



OFFICE OF: FINANCE DEPARTMENT

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January 14, 2016

Municipal Securities Rulemaking Board
1900 Duke Street Suite 600
Alexandria, VA 22314

Trustee:

Christopher Davy
The Bank of New York Mellon Trust Company, N.A.
400 S. Hope Street, Ste. 400
Los Angeles, CA 90071

Dissemination Agent:

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

Subject: Secondary Market Disclosure
\$29,020,000 City of Corona
2005 Certificates of Participation
Clearwater Cogeneration Project Completion and
Electric Distribution Facilities Project
(CUSIP #219681)

Attached is the Annual Report as required per Section 4 of the Continuing Disclosure Agreement for the City of Corona and the Corona Utility Authority dated June 1, 2005 in connection with the issuance of the above referenced bonds.

The Annual Report is comprised of the following information, as of June 30, 2015:

Per Section 5:

- (a) Audited financial statements - [Comprehensive Annual Financial Report](#)
- (b) Updated Tables presented in the Official Statement

The Water Enterprise

- The Water Production and Per Capita Use

- Water Sales By User Type
- Water Connection and Connection Fees
- Schedule of Monthly Ready-to-Serve Charges for Water Usage
- Schedule of Water Quantity Rates Per 100 C.F.
- Statement of Revenues, Expenses and Changes in Fund Net Assets

The Water Reclamation Enterprise

- Schedule of Water Reclamation Charges
- Statement of Revenues, Expenses and Changes in Fund Net Assets

Per Section 6:

Significant Events – On September 1, 2015, 2005 Certificates of Participation were fully defeased. The principal payments consisted of payments from the City of Riverside in accordance with certain installment purchase agreement for \$7,785,000, the unspent bond proceeds and reserve fund of \$5,822,190 and the cash payment from the City's Electric fund in the amount of \$10,177,810.

If you have questions related to this Annual Report of the City of Corona, please contact me.

Sincerely,



Patricia Song
Finance Manager
Patricia.Song@ci.corona.ca.us

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WATER ENTERPRISE**

**Water Production and Per Capita Use
Fiscal Years Ended June 30**

| <u>Fiscal Year</u> | <u>Groundwater (acre-ft/yr)</u> | <u>MWD Water (acre-ft/year)</u> | <u>Total Production (acre-ft/yr)</u> | <u>Per Capita Use (gallons per day)</u> |
|---------------------------|--|--|---|--|
| 2006 | 23,886 | 17,950 | 41,934 | 240 |
| 2007 | 23,048 | 24,875 | 47,923 | 295 |
| 2008 | 23,877 | 21,357 | 45,234 | 270 |
| 2008 ⁽¹⁾ | 21,755 | 19,955 | 41,710 | 253 |
| 2009 | 25,413 | 19,511 | 44,924 | 269 |
| 2009 ⁽¹⁾ | 21,720 | 18,117 | 39,837 | 239 |
| 2010 ⁽²⁾ | 19,085 | 16,050 | 35,135 | 209 |
| 2011 | 18,253 | 13,780 | 32,033 | 186 |
| 2012 | 15,980 | 17,983 | 33,963 | 198 |
| 2013 | 19,111 | 14,731 | 33,842 | 193 |
| 2014 ⁽³⁾ | 20,091 | 15,387 | 35,478 | 199 |
| 2015 ⁽⁴⁾ | 19,141 | 13,169 | 32,310 | 180 |

1) Corrections to Fiscal Years 2008 and 2009 made because well water diverted to the Desalter should not be included in groundwater totals and water deliveries to City of Norco should be excluded from MWD water totals. Annual Production Reports for FY 2007-08 & 2008-09 modified by DWP on 12/8/10

2) Total Production = Wells, Desalter and purchases; less well water routed to Desalter and deliveries to City of Norco. Annual Production Reports for FY 2009-10 modified by DWP on 12/8/10

3) Includes 1,391.75AF in FY2014 and 1,215.74AF in FY 2015 purchased from WMWD Arlington Desalter deliveries. These deliveries classified as treated groundwater from the Arlington Basin

4) Represent amount of Reclaimed Water sold to end-users. Actual production averages 6900 AF per year. The excess reclaimed water is delivered to percolation ponds.

Source: The City of Corona, Department of Water & Power

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WATER ENTERPRISE**

**Water Sales By User Type
Fiscal Years Ended June 30**

| | Residential | | Commercial | | Industrial | | Public Agency | | Agricultural, Irrigation and Other | | Total | |
|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---|-------------------|------------------------|----------------|
| Fiscal Year | Acre Feet | % of Total | Acre Feet | % of Total | Acre Feet | % of Total | Acre Feet | % of Total | Acre Feet | % of Total | Acre Feet Total | % Total |
| 2003 | 25,896 | 65.1 | 6,723 | 16.9 | 557 | 1.4 | 2,904 | 7.3 | 3,699 | 9.3 | 39,779 | 100 |
| 2004 | 27,678 | 64.0 | 6,750 | 15.6 | 1,738 | 4.0 | 3,493 | 8.1 | 3,563 | 8.2 | 43,222 | 100 |
| 2005 | 24,905 | 67.0 | 3,463 | 9.0 | 1,450 | 4.0 | 3,271 | 9.0 | 3,391 | 11.0 | 36,480 | 100 |
| 2006 | 26,630 | 66.2 | 3,848 | 9.6 | 1,573 | 3.9 | 3,546 | 8.8 | 4,607 | 11.5 | 40,204 | 100 |
| 2007 | 29,866 | 65.6 | 4,230 | 9.3 | 1,751 | 3.8 | 3,898 | 8.6 | 5,754 | 12.6 | 45,499 | 100 |
| 2008 | 27,598 | 67.5 | 3,803 | 9.3 | 1,557 | 3.8 | 3,039 | 7.4 | 4,870 | 11.9 | 40,867 | 100 |
| 2009 | 26,761 | 61.5 | 4,916 | 11.3 | 1,592 | 3.7 | 2,973 | 6.8 | 7,280 | 16.7 | 43,522 | 100 |
| 2010 | 23,752 | 64.5 | 4,404 | 12.0 | 1,216 | 3.3 | 4,278 | 11.6 | 3,165 | 8.6 | 36,815 | 100 |
| 2011 | 22,121 | 65.4 | 3,812 | 11.3 | 1,158 | 3.4 | 3,058 | 9.0 | 3,700 | 10.9 | 33,849 | 100 |
| 2012 | 22,735 | 65.5 | 3,662 | 10.6 | 1,184 | 3.4 | 3,355 | 9.7 | 3,768 | 10.9 | 34,704 | 100 |
| 2013 | 23,283 | 64.8 | 3,480 | 9.7 | 1,225 | 3.4 | 3,711 | 10.3 | 4,243 | 11.8 | 35,942 | 100 |
| 2014 | 23,979 | 64.6 | 3,625 | 9.8 | 1,254 | 3.4 | 3,829 | 10.3 | 4,407 | 11.9 | 37,095 | 100 |
| 2015 | 21,619 | 63.2 | 3,028 | 8.9 | 1,092 | 3.2 | 511 | 1.5 | 7,934 | 23.2 | 34,183 | 100 |

Source: The City of Corona, Department of Water & Power

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WATER ENTERPRISE**

**Water Connections and Connection Fees
Fiscal Years Ended June 30**

New Connections

| Fiscal Years | Residential | Commercial and Industrial | Other ⁽¹⁾ | Year Total | Total Connections | Citywide Connection Fees |
|---------------------|--------------------|----------------------------------|-----------------------------|-------------------|--------------------------|---------------------------------|
| 2006 | 574 | 164 | 61 | 799 | 40,954 | 4,903,013 |
| 2007 | 394 | 75 | 35 | 504 | 41,158 | 3,329,203 |
| 2008 | (455) | 29 | -4 | -430 | 41,028 | 2,220,913 |
| 2009 | 161 | 99 | 9 | 269 | 41,477 | 990,612 |
| 2010 | 165 | 12 | 40 | 217 | 41,694 | 542,019 |
| 2011 | 74 | 10 | 49 | 133 | 41,271 | 549,076 |
| 2012 | 25 | 14 | 41 | 80 | 41,630 | 3,237,389 |
| 2013 | 441 | 19 | 21 | 481 | 42,116 | 9,835 |
| 2014 | 144 | 10 | 17 | 171 | 42,506 | 1,466,415 |
| 2015 | 12 | 11 | 1 | 24 | 42,417 | 4,049,622 |

1) Includes public agency agricultural, urban parks, golf courses, cemeteries and other miscellaneous uses.

Source: The City of Corona, Department of Water & Power

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WATER ENTERPRISE
Schedule of Monthly Ready-To-Serve Charges For Water Usage**

Monthly Base Rates

| Fiscal Year ⁽¹⁾ | Quantity Rate per 100 C.F. | 5/8" | 3/4" | 1" | 1 1/2" | 2" | 3" | 4" | 6" | 8" |
|-----------------------------------|---------------------------------------|-------------|-------------|-----------|---------------|-----------|-----------|-----------|-----------|-----------|
| 2006 | \$ 1.33 | \$ 13.62 | \$ 17.86 | \$ 25.56 | \$ 44.54 | \$ 64.99 | \$ 111.07 | \$ 170.63 | \$ 313.36 | \$ 460.89 |
| 2007 | \$ 1.44 | \$ 14.71 | \$ 19.29 | \$ 27.60 | \$ 48.10 | \$ 70.19 | \$ 119.96 | \$ 184.28 | \$ 338.43 | \$ 497.76 |
| 2008 | \$ 1.61 | \$ 16.40 | \$ 21.51 | \$ 30.77 | \$ 53.63 | \$ 78.26 | \$ 133.76 | \$ 205.47 | \$ 377.35 | \$ 555.00 |
| 2009 | \$ 1.71 | \$ 18.04 | \$ 23.66 | \$ 33.85 | \$ 58.99 | \$ 86.09 | \$ 147.13 | \$ 226.02 | \$ 415.08 | \$ 610.50 |
| 2010 | \$ 1.81 | \$ 18.04 | \$ 23.66 | \$ 33.85 | \$ 58.99 | \$ 86.09 | \$ 147.13 | \$ 226.02 | \$ 415.08 | \$ 610.50 |
| 2011 | \$ 1.85 | \$ 18.04 | \$ 23.66 | \$ 33.85 | \$ 58.99 | \$ 86.09 | \$ 147.13 | \$ 226.02 | \$ 415.08 | \$ 610.50 |
| 2012 ⁽²⁾ | \$ 1.92 | \$ 18.44 | \$ 24.18 | \$ 34.59 | \$ 60.29 | \$ 87.98 | \$ 150.37 | \$ 230.99 | \$ 424.21 | \$ 623.93 |
| 2013 ⁽²⁾ | \$ 2.04 | \$ 18.88 | \$ 24.76 | \$ 35.42 | \$ 61.73 | \$ 90.09 | \$ 153.98 | \$ 236.53 | \$ 434.39 | \$ 638.90 |
| 2014 | \$ 2.10 | \$ 19.23 | \$ 25.23 | \$ 36.09 | \$ 62.90 | \$ 91.80 | \$ 156.91 | \$ 241.02 | \$ 442.64 | \$ 651.04 |
| 2015 | \$ 2.10 | \$ 19.23 | \$ 25.23 | \$ 36.09 | \$ 62.90 | \$ 91.80 | \$ 156.91 | \$ 241.02 | \$ 442.64 | \$ 651.04 |

1) There are instances where the rates were changed during the fiscal year.

2) For fiscal year 2011 the stated rate per 100 C.F. is for Residential Tier 1 of the Budget Based Water Rate Structure.

Source: The City of Corona, Department of Water & Power

City of Corona
Schedule of Water Quantity Rates Per 100 C.F.

In addition to the monthly ready-to-serve charges, the City imposes quantity rates to be paid for water as set forth below. The rates vary for domestic service and for agricultural use. City's average consumption for single family residential is 30 Units or CCF per month.

Tiered Rates and Water Budget (Effective February 1, 2013)

For residential and multi-family customers, the rate structure for the Commodity Charge has five tiers. Residential customers who stay within their water budget will remain in the first two tiers.

Indoor (Tier 1) : Based on the number of people in each household and staying within the indoor water budget

Outdoor (Tier 2) : Based on the total irrigated, landscaped area for each property and staying within the outdoor water budget

Inefficient (Tier 3) : Based on exceeding the total water budget by up to 20%

Excessive (Tier 4) : Based on exceeding the total water budget by 21-40%

Wasteful (Tier 5) : Based on exceeding the total water budget by more than 40%

For commercial, industrial, institutional, governmental and reclaimed water customers, the rate structure for the Commodity Charge has four tiers. Customers who stay within their water budget will remain in the first tier.

Water Budget (Tier 1) : Based on a water budget

Inefficient (Tier 2) : Based on exceeding the water budget by up to 20%

Excessive (Tier 3) : Based on exceeding the water budget by 21-40%

Wasteful (Tier 4) : Based on exceeding the water budget by more than 40%

| Residential and Multi-Family Rates | FY 2012-13 | FY 2013-14 | FY 2014-15 |
|------------------------------------|------------|------------|------------|
| Tier | Rate | Rate | Rate |
| Indoor Budget | \$2.04 | \$2.10 | \$2.10 |
| Outdoor Budget | \$2.26 | \$2.33 | \$2.33 |
| Inefficient Use | \$3.08 | \$3.17 | \$3.17 |
| Excessive Use | \$6.16 | \$6.35 | \$6.35 |
| Wasteful Use | \$11.29 | \$11.64 | \$11.64 |

| Commercial, Industrial, Institutional & Governmental | FY 2012-13 | FY 2013-14 | FY 2014-15 |
|--|------------|------------|------------|
| Tier | Rate | Rate | Rate |
| Water Budget | \$2.26 | \$2.33 | \$2.33 |
| Inefficient Use | \$3.08 | \$3.17 | \$3.17 |
| Excessive Use | \$6.16 | \$6.35 | \$6.35 |
| Wasteful Use | \$11.29 | \$11.64 | \$11.64 |

| Reclaimed Water | FY 2012-13 | FY 2013-14 | FY 2014-15 |
|-----------------|------------|------------|------------|
| Tier | Rate | Rate | Rate |
| Water Budget | \$1.48 | \$1.51 | \$1.51 |
| Inefficient Use | \$2.23 | \$2.27 | \$2.27 |
| Excessive Use | \$2.96 | \$3.02 | \$3.02 |
| Wasteful Use | \$4.44 | \$4.53 | \$4.53 |

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WATER RECLAMATION ENTERPRISE
SCHEDULE OF WATER RECLAMATION CHARGES
(EFFECTIVE JULY 1, 2012)**

| Category/Description | Monthly Sewer Service Charge | Number of Active Accounts as of June 30, 2015 |
|---|--|--|
| Residential | \$45.60 | 35,156 |
| Restaurants, supermarkets with bakeries and/or butcher shops, mortuaries and bakeries | \$163.28 for 1" meter or smaller \$266.34 for meters larger than 1" | 55 99 |
| Hotel & Motels | \$7.59 per room \$45.60 per kitchen | 21 |
| Laundries | \$24.20 per washing machine | 7 |
| Other Commercial Accounts (Based on Meter Size) | | |
| A water meter size 5/8" | \$45.60 | 143 |
| A water meter size 3/4" | \$72.02 | 175 |
| A water meter size 1" | \$103.48 | 549 |
| A water meter size 1-1/2" | \$186.06 | 464 |
| A water meter size 2" | \$291.55 | 520 |
| A water meter size 3" | \$537.41 | 26 |
| A water meter size 4" | \$875.43 | 10 |
| A water meter size 6" | \$1,753.50 | 4 |
| A water meter size 8" | \$2,820.52 | |
| | Total | 37,229 |

Source: The City of Corona, Department of Water & Power

CORONA UTILITY AUTHORITY
WATER ENTERPRISE
Statement of Revenues, Expenses and Changes in Fund Net Assets
Years Ending June 30

| | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-----------------------|-----------------------|-----------------------|
| Operating Revenues: | | | |
| Utility Service Charges | \$ 51,042,654 | \$ 53,131,827 | \$ 54,315,263 |
| Fees and Permits | 1,201,234 | 1,199,764 | 1,155,126 |
| Fines and Penalties | 632,783 | 493,730 | 175,158 |
| Other Revenues | <u>1,029,537</u> | <u>1,112,292</u> | <u>1,024,298</u> |
| Total Operating Revenues | <u>53,906,208</u> | <u>55,937,613</u> | <u>56,669,845</u> |
| Operating Expenses: | | | |
| Personnel Services | 7,641,060 | 7,541,001 | 7,775,226 |
| Contractual | 4,834,223 | 3,487,329 | 3,498,910 |
| Materials and Supplies | 25,733,864 | 27,809,427 | 21,844,653 |
| Utilities | 5,222,861 | 5,549,491 | 5,257,253 |
| Depreciation | <u>6,484,631</u> | <u>6,800,272</u> | <u>6,846,687</u> |
| Total Operating Expenses | <u>49,916,639</u> | <u>51,187,520</u> | <u>45,222,729</u> |
| Operating Income (Loss) | <u>3,989,569</u> | <u>4,750,093</u> | <u>11,447,116</u> |
| Non-Operating Revenues: | | | |
| Investment Earnings | 25,611 | 440,749 | 386,056 |
| Operating Grants and Contributions | 34,050 | 8,096 | - |
| Amortization of Bond Issuance Premium | 3,293,370 | 801,504 | - |
| Interest Expense | (7,688,807) | (6,977,769) | (10,383,109) |
| Contribution Received from Primary Government | 4,611,058 | - | - |
| Contribution Paid to Primary Government | (2,624,229) | - | - |
| Other Expense | - | - | - |
| Gain (Loss) on Sale of Capital Assets | <u>-</u> | <u>2,497,251</u> | <u>(10,088)</u> |
| Total Non-Operating Revenues | <u>(2,348,947)</u> | <u>(3,230,169)</u> | <u>(10,007,141)</u> |
| Income (Loss) before Contributions and Operating Transfers | 1,640,622 | 1,519,924 | 1,439,975 |
| Capital Grants and Contributions | 1,555,782 | 2,092,775 | 5,296,581 |
| Transfers In | - | 3,946,474 | - |
| Transfers Out | <u>-</u> | <u>(140,550)</u> | <u>-</u> |
| Change in Net Assets | 3,196,404 | 7,418,623 | 6,736,556 |
| Total Net Assets - Beginning of Year, As Restated | <u>99,741,587</u> | <u>102,914,609</u> | <u>102,735,851</u> |
| Total Net Assets - End of Year | <u>\$ 102,937,991</u> | <u>\$ 110,333,232</u> | <u>\$ 109,472,407</u> |

CORONA UTILITY AUTHORITY
WATER RECLAMATION ENTERPRISE
Statement of Revenues, Expenses and Changes in Fund Net Assets
Years Ending June 30

| | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|
| Operating Revenues: | | | |
| Utility Service Charges | \$ 29,353,868 | \$ 29,561,485 | \$ 29,944,021 |
| Fees and Permits | 419,423 | 443,595 | 199,390 |
| Fines and Penalties | 376,456 | 251,446 | 48,574 |
| Other Revenues | 470,465 | 370,141 | 544,024 |
| Total Operating Revenues | <u>30,620,212</u> | <u>30,626,667</u> | <u>30,736,009</u> |
| Operating Expenses: | | | |
| Personnel Services | 5,320,422 | 4,867,043 | 4,858,709 |
| Contractual | 1,852,580 | 1,325,980 | 1,070,273 |
| Materials and Supplies | 10,841,432 | 9,507,249 | 9,421,921 |
| Utilities | 2,926,565 | 2,998,595 | 3,085,109 |
| Depreciation | 4,299,612 | 4,535,408 | 4,518,964 |
| Total Operating Expenses | <u>25,240,611</u> | <u>23,234,275</u> | <u>22,954,976</u> |
| Operating Income (Loss) | <u>5,379,601</u> | <u>7,392,392</u> | <u>7,781,033</u> |
| Non-Operating Revenues: | | | |
| Investment Earnings | 5,782 | 365,188 | 329,339 |
| Amortization of Bond Issuance Premium | 596,937 | 1,195,289 | - |
| Interest Expense | (4,120,894) | (3,577,015) | (3,519,150) |
| Contribution Received from Primary Government | 3,077,659 | - | - |
| Total Non-Operating Revenues | <u>(440,516)</u> | <u>(2,016,538)</u> | <u>(3,189,811)</u> |
| Income (Loss) before Contributions and Operating Transfers | 4,939,085 | 5,375,854 | 4,591,222 |
| Capital Grants and Contributions | 990,044 | 892,754 | 5,850,132 |
| Transfers In | - | 325,253 | - |
| Transfers Out | - | (853,429) | - |
| Change in Net Assets | 5,929,129 | 5,740,432 | 10,441,354 |
| Total Net Assets - Beginning of Year, As Restated | <u>58,801,252</u> | <u>64,730,381</u> | <u>65,732,341</u> |
| Total Net Assets - End of Year | <u>\$ 64,730,381</u> | <u>\$ 70,470,813</u> | <u>\$ 76,173,695</u> |