch	\$32.74	\$44.20	\$48.18	\$52.51	\$57.24	\$62.39
8 inch	\$60.29	\$69.50	\$75.76	\$82.57	\$90.01	\$98.11
10 inch	\$101.72	\$104.57	\$113.98	\$124.24	\$135.42	\$147.61
Tier	Current Charge	Proposed Monthly Variable Service Charge				
Residential Customer Class						
Tier 1	\$1.93	\$1.96	\$2.13	\$2.32	\$2.53	\$2.76
Tier 2	\$2.77	\$3.31	\$3.60	\$3.93	\$4.28	\$4.67
Tier 3	\$5.48	\$4.38	\$4.77	\$5.20	\$5.67	\$6.18
Tier 4	\$9.12	\$5.22	\$5.69	\$6.20	\$6.76	\$7.36
Non-Residential Customer Class (Commercial Customers)						
Tier 1	\$2.77	\$3.31	\$3.60	\$3.93	\$4.28	\$4.67
Tier 2	\$5.48	\$4.38	\$4.77	\$5.20	\$5.67	\$6.18
Tier 3	\$9.12	\$5.22	\$5.69	\$6.20	\$6.76	\$7.36

Note: Hydrant and fire line usage is charged at the tier four rate.



Understanding the Proposed Sewer Service Rate Structure

The proposed sewer rate includes a monthly fixed charge for all customers that includes an 8 hundred cubic feet (hcf) allowance per month. Non-residential customers will be charged a variable charge for all water use beyond 8 hcf in one month (per hcf). The proposed sewer rate includes a variance process for non-residential customers.

Proposed Monthly Fixed Base Charge					
Base Charge	Effective 1/3/2025	Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029
All Connections	\$45.46	\$50.01	\$55.01	\$60.51	\$66.56
Proposed Monthly Variable Charge Per hcf					
Variable Charge	Effective 1/3/2025	Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029
Non-Residential >8 hcf	\$5.50	\$6.05	\$6.66	\$7.32	\$8.05

Understanding the Proposed Reclaimed Water Rate Structure

Your reclaimed water bill includes a fixed ready-to-serve charge. This is for each reclaimed water service connection and is paid by all users connected to the City's reclaimed water system, whether or not any water is actually used. The Ready-to-Serve charge covers our fixed costs of providing reclaimed water. Fixed costs include debt, regulatory compliance, customer service, utility billing, personnel, and preventive maintenance. To ensure you have water when needed, the infrastructure to deliver water must be built and maintained.

Your reclaimed water bill also includes variable charges based on water usage. The proposed variable reclaimed water rate is established by the number of units of water delivered to a property and consists of two tiers: Outdoor (Efficient) and Excess. A reasonable amount of water is allocated to each customer based on their particular needs; this is referred to as a "water budget." Exceeding this budget will cost the customer more.



Reclaimed Water Rate Structure

Meter Size	Current Charge	Proposed Monthly Fixed Service Charge				
		Effective 1/3/2025	Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029
Reclaimed Readiness to Serve Charge						
5/8 inch	\$23.52	\$26.64	\$27.70	\$28.81	\$29.96	\$31.16
3/4 inch	\$30.81	\$35.95	\$37.38	\$38.88	\$40.43	\$42.05
1 inch	\$45.39	\$54.57	\$56.75	\$59.02	\$61.38	\$63.84
1 1/2 inch	\$81.84	\$101.12	\$105.16	\$109.37	\$113.75	\$118.30
2 inch	\$125.59	\$156.98	\$163.26	\$169.79	\$176.58	\$183.65
3 inch	\$264.13	\$333.88	\$347.24	\$361.13	\$375.57	\$390.60
4 inch	\$468.28	\$594.58	\$618.36	\$643.10	\$668.82	\$695.57
6 inch	\$1,175.53	\$1,497.70	\$1,557.61	\$1,619.91	\$1,684.71	\$1,752.10
8 inch	\$2,050.48	\$2,614.96	\$2,719.56	\$2,828.34	\$2,941.48	\$3,059.14
10 inch	\$3,071.25	\$3,918.44	\$4,075.17	\$4,238.18	\$4,407.71	\$4,584.02

Tier	Current Charge	Proposed Monthly Variable Charge				
		Effective 1/3/2025	Effective 1/1/2026	Effective 1/1/2027	Effective 1/1/2028	Effective 1/1/2029
Reclaimed Water Variable Charge						
Tier 1	\$2.14	\$2.37	\$2.46	\$2.56	\$2.66	\$2.77
Tier 2	\$3.21	\$2.60	\$2.71	\$2.82	\$2.93	\$3.05



How Will Rate Adjustments Be Implemented?

As authorized by Government Code Section 53756, the proposed schedule of Monthly Rates and Water Service Charges includes fixed annual rate increases for the next five years, which will be implemented by giving a notice of adjustment to customers at least 30 days before the effective date of the adjustment. If the proposed rate schedule is approved, the City Council will, however, review the schedule at a public meeting prior to the implementation of the rate increase scheduled for January 1, 2028, to assess the accuracy of the City's cost and revenue estimates and to reaffirm that the 2028 increase remains necessary based upon the costs expended and revenues received during the first two years of the rate increases. After such review, the City Council may direct City staff to proceed with implementing the remaining scheduled rate increases in 2028 through 2029 in an amount that does not exceed the rates set forth in the proposed schedule included as part of this notice.



How to Save Money on Your Water Bill

The Corona Utilities Department offers ongoing programs and rebates to help residents and businesses conserve resources and money, including turf replacement, California-friendly gardening guidance and money back for water-efficient devices.

The Corona Utilities Department also provides faucet aerators, low-flow showerheads, and 5-minute shower timers to customers for free.

Here are some tips for conserving water and saving money:



Consider lowering the minutes on your irrigation controller.



Consider turf replacement for your business landscaping needs. Turf replacement rebates are available for business customers until funds are exhausted.



Try a smart irrigation controller that reduces your run times automatically based on the weather. Business owners can purchase a smart irrigation controller and apply for a rebate of up to \$35 per station.



Purchase HVAC upgrades such as Cooling Tower Conductivity Controller (CTCC) and receive up to \$625 each in rebates.



Purchase premium high-efficiency toilets for your business. Rebates include up to \$100 per toilet.



Call our Water Resources team at (951) 736-2234 for more information on water conservation. Visit SoCalWaterSmart.com for additional rebate opportunities.

How Can I Participate?

The City of Corona invites you to participate and offer your input throughout the process as the City Council considers the changes outlined in this notice. If you have any questions or comments about the City's proposed rates, you can:

 **CALL, VISIT OR LOG-ON.** More information on the projected increases, including the rate study, is available for review at City Hall, or on our website: CoronaCA.gov/rates. For additional information or questions, please call us at **(951) 736-2321**.

 **WRITE.** Property owners and tenants (i.e., customers of record) directly responsible for the payment of water, reclaimed water and sewer service fees and charges may submit written protests by mail or by delivering in-person to The City of Corona, Attention: City Clerk, 400 S. Vicentia Ave, Suite 115, Corona, CA 92882; provided, however, only one protest will be counted for each identified parcel. Protests may also be sent via email to Prop218@CoronaCA.gov. Protests must specify the rate or charge being protested and must include: your name, assessor parcel number and/or service address, a statement of protest ("I/we protest" will suffice) and your signature. All written protests must be received prior to the conclusion of the public hearing and only one written protest will be considered per parcel.

 The City Clerk will determine the validity of all written protests submitted and exclude any invalid protests from the final tabulation. The City Clerk may confer with the City Attorney in determining the validity of written protests. As part of this process, the City Attorney may review contested or suspect protest forms. The City Clerk's decision shall be final and binding.

ATTEND THE PUBLIC HEARING. Members of the public are welcome to attend the public hearing regarding the proposed rate changes.

Wednesday, November 20, 2024
6:30 p.m.

Corona City Hall, 400 South Vicentia Ave
Corona, California 92882

All members of the public will have an opportunity to speak and give testimony regarding the proposed changes at the public hearing; however, only written protests will count toward a majority protest. Written protests must be received before the conclusion of the public hearing.



PUBLIC HEARING PROCESS. At the time of the public hearing, the City Council will hear and consider all written protests and public comments. **At the conclusion of the hearing**, if a majority of the property owners and/or **customers of record** of the impacted parcels submit written protests in opposition to the proposed rate increases, the increases will not be imposed. If a majority protest is not received, the City Council may adopt the proposed changes. If adopted, the proposed rates will become effective January 3, 2025, and scheduled increases would be implemented annually over the next five years. Pursuant to Government Code Section 53759, a judicial action to challenge any new, increased, or extended fee or charge must be brought within 120 days of the final approval of the fee or charge.



City of Corona,
400 S. Vicentia Ave
Corona, CA 92882

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Location: Corona City Hall, 400 South Vicentia Ave
Corona, California 92882

ATTEND UPCOMING COMMUNITY MEETINGS TO LEARN MORE

The City will conduct a series of community meetings where customers can ask questions and offer constructive feedback. Residents, local business owners and other customers are welcome to attend any or all of the following sessions:

Saturday, November 2, 2024

Time: 2:00 p.m.

Location: Corona City Hall, 400 South Vicentia Ave,
Corona, California 92882

Thursday, November 7, 2024

Time: 11:00 a.m. and 6:30 p.m.

Location: Corona City Hall, 400 South Vicentia Ave,
Corona, California 92882

Additional information about the proposed changes is available in this document and online at **CoronaCA.gov/rates**