



OFFICE OF: FINANCE DEPARTMENT

Office: 951.736.2327
Fax: 951.279.3794

400 SOUTH VICENTIA AVENUE, P.O. BOX 940, CORONA, CALIFORNIA 92878-0940

January 12, 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
\$35,880,000 Corona Utility Authority
2012 Water Revenue Bonds (Water Projects)
(CUSIP #219707)

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 August 1, 2012 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 4:

- (a) Audited financial statements for - [Comprehensive Annual Financial Report](#)
- (b) Principal amount outstanding – \$ 33,405,000
- (c) Updated Tables presented in the Official Statement – Attached
 - Historic Water Supply in Acre Feet per Year
 - Historic Water Enterprise Deliveries in Acre Feet per Year
 - Historic Water Enterprise Connections

- Largest Water Enterprise Customers
- Water Enterprise Historic Operating Results
- Electric Distribution System Historic Operating Results

Per Section 5:

Significant Events - None

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

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Song", with a stylized flourish at the end.

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

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

Historic Water Supply in Acre Feet Per Year

<u>Fiscal Year</u>	<u>Groundwater (acre-ft/yr)</u>	<u>MWD Water (acre-ft/year)</u>	<u>Reclaimed Water² (acre-ft/year)</u>	<u>Total Production (acre-ft/yr)</u>	<u>Increase/ (Decrease)</u>
2008	21,755	19,955	3,882	45,592	
2009	21,720	18,117	4,440	44,277	-2.9%
2010	19,085	16,050	4,185	39,320	-11.2%
2011	18,253	13,780	3,738	35,771	-9.0%
2012	15,980	17,983	3,730	37,693	5.4%
2013	19,111	14,731	3,865	37,707	0.0%
2014	20,091 ¹	15,387	3,858	39,337	4.3%
2015	19,141 ¹	13,169	3,593	35,904	-8.7%

1= 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

2= 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**

Historic Water Enterprise Deliveries in Acre Feet Per Year

	Residential		Commercial		Industrial		Public Agency		Reclaimed Water		Agricultural, Irrigation Landscape and Other		Total	
Fiscal Year	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet	% of Total	Acre Feet Total	% Total						
2008	27,596	64.37	3,803	8.87	1,557	3.63	3,208	7.48	2,360	5.50	4,352	10.15	42,874	100.00
2009	26,524	63.56	3,507	8.40	1,449	3.47	1,237	2.97	2,719	6.52	6,296	15.09	41,732	100.00
2010	23,752	64.52	3,182	8.64	1,216	3.30	1,922	5.22	3,706	10.07	3,037	8.25	36,814	100.00
2011	22,121	65.35	2,961	8.75	1,158	3.42	641	1.89	3,414	10.09	3,555	10.50	33,850	100.00
2012	22,735	65.51	3,043	8.77	1,184	3.41	730	2.10	3,436	9.90	3,577	10.31	34,705	100.00
2013	23,283	64.21	3,480	9.60	1,225	3.38	643	1.77	3,865	10.66	3,762	10.38	36,258	100.00
2014	23,979	64.64	3,188	8.59	1,254	3.38	597	1.61	3,858	10.40	4,219	11.37	37,095	100.00
2015	21,619	63.24	3,028	8.86	1,092	3.19	511	1.50	3,593	10.51	4,340	12.70	34,183	100.00

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

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

Historic Water Enterprise Connections

Fiscal Years	Residential	Commercial	Industrial, Public Agency and Other	Reclaimed Water	Total	% Increase/(Decrease)
2008	36,464	2141	2300	123	41,028	-
2009	36,797	2153	2220	168	41,338	0.8%
2010	37,082	2165	2260	187	41,694	0.9%
2011	36,904	2189	2178	219	41,490	-0.5%
2012	37,084	2221	2109	216	41,630	0.3%
2013	37,568	2213	2100	235	42,116	1.2%
2014	37,781	2803	1715	249	42,548	1.0%
2015	37,854	2725	1408	430	42,417	-0.3%

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

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

Largest Water Enterprise Customers

Customer	Customer Type	2014-15	
		Total Payments	Percent of Total Water Sales Revenues
CITY OF CORONA	Public Agency	\$ 3,786,365	7.47%
CORONA-NORCO USD	Public Agency	\$ 849,383	1.68%
EAGLE GLEN MASTER HOA	Property Management	\$ 309,073	0.61%
ASEPTIC SOLUTIONS USA	Commercial	\$ 220,544	0.43%
WATERSTONE AT CORONA POINTE	Property Management	\$ 198,956	0.39%
EWR, INC.	Property Management	\$ 171,961	0.34%
EAGLE GLEN COUNTRY CLUB, LLC	Landscape	\$ 171,821	0.34%
INTEGRATED PROTEIN TECH	Manufacturing	\$ 161,372	0.32%
EBB CREEK APARTMENTS, LLC	Property Management	\$ 160,825	0.32%
TTC ROC III PROMENADE LLC	Property Management	\$ 150,500	0.30%
		\$ 6,180,800	12.20%

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

Corona Utility Authority
Water Enterprise
Historic Operating Results (for Fiscal Year Ended June 30)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES					
Water Sales	\$ 43,913,689	\$ 44,478,361	\$ 48,234,023	\$ 50,203,465	\$ 47,105,261
Recycled Water Sales	1,824,035	2,466,402	2,808,630	2,928,362	3,180,476
Power Sales Revenues	-	-	-	-	-
Fees and Permits	1,773,921	4,645,176	1,211,069	2,666,181	5,184,653
Fines and Penalties	638,714	616,427	632,783	493,730	175,158
Other Revenues	3,113,299	2,872,030	2,472,251	2,401,852	2,320,984
Total Gross Revenues	<u>\$ 51,263,658</u>	<u>\$ 55,078,396</u>	<u>\$ 55,358,756</u>	<u>\$ 58,693,589</u>	<u>\$ 57,966,532</u>
OPERATION & MAINTENANCE COSTS					
Power Sales Payments	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel Services	7,193,371	6,940,524	7,641,060	7,541,001	7,906,769
Contractual	1,796,244	3,027,956	4,833,755	3,487,329	3,466,707
Water Purchases	7,799,693	11,499,749	10,402,880	12,251,323	10,992,257
Material and Supplies	11,355,851	14,737,647	16,389,731	16,608,852	14,952,746
Utilities	5,149,183	4,930,505	5,222,861	5,549,491	5,535,137
Other	-	619	468	-	-
Total Operation & Maintenance	<u>\$ 33,294,342</u>	<u>\$ 41,137,001</u>	<u>\$ 44,490,755</u>	<u>\$ 45,437,995</u>	<u>\$ 42,853,616</u>
NET REVENUES	<u>17,969,316</u>	<u>13,941,395</u>	<u>10,868,001</u>	<u>13,255,594</u>	<u>15,112,916</u>
DEBT SERVICE					
1998 Bonds	2,267,257	2,263,581	1,260,810	-	-
SRF Loan	1,920,496	1,921,441	1,917,699	1,918,613	1,917,953
2003 COP - Recycled Water	464,876	321,603	227,743	-	-
2012 Water Revenue Bonds	-	-	1,357,486	2,629,476	2,364,039
Brine Line Discharge Right Agreement	-	-	-	-	1,162,478
	<u>4,652,630</u>	<u>4,506,625</u>	<u>4,763,738</u>	<u>4,548,088</u>	<u>5,444,470</u>
DEBT SERVICE COVERAGE	3.86	3.09	2.28	2.91	2.78
Cash Available for Capital Projects or Other Improvements	13,316,687	9,434,770	6,104,263	8,707,506	9,668,446

Source: The City of Corona

City of Corona
Electric Distribution System
Historic Operating Results (for Fiscal Year Ended June 30)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$ 9,819,105	\$ 10,223,581	\$ 11,105,643	\$ 10,932,178	\$ 11,023,860
Less Operation & Maintenance Costs	(6,666,798)	(5,727,541)	(6,797,614)	(6,737,351)	(7,409,285)
Net Revenues	<u>\$ 3,152,307</u>	<u>\$ 4,496,041</u>	<u>\$ 4,308,029</u>	<u>\$ 4,194,827</u>	<u>\$ 3,614,575</u>
Share of Payments under 2005 Installments Purchase Agreement	1,231,317	1,209,614	426,887 ⁽¹⁾	1,222,840	1,225,641
DEBT COVERAGE	2.56	3.72	10.09	3.43	2.95

⁽¹⁾ In fiscal year 2013, the interest expense for 2005 Installments Purchase Agreement was reduced because the debt service interest payment to the 2005 COPs was paid using the available funds from the Certificate Payment fund.

Source: *The City of Corona*