



OFFICE OF: FINANCE DEPARTMENT

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February 16, 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
\$20,890,000 Corona Utility Authority
2013 Wastewater Revenue Bonds (Wastewater Projects)
(CUSIP #219706)

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, 2013 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 – \$ 18,745,000
- (c) Updated Tables presented in the Official Statement – Attached
 - Historic Wastewater Enterprise Connections
 - Historic Wastewater Enterprise Daily Average Flow
 - Ten Largest Wastewater Enterprise Customers

- Selected Wastewater Enterprise Rates
- Wastewater 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
WASTEWATER ENTERPRISE**

Historic Wastewater Enterprise Connections

<u>Fiscal Year</u>	<u>Residential Connection</u>	<u>Commercial Connections</u>	<u>Total Connections</u>	<u>Percentage Change</u>
2011	34,813	2,097	36,910	2.09
2012	35,015	2,199	37,214	0.82
2013	35,359	2,154	37,513	0.80
2014	35,608	2,191	37,799	0.76
2015	35,730	2,219	37,949	0.40

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

**CITY OF CORONA
CORONA UTILITY AUTHORITY
WASTEWATER ENTERPRISE**

Historic Wastewater Enterprise Daily Average Flow

<u>Fiscal Year</u>	<u>Daily Average Flow (mgd)</u>	<u>Percentage Change</u>
2011	13.63	1.19
2012	12.90	(5.36)
2013	13.35	3.50
2014	12.61	(5.55)
2015	13.41	6.34

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

CORONA UTILITY AUTHORITY WASTEWATER ENTERPRISE
Ten Largest Wastewater Enterprise Customers
Fiscal Year 2014-15

Customer	Type of Business	Payment	2014-15
			Percent of Total Wastewater Enterprise Service Charge Revenues
WATERSTONE AT CORONA POINTE	Multi-Family Units	\$ 354,673.00	1.19%
SCG ATLAS ASHTON, LLC	Multi-Family Units	\$ 274,930.00	0.93%
CORONA-NORCO USD	Public Agency	\$ 255,606.00	0.86%
MG PROPERTIES	Multi-Family Units	\$ 225,446.00	0.76%
STEADFAST COMPANIES	Multi-Family Units	\$ 196,992.00	0.66%
TRIANA AT CORONA RANCH MAINTENANCE CORPORATION	Multi-Family Units	\$ 193,476.00	0.65%
SCG ATLAS MARQUESSA, LLC	Multi-Family Units	\$ 187,358.00	0.63%
TTC ROC III PROMENADE LLC	Multi-Family Units	\$ 187,274.00	0.63%
GREEN RIVER VILLAGE MH COMM	Mobilehome Spaces	\$ 182,218.00	0.61%
SGC ATLAS DEERWOOD, LLC	Multi-Family Units	\$ 176,414.00	0.59%
TOTAL		\$ 2,234,387.00	7.51%

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

**CITY OF CORONA
CORONA UTILITY AUTHORITY
SELECTED WASTEWATER ENTERPRISE RATES**

<i>Service Type</i>	<i>Fiscal Year 2014 Monthly Fixed Service Charge</i>	<i>Fiscal Year 2015 Monthly Fixed Service Charge</i>
Inside Standard Wastewater		
Residential/Mobile Home Parks (per space)	\$ 45.60	\$ 45.60
Motels & Hotels (per unit)	7.59	7.59
Motels & Hotels (per living unit)	45.60	45.60
Restaurants, supermarkets, mortuaries and bakeries - meter 1" or smaller	163.28	163.28
Restaurants, supermarkets, mortuaries and bakeries - meter greater than 1"	266.34	266.34
Laundries (per machine)	24.20	24.20
Inside Commercial 5/8" or City park restroom	45.60	45.60
Inside Commercial 3/4"	72.02	72.02
Inside Commercial 1"	103.48	103.48
Inside Commercial 1 1/2"	186.06	186.06
Inside Commercial 2"	291.55	291.55
Inside Commercial 3"	537.41	537.41
Inside Commercial 4"	875.43	875.43
Inside Commercial 6"	1,753.50	1,753.50
Inside Commercial 8"	2,820.52	2,820.52

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

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

	2011	2012	2013	2014	2015
Gross Revenues					
Utility Service Charges	\$ 26,317,303	\$ 28,055,728	\$ 29,353,868	\$ 29,561,485	\$ 29,944,021
Fees and Permits	461,067	405,721	419,423	443,596	199,389
Fines and Penalties	370,058	540,066	376,456	251,446	48,574
Capacity Fees	325,863	905,148	990,044	892,754	3,382,676
Operating Grants					
Investment Earnings	693,193	565,823	5,782	365,188	329,339
Other Revenues	212,775	470,606	470,465	370,140	544,023
Total Gross Revenues	<u>\$ 28,380,259</u>	<u>\$ 30,943,092</u>	<u>\$ 31,616,038</u>	<u>\$ 31,884,608</u>	<u>\$ 34,448,022</u>
Direct Costs and Allocated Costs					
Personnel Services	\$ 4,764,074	\$ 4,803,750	\$ 5,320,422	\$ 4,867,043	\$ 4,943,028
Contractual	1,405,091	1,642,243	1,852,581	1,325,980	1,364,125
Material and Supplies	8,206,714	11,838,218	10,841,432	9,507,249	9,108,160
Net Power Sales Payments	-	-	-	-	-
Utilities	2,695,946	2,779,347	2,926,565	2,998,595	3,038,028
Total Direct Costs and Allocated Costs	<u>\$ 17,071,825</u>	<u>\$ 21,063,558</u>	<u>\$ 20,941,000</u>	<u>\$ 18,698,866</u>	<u>\$ 18,453,341</u>
Net Revenues	<u>\$ 11,308,434</u>	<u>\$ 9,879,534</u>	<u>\$ 10,675,038</u>	<u>\$ 13,185,742</u>	<u>\$ 15,994,681</u>
Debt Service					
SRF Loan - 1997	\$ 1,503,293	\$ 1,503,293	\$ 1,503,293	\$ -	\$ -
2013 Wastewater Revenue Bonds	-	-	-	817,645 ⁽¹⁾	2,807,031
Total Debt Service	<u>\$ 1,503,293</u>	<u>\$ 1,503,293</u>	<u>\$ 1,503,293</u>	<u>\$ 817,645</u>	<u>\$ 2,807,031</u>
Debt Service Coverage	7.52	6.57	7.10	16.13	5.70
Cash Available for Subordinate Debt Service	\$ 9,805,141	\$ 8,376,241	\$ 9,171,745	\$ 12,368,097	\$ 13,187,650
Subordinate Debt Service					
1997 Lease Agreement	\$ 547,305	\$ 546,563	\$ 549,220	\$ -	\$ -
Interfund Loan - Biosolids Dryer	1,023,474	1,023,672	1,024,299	-	-
Total Subordinate Debt Service	<u>\$ 1,570,779</u>	<u>\$ 1,570,235</u>	<u>\$ 1,573,519</u>	<u>\$ -</u>	<u>\$ -</u>
Cash available for Capital Projects or other improvements	\$ 8,234,362	\$ 6,806,006	\$ 7,598,226	\$ 12,368,097	\$ 13,187,650

⁽¹⁾ Only interest payments were due for 2013 Wastewater Revenue Bonds' first annual debt service payment.

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*