



# Appendices

Alternative Governance and Electrical Services  
Study – Imperial Irrigation District  
*NOVEMBER 30, 2023*





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## APPENDIX A: ASSEMBLY BILL 1021

ENROLLED SEPTEMBER 07, 2021  
PASSED IN SENATE SEPTEMBER 01, 2021  
PASSED IN ASSEMBLY SEPTEMBER 02, 2021  
AMENDED IN SENATE AUGUST 19, 2021  
AMENDED IN SENATE AUGUST 16, 2021  
AMENDED IN SENATE JULY 01, 2021  
AMENDED IN ASSEMBLY MAY 24, 2021  
AMENDED IN ASSEMBLY APRIL 19, 2021  
AMENDED IN ASSEMBLY MARCH 18, 2021

CALIFORNIA LEGISLATURE— 2021–2022 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 1021**

**Introduced by Assembly Member Mayes**

February 18, 2021

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An act to add Section 56378.2 to the Government Code, relating to irrigation districts, and declaring the urgency thereof, to take effect immediately.

## **LEGISLATIVE COUNSEL'S DIGEST**

AB 1021, Mayes. Imperial Irrigation District.

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Under the act, each local agency formation commission is required to initiate and make studies of existing governmental agencies, including, but not limited to, studies to determine each local agency's maximum service area and service capacities.

This bill would require the local agency formation commissions for the County of Imperial and the County of Riverside to conduct and publish on their internet websites a joint study of options for providing continued publicly owned and managed electrical service in perpetuity to the Imperial Irrigation District's electrical service area, as defined, customers and options for alternative governance structures that would extend voting rights to registered voters who reside within the Imperial Irrigation District electrical service area to provide for proportional representation on a governing board that will have primary jurisdiction on all electrical service matters, as specified. The bill would require the study to be published no later than July 1, 2022. By imposing new duties on the specified local agency formation commissions, the bill would impose a state-mandated local program.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the Imperial Irrigation District.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.



This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

## Digest Key

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: yes

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## Bill Text

# THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 56378.2 is added to the Government Code, to read:

**56378.2.** (a) Notwithstanding any other law, the commissions for the County of Imperial and the County of Riverside shall conduct and publish on their internet websites a joint study of both of the following:

(1) Options for providing continued publicly owned and managed electrical service in perpetuity to Imperial Irrigation District electrical service area customers prior to, and after, the expiration of the 99-year lease for power rights made between the Imperial Irrigation District and the Coachella Valley Water District in 1934.

(2) Options for alternative governance structures that would extend voting rights to registered voters who reside within the Imperial Irrigation District electrical service area to provide for proportional representation on a governing board that will have primary jurisdiction on all electrical service matters. Any findings shall isolate water rights and management as the sole responsibility of the current Imperial Irrigation District board of directors and shall not affect the water service area boundaries of the Imperial Irrigation District.

(b) The joint study described in subdivision (a) shall be published no later than July 1, 2022.

(c) For the purposes of this section, “electrical service area” means the area where the district provides retail electrical service that is outside of the district’s boundaries.

**SEC. 2.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the conditions unique to the Counties of Imperial and Riverside and the Imperial Irrigation District.

**SEC. 3.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

**SEC. 4.** This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

Due to the extreme conditions the state is facing regarding energy, it is necessary for the Imperial Irrigation District to address these issues affecting customers within their service area as soon as possible.

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** 08/16/2021  
**POSITION:** Oppose

**BILL NUMBER:** AB 1021  
**AUTHOR:** Mayes, Chad

### **BILL SUMMARY: Imperial Irrigation District.**

This bill requires the local agency formation commissions (LAFCOs) for Imperial County and Riverside County to conduct a joint study of options for providing electricity in the Imperial Irrigation District (District) and other affected service areas, and options for alternative governance structures that provide for proportional representation for the District's board of directors, as specified. The bill also requires the study be published on the LAFCOs' internet websites no later than July 1, 2022. Further, this bill increases the membership of the District's board of directors from five to six.

This bill requires a two-thirds vote to take effect immediately as an urgency statute.

### **FISCAL SUMMARY**

Finance anticipates that this bill's requirement for the two LAFCOs to complete a joint study would not create a state-reimbursable mandate. LAFCOs are not eligible to file claims for reimbursement of mandated costs, because they do not have taxing authority. Only those local agencies subject to taxing and spending limitations are eligible to file a claim.

However, Finance anticipates this bill may create a state-reimbursable mandate by requiring the District to add a member to its board of directors, because this may represent a higher level of service to the public. The costs would include salary and benefits, access to technology, and other items. Based on publicly available 2019 pay data for the District, the salary for each board member is about \$50,000.

### **CHANGES SUMMARY**

This bill was amended on August 16, 2021 and includes the following significant amendments, which do not change Finance's position:

- Specifies the joint study must include options to provide continued publicly owned and managed electrical service in perpetuity to the District's electrical service area.
- Specifies the joint study's options for alternative governance structures must extend voting rights to registered voters who reside within the District's electrical service area.
- Requires the District's governing board to increase to six members on January 1, 2023, and specifies the added member will be a nonvoting director solely for electrical issues presented before the board.
- Requires the General Counsel of the District to determine which issues before the board are electrical issues and permits the nonvoting director to request a written rationale from the

Analyst/Principal (712) Hill, Chris	Date	Program Budget Manager Calvert, Teresa	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Mayes, Chad

08/16/2021

AB 1021

**CHANGES SUMMARY** (continued)

General Counsel when it determines the issue before the board is not an electrical issue.

- Specifies that if the District no longer serves electricity to 60 percent or more of its existing customers within the electrical service area before or on December 31, 2032, the nonvoting director's membership will terminate.

**COMMENTS**

Finance is opposed to this bill because it may create a state-reimbursable mandate of at least \$50,000 per year.

LAFCOs are quasi-judicial countywide commissions that oversee boundary changes of cities and special districts, the formation of new agencies including the incorporation of new cities and districts, and the consolidation or reorganization of special districts and cities. LAFCOs are funded by the cities, counties, and, special districts within each commission's jurisdiction.

The District supplies water and energy service to customers in Imperial County and Riverside County. The rights to provide electric service were granted to the District as part of a 99-year agreement reached between the District and the Coachella Valley Water District in 1934; the agreement expires in 2033. The Riverside County residents that receive electricity from the District have never been fully annexed into IID's boundaries, and as a result do not have the ability to vote for their representatives on the board of directors. This bill requires the LAFCOs for Imperial County and Riverside County to conduct a joint study that must include options for providing electricity in the District's jurisdiction and other affected service areas, in the circumstance that the District desires to no longer provide electrical service in its jurisdiction. The bill also requires development of options for alternative governance structures that provide for proportional representation for the District's board of directors. The bill requires the study to be published on the LAFCOs' internet websites no later than July 1, 2022.

This bill increases the membership of the District's board of directors from five to six and specifies the added director will be a non-voting director, with all of the other rights of existing directors. The bill also provides that if the District no longer serves electricity to 60 percent or more of its existing electric customers within the electrical service area before or on December 31, 2032, the non-voting director's membership will terminate and the board membership will decrease from six to five members.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)					
	LA	(Dollars in Thousands)					
	CO RV	PROP 98	FC	2021-2022 FC	2022-2023 FC	2023-2024 FC	Fund Code
8885/Comm St Mndt	LA	No	C	50-75 C	50-75 C	50-75	0001



## APPENDIX B: 1934 AGREEMENT OF COMPROMISE

AGREEMENT OF COMPROMISE

BETWEEN

IMPERIAL IRRIGATION DISTRICT

AND

COACHELLA VALLEY COUNTY WATER DISTRICT

Dated February 14, 1934

AGREEMENT OF COMPROMISE  
BETWEEN  
IMPERIAL IRRIGATION DISTRICT  
AND  
COACHELLA VALLEY COUNTY WATER DISTRICT

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Sec. 1. THIS AGREEMENT, Made the 14th day of February, 1934, by and between IMPERIAL IRRIGATION DISTRICT, an irrigation district organized and existing under and by virtue of the California Irrigation District Act of the State of California and acts amendatory thereof or supplementary thereto, with its principal office at El Centro, Imperial County, California, said District being hereinafter sometimes styled "Imperial District", and COACHELLA VALLEY COUNTY WATER DISTRICT, a County Water District organized and existing under and by virtue of the County Water District Act of the State of California and acts amendatory thereof or supplementary thereto, and having its office at Coachella, Riverside County, California, said District being hereinafter sometimes styled "Coachella District",

W I T N E S S E T H :

RECITALS.

Sec. 2. THAT, WHEREAS, Pursuant to the terms of the Boulder Canyon Project Act, approved December 21, 1928 (45 Stat. 1057), the Secretary of the Interior is authorized to construct a main canal and appurtenant structures located entirely within the United States, connecting Laguna Dam or other suitable diversion dam, which said Secretary is authorized to construct, with Imperial and Coachella Valleys in California; and

Sec. 3. WHEREAS, The Secretary of the Interior has determined upon engineering and economic considerations to construct a new diversion dam on the Colorado River approximately four and one-half miles above Laguna Dam, which new diversion dam has



heretofore been and is designated Imperial Dam; and

Sec. 4. WHEREAS, Pursuant to the Boulder Canyon Project Act, a contract, dated December 1, 1932, hereinafter styled "Imperial Contract", has heretofore been executed between the United States and Imperial District for the construction of said Imperial Dam, main canal and appurtenant structures, which said main canal and appurtenant structures are hereinafter styled "All-American Canal", and for the repayment of the cost thereof as provided by law; and

Sec. 5. WHEREAS, By said Imperial Contract, certain lands in Coachella Valley, and within Coachella District and lands adjacent to said District may, by petition, be included within the boundaries of Imperial District, and if said lands are not so included, then the works and capacity to serve said lands shall not be constructed under said contract; and

Sec. 6. WHEREAS, Said Coachella District through its Board of Directors has determined that said lands will not become a part of Imperial District pursuant to said contract, and that Coachella District desires to obtain a contract, hereinafter styled "Coachella Contract", with the United States, separately from Imperial District, for capacity in said Imperial Dam and All-American Canal to be provided for the benefit of said Coachella District, in addition to the capacity therein provided for Imperial District, and to pay the proper cost of such capacity; and

Sec. 7. WHEREAS, Under date of August 18, 1931, an agreement was made between certain interested agencies in California, including the parties to this agreement, for the apportionment of the Colorado River water available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act, a portion of which agreement is set out in Article 17 of said Imperial Contract as being a recommendation of the Chief of the Division of Water Resources of the State of California; and

Sec. 8. WHEREAS, Water for irrigation and domestic uses in the areas to be served under or from the All-American Canal in Imperial and Coachella Valleys will be supplied pursuant to the third and sixth priorities of said recommendation of the Chief of the Division of Water Resources of the State of California; and

Sec. 9. WHEREAS, Imperial District has certain prior rights to the use of the waters of the Colorado River, and the extent of said rights is in dispute as between the parties hereto, and each of said parties makes certain claims as to the use of said waters; and

Sec. 10. WHEREAS, The parties hereto, upon their respective contracts with the United States becoming effective and said All-American Canal being constructed, will respectively have certain power possibilities on the All-American Canal, which it is desired to have developed, operated and controlled as a unified project; and

Sec. 11. WHEREAS, Controversy has arisen and now exists between the parties hereto as to the extent and relation of their respective present and future rights to water and power on and from said All-American Canal, which controversy it is desired to have compromised and settled by this agreement;

NOW, THEREFORE, In consideration of the premises and the mutual obligations and covenants of the parties hereto and as a compromise and settlement of their said respective rights, privileges and claims respecting the matters herein contained, it is agreed:

#### COACHELLA CONTRACT

Sec. 12. Coachella District will forthwith apply to the proper governmental authorities for a contract between itself and the United States for the construction by the United States of the portion of the Imperial Dam and All-American Canal which will serve said District, and for the payment of its proper proportion of construction and other costs and for delivery of water; said contract to be in harmony with the provisions of the Imperial Contract and this agreement. The draft of said proposed Coachella Contract attached hereto and marked "Annex A" has been examined by

Imperial District and the substance of said draft is approved by the parties hereto. Imperial District agrees that said draft, or such other draft as may be acceptable to the United States and in harmony with the provisions of the Imperial Contract and of this agreement, may be executed between the Coachella District and the United States. Imperial District will actively assist Coachella District in obtaining execution of such contract by the United States.

#### VALIDATION ACTION

Sec. 13. That forthwith upon the execution of this agreement Coachella District will cause to be dismissed on behalf of itself and A. B. Cliff, John H. Colbert, R. C. Egnew, J. C. Jones and Washington McIntyre, with the stipulation that remittiture issue forthwith and that each party pay his or its own costs, their appeal now pending in the Supreme Court of California, in that certain action entitled: "In the Matter of the validation of a Contract Dated Dec. 1, 1932, Entitled 'Contract for Construction of Diversion Dam, Main Canal and Appurtenant Structures, and for Delivery of Water', between the United States of America and Imperial Irrigation District. John L. Dubois, et al., Plaintiffs and Respondents, vs. All Persons, Defendants; Coachella Valley County Water District et al., Defendants and Appellants", being L.A. No. 14487, and this agreement shall not become effective for any purpose unless and until said appeal is so dismissed on behalf of all of said parties within ten (10) days from the execution hereof. Coachella District will actively assist in bringing said action to an early and final conclusion to the end that the present judgment be sustained.

#### GENERAL PROVISIONS

Sec. 14. The provisions of this agreement hereinafter set forth shall be effective and binding upon the parties hereto only in the event that the Coachella contract above mentioned is executed by and between the United States and said Coachella District prior to the transfer of constructed works to Imperial District



for operation and maintenance, as provided by said Imperial Contract, and such Coachella Contract prior to such transfer or thereafter becomes binding upon the parties therto, pursuant to law. After this agreement becomes effective, it, together with the lease herein provided for, shall terminate in the event Coachella District shall be relieved of all obligations under the Coachella Contract, by reason of failure of the United States to complete the works to be constructed thereunder.

#### WATER

Sec. 15. As a full and complete compromise and settlement of the controversy existing between the parties hereto as to the extent and priority of their respective rights and claims to the use of the waters of the Colorado River, it is agreed, as between said parties, that:

Imperial Irrigation District shall have the prior right for irrigation and potable purposes only, and exclusively for use in the Imperial Service Area, as hereinafter defined, or hereunder modified, to all waters apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys as provided in the third and sixth priorities set out in the recommendation of the Chief of the Division of Water Resources of the State of California, as contained in Article 17 of the Imperial Contract. Subject to said prior right of Imperial Irrigation District, Coachella Valley County Water District shall have the next right, for irrigation and potable purposes only and exclusively for use in the Coachella Service Area, as hereinafter defined, or hereunder modified, to all waters so apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in the Imperial and Coachella Valleys, as provided in said third and sixth priorities. The use of water for generation of electric energy shall be, in all respects, secondary and subservient to all requirements of said two districts for irrigation and potable purposes as above limited.

As hereinabove used, the term "Imperial Service Area" shall comprise all lands within the boundaries of Imperial Irrigation District as said District was constituted on June 23, 1931, and all lands in Imperial and San Diego Counties, California, shown on map marked Exhibit "A", attached to said Imperial contract, and included within hatched border lines indicated on said map by legend as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", other than (a) such of said lands as are labeled "Dos Palmas Area" and (b) such of said lands as lie West of Salton Sea and North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line. The term "Coachella Service Area" shall comprise all lands described on statements hereto attached and marked "Exhibits" "B", "C", "D" and "E", respectively, being approximately, but not exactly, the lands within said hatched border lines shown on said Exhibit "A", other than those included in said Imperial Service Area. Upon application of either district and with the written consent of the Secretary of the Interior, the boundaries of the service area which such district is entitled hereunder to serve may at any time or from time to time be changed, but may not be so changed as, in the aggregate, to add more than 5000 acres to, nor to subtract more than 5000 acres from such service area, as herein defined, without the written consent of the district entitled hereunder to serve the other service area. Coachella District shall not participate in any revenues received by Imperial District for diverting, carrying and delivering at or near Pilot Knob, water for irrigation or domestic use for any person or agency other than the parties hereto, and Coachella District shall perform no such service at or near Pilot Knob.

#### APPLICATIONS TO APPROPRIATE WATER

Sec. 16. The parties hereto agree that their respective applications to appropriate water from the Colorado River for irrigation and domestic purposes heretofore filed with the Division of Water Resources of the State of California be deemed amended to conform with the foregoing provisions of this agreement and stipulate

that permits be issued to them, respectively, in accordance herewith and agree to file with said Division all necessary papers and stipulations to that end. Except as between the parties hereto the provisions of this agreement shall not affect nor impair any rights of either party to the waters of the Colorado River.

#### LEASE OR POWER RIGHTS

Sec. 17. As a compromise and settlement of the controversy existing between the parties hereto as to all power possibilities, power rights, power resources and power privileges upon the whole of said All-American Canal in both Imperial and Riverside Counties, now or hereafter held, owned, or possessed by said parties, or either of them, including all those at or near Pilot Knob, which said power possibilities, power rights, power resources and power privileges are hereinafter styled "power rights", and to combine and co-ordinate all of said power rights as a unified project so as to produce the maximum benefits to the parties hereto and to the United States, it is agreed that the parties hereto will, within a reasonable time after the execution of said Coachella Contract, execute a good and sufficient lease agreement, wherein Coachella District shall demise to Imperial District all of said power rights which the Coachella District may now have or hereafter obtain. Said lease, among other reasonable provisions, shall provide:

(a) That the term of said lease shall commence with the date thereof and terminate on January 1, 2033; provided, that should the term herein or in said lease fixed exceed that permitted by law at the date of said lease, then said term shall be deemed reduced to the longest period permitted by law;

(b) That said lease shall vest in Imperial District the entire and exclusive operation, management, development and control of all said power rights and the use, sale and control of power produced therefrom;

(c) That subject to the conditions hereinafter contained, Imperial District shall pay, on March first of each year, as rental for said demised power rights, eight per cent of the net proceeds, as defined in sub-section (f) hereof, received by Imperial District during the preceding calendar year from all said power rights held, owned or possessed by both parties hereto and from all power works and power facilities by or in connection with which Imperial District utilizes said power rights;

(d) That said rentals shall be paid by Imperial District to the United States and credited on the Coachella Contract until Coachella District's obligations to the United States under said contract are fully paid, and thereafter Imperial District shall pay said rentals to Coachella District;

(e) That no rentals shall be due or payable unless and until capacity in the All-American Canal shall have been provided for Coachella District down to Pilot Knob;

(f) That in determining said net proceeds, as between the parties hereto, there shall be taken into consideration all items of cost of production and disposal of power, including, but not necessarily limited to amortization of and interest on capital investment for power purposes, improvements, operation and maintenance, and depreciation, and any other proper factor of cost not herein expressly enumerated;

(g) That the determination of said net proceeds for the purpose of ascertaining rentals payable under said lease shall be made without reference to the fact that as to Imperial District said rentals will constitute a part of the cost of doing business;

(h) That on March first of each year Imperial District shall furnish to Coachella District a statement of account showing the computation of said rental;

(i) That Coachella District shall not be required to contribute in any manner to the cost of construction, operation or maintenance of any power works or facilities on or in connection with the All-American Canal, except indirectly, as said

items may be taken into consideration in determining rentals to be paid under said lease;

(j) That said lease shall terminate upon Coachella District being relieved of obligations as provided in Section 14 hereof and/or at the option of Coachella District, in the event of default in any payment of rentals by Imperial District for a period of two years;

(k) That any overdue rental shall bear interest at the rate of one-half of one per cent per month until paid;

(l) That when Imperial District is ready to undertake construction of facilities to serve electrical energy (herein designed "power") in Coachella Valley, Coachella District shall obtain for Imperial District signed contracts or applications for power as provided in Section 18 hereof, and be otherwise subject to the provisions of said Section 18;

(m) That when Imperial District is ready to serve power from the All-American Canal in Coachella Valley, then, if and while said lease is in effect, Imperial District will furnish such power in Coachella District at the rates and upon the conditions provided in Section 19 hereof;

(n) That Coachella District shall, by its officials or designated representatives, have the right of ingress to and egress from all power works and facilities of Imperial District for the purpose of inspection thereof, and full and free access to and the right during office hours to inspect and copy all books and records of Imperial District relating to its power operations;

(o) That the interest of Imperial District under said lease shall not, nor shall any part thereof nor interest therein, be assigned, nor shall Imperial District sublet any part of nor interest in said demised power rights without the written consent of Coachella District;

(p) That at the termination of said lease the rights and privileges of the



parties thereto shall be segregated and/or adjusted as may be equitable and just, having in view the business, interests and investments of the parties and their respective legal and equitable rights in said power rights, works and facilities on or in connection with the All-American Canal;

(q) That in the event the parties cannot agree upon such segregation or adjustment, then the same shall be made by a board of arbitration, consisting of five persons, one to be selected by Imperial District, one by Coachella District, and three by the Secretary of the Interior and the decision of said board of arbitration shall be final and binding upon the parties to said lease;

(r) That nothing contained in said lease shall be construed as in any manner abridging, limiting, or depriving either of the parties thereto of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions of said lease which it would otherwise have;

(s) That the waiver of a breach of any of the provisions of said lease shall not be deemed to be a waiver of any other provision thereof or of a subsequent breach of such provision.

#### POWER CONTRACTS

Sec. 18. When the lease provided for in Section 17 hereof has been executed and Imperial District is ready to undertake construction of facilities to serve electrical energy, (herein styled "power") in Coachella Valley it shall notify Coachella District of said fact in writing and it shall thereupon be the duty of Coachella District to obtain for Imperial District, within six months after service of such notice, contracts or applications for power signed by consumers using at the time of service of such notice not less than eighty per cent of the power load then being consumed in the Coachella Service Area. Such contracts or applications shall be in such form and substance as reasonably required by Imperial District and shall among other things bind the consumer to take from Imperial District all power that

he may require in Coachella District for a period of three years. In the event of disagreement between the parties as to whether or not Coachella District has complied with the foregoing provisions of this section on its part to be complied with, then the Secretary of the Interior may, at the written request of either party, determine said fact and notify the parties hereto of such determination in writing, and such determination shall be final and binding upon the parties hereto. Notwithstanding anything herein or in said lease contained, there shall be no obligation on the part of the Imperial District for rentals under said lease during the time, if any, after said six months period that said signed contracts or applications for said eighty per cent of power load have not been so delivered.

#### POWER RATES

Sec. 19. When the lease provided for in Section 17 hereof has been executed and Imperial District is ready to serve power from the All-American Canal in Coachella Valley then, and while said lease remains in effect, Imperial District will furnish such power in Coachella District upon the following terms:

A. To Coachella District, for use by itself for project purposes within said Coachella Service Area as such project purposes are hereinafter defined, at rates in no case exceeding the cost of power delivered in Coachella Valley, plus fifteen per cent, and in no event at rates higher than are charged by Imperial District to itself for like uses with such additional charges as may be necessary to offset difference in costs of transmitting power as between Imperial and Coachella Valleys. Subject to the foregoing provisions, Coachella District agrees that, for a period of five years from and after the service of the notice provided for in Section 18 hereof said Coachella District will purchase from Imperial District and pay for all power Coachella District may require for project purposes within the Coachella Service Area, and for which Imperial District has sufficient facilities and is prepared to serve. Imperial District shall not be required to furnish power to Coachella District for

project purposes at points where Imperial District does not then have sufficient facilities for such power service.

"Project Purposes" as used in this section shall be understood to mean construction, operation and maintenance of Coachella District's irrigation and drainage system within the Coachella Service Area, where such construction, operation, or maintenance is of a general public nature and not individual or private in character.

B. To all consumers within Coachella District, other than to Coachella District for project purposes, at no higher rates than those charged, and under the same conditions and regulations as those prescribed, by Imperial District for like service to consumers within Imperial District with such additional charges as may be necessary to offset difference in costs of transmitting power as between Imperial and Coachella Valleys. In no event shall such rates to such consumers exceed seventy-five per cent of the rates paid for like service by individual consumers in Coachella District on January 1, 1934, based upon the purchasing power of the dollar on said date. Imperial District shall make such further reduction in rates to such consumers as may be necessary to meet competitive rates for like service of any public utility, at the time authorized by the Railroad Commission of the State of California, or other authority succeeding to its functions, and able to serve such consumers, but in no event shall Imperial District be required to charge rates that will return less than the cost of service.

#### POWER PERMITS

Sec. 20. The parties hereto agree to cooperate to the end that all necessary and proper permits and licenses to appropriate water for power purposes and construct power facilities may be obtained from the Division of Water Resources of the State of California and/or Federal Power Commission as may be authorized by law and hereby stipulate that such permits and licenses issue to the parties hereto, as follows, to-wit:

1. To Imperial District, as to all such permits and licenses on the portion of the All-American Canal shown on said Exhibit "A" and marked "Main (All American) Canal to Imperial Valley" lying west of the southerly end of the "Main (All American) Canal to Coachella Valley" as same is shown on said Exhibit "A";
2. To Coachella District, as to all such permits and licenses on the portion of the All-American Canal shown on said Exhibit "A" and marked "Main (All American) Canal to Coachella Valley" lying North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line;
3. To Imperial District and Coachella District, as their respective privileges to utilize power possibilities may appear from their said contracts with the United States, as to all such privileges on all portions of the Imperial Dam and All-American Canal, including Pilot Knob, not hereinabove specified.

AGREEMENT VOID IF CERTAIN LANDS INCLUDED  
IN IMPERIAL DISTRICT

Sec. 21. In the event lawful petition or petitions sufficient in all respects for inclusion within Imperial District of ninety per cent (90%) of the lands shown on said Exhibit "A" lying north of the northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line and bounded by the lines indicated on said Exhibit "A" as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", exclusive of the Dos Palmas Area and exclusive of Indian lands and public lands of the United States, shall be filed pursuant to and within the time limited by said Imperial Contract, and said lands shall be thereafter included

within said Imperial District pursuant to such petition or petitions, then, as of the date of such inclusion, this agreement shall terminate and be at an end.

#### REMEDIES UNDER AGREEMENT NOT EXCLUSIVE

Sec. 22. Nothing contained in this agreement shall be construed as in any manner abridging, limiting, or depriving either of the parties hereto of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this agreement shall not be deemed to be a waiver of any other provision hereof or of a subsequent breach of such provision.

Sec. 23. This agreement shall not be interpreted nor construed so as to amend, modify or change said Imperial Contract in any particular, and no provision hereof in conflict with said Imperial Contract shall be of any force or effect. As to any provisions hereof in which the United States is interested this agreement shall be deemed to be made expressly for the benefit of the United States, as well as of the parties hereto.

Sec. 24. This agreement shall inure to and be binding upon the parties hereto, their and each of their respective successors and assigns.

IN WITNESS WHEREOF, Said parties have executed this agreement in triplicate original by their respective officers, thereunto duly authorized by resolutions of their respective Boards of Directors, the day and year first above written.

#### IMPERIAL IRRIGATION DISTRICT

(SEAL)

By Evan T. Hewes (Signed)  
Its President.

ATTEST: W. W. Goodson (Signed)  
Its Secretary.

#### COACHELLA VALLEY COUNTY WATER DISTRICT

By Harry W. Forbes (Signed)  
Its President

(SEAL)

ATTEST: Helen F. Runyen (Signed)  
Its Secretary

EXHIBIT "B"

DESCRIPTION OF LANDS WITHIN  
COACHELLA VALLEY COUNTY WATER DISTRICT AND  
ITS IMPROVEMENT DISTRICT NO. 1 AND  
WITHIN THE COACHELLA SERVICE AREA.

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All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.W. corner of the S.E. $\frac{1}{4}$  of Section 31, Township 8 South, Range 9 East, which is a point in the South boundary line of said Coachella Valley County Water District and thence along straight lines

1. To the S.W. corner of Sec. 10, T. 8, R. 8, thence
2. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 33, T. 7, R. 8, thence
3. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
4. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 19, T. 7, R. 8, thence
5. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 19, thence along the West line of said Sec. 19
6. To the N.W. corner of said Sec. 19, thence along the South line of Sec. 13, T. 7, R. 7.
7. To the S.W. corner of said Sec. 13, thence along the West line of said Sec. 13
8. To the N.W. corner of said Sec. 13, thence
9. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 11, T. 7, R. 7, thence
10. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 11, thence along the West line of said Sec. 11
11. To the N.W. corner of said Sec. 11, thence along the South line of Sec. 3



in said Township and Range

12. To the S.W. corner of said Sec. 3, thence along the West line of said Sec. 3

13. To the N.W. corner of said Sec. 3, thence along the South line of Secs. 34 and 33, T. 6 South, R. 7 East

14. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 33, T. 6, R. 7, thence

15. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 28, T. 6, R. 7, thence

16. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, thence

17. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 20, T. 6, R. 7, thence

18. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 20, thence

19. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

20. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

21. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 17, T. 6, R. 7, thence

22. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 8, T. 6, R. 7, thence

23. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

24. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

25. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

26. To the N.W. corner of said Sec. 8, thence

27. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 7, T. 6, R. 7, thence

28. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 7, thence

29. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence

30. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence

31. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 7, thence along the West line of said Sec. 7

32. To the S.E. corner of Sec. 1, T. 6, R. 6, thence along the South line of said Sec. 1

33. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 1, thence

34. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 1, thence along the North line of said Sec. 1

35. To the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 36, T. 5, R. 6, thence

36. To the N.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 36, thence

37. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 31, T. 5, R. 7, thence

38. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 19, T. 5, R. 7, thence

39. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 19, thence

40. North along the West line of said T. 5, South to a point in the North-easterly line of the right-of-way of the State Highway commonly known as "U. S. Highway 99", thence

41. Northwesterly along said Northeasterly line of said right-of-way of said Highway to the intersection of said line with the Westerly line of the E. $\frac{1}{2}$  of Sec. 19, T. 4, R. 6, thence

42. To the N.W. corner of the S.E. $\frac{1}{4}$  of Sec. 18, T. 4, R. 6, thence

43. To the N.E. corner of the S.E. $\frac{1}{4}$  of Sec. 15, T. 4, R. 6, thence

44. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 23, T. 4, R. 6, thence

45. To the N.E. corner of the S.E. $\frac{1}{4}$  of Sec. 24, T. 4, R. 6, thence

46. To the S. W. corner of the S.E. $\frac{1}{4}$  of Sec. 34, T. 4, R. 7, thence

47. To the N.E. corner of Sec. 3, T. 5, R. 7, thence

48. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 2, T. 5, R. 7, thence

49. To the S.E. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence

50. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

51. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 1, T. 5, R. 7, thence

52. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 1, thence

53. To the S.W. corner of Sec. 6, T. 5, R. 8, thence

54. To the S.W. corner of Sec. 15, T. 5, R. 8, thence along the West line of Sec. 22, T. 5, R. 8

55. To the S.W. corner of said Sec. 22, thence

56. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 27, T. 5, R. 8, thence
57. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 34, T. 5, R. 8, thence
58. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 34, thence
59. To the S.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 34, thence
60. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 34, T. 5, R. 8, thence  
along the East line of said Sec. 34
61. To the S.E. corner of said Sec. 34, thence along the North line of Sec. 2,  
T. 6, R. 8
62. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence
63. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence
64. To the S.E. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence
65. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence
66. To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence
67. To the S.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence
68. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence along  
the East line of said Sec. 2
69. To the S.E. corner of said Sec. 2, thence
70. To the S.E. corner of Sec. 13, T. 6, R. 8, thence
71. To the S.E. corner of Sec. 3, T. 7, R. 9, thence along the South lines of  
Sections 2 and 1 in said Township and Range
72. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 12, T. 7, R. 9, thence
73. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 12, thence
74. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 12, thence
75. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 12, thence
76. To the N.E. corner of the S.E. $\frac{1}{4}$  of said Sec. 12, being a point on the East  
boundary line of said Coachella Valley County Water District, thence
77. South along said boundary line to the S.E. corner of Sec. 25, T. 7, R. 9,

thence along the South lines of said Sec. 25 and of Sec. 26 in said Township and Range

78. To the S.W. corner of said Sec. 26, thence
79. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 27, T. 7, R. 9, thence
80. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 27, thence
81. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 27, thence
82. To the N.W. corner of the S.W. $\frac{1}{4}$  of said Sec. 27, thence
83. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 28, T. 7, R. 9, thence
84. To the N.W. corner of the S.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 28, thence
85. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, T. 7, R. 9, thence along the North lines of said Sec. 28 and of Sec. 29 in said Township and Range
86. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 29, thence
87. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 29, thence
88. To the N.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 29, thence
89. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 29, thence
90. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 30, T. 7, R. 9, thence
91. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 30, thence
92. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 25, T. 7, R. 8, thence
93. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 25, thence
94. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 25, thence
95. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 25, thence
96. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 25, thence
97. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 36, T. 7, R. 8, thence
98. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 36, thence
99. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 36, thence
100. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 36, thence along the East line of said Sec. 36

101. To the S.E. corner of said Sec. 36, thence
102. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 6, T. 8, R. 9, thence
103. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 7, T. 8, R. 9, thence
104. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 7, thence along the West lines of said Sec. 7 and of Sec. 18 in said Township and Range
105. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
106. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
107. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
108. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
109. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 18, thence
110. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 18, thence along the East lines of said Sec. 18 and of Sec. 19 in said Township and Range
111. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 20, T. 8, R. 9, thence
112. To the N.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence
113. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence
114. To the S.E. corner of the N.E. $\frac{1}{4}$  of said Sec. 20, thence
115. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 21, T. 8, R. 9, thence
116. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 21, thence
117. To the S.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 21, thence
118. To the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 28, T. 8, R. 9, thence
119. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, thence
120. To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 28, thence
121. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 33, T. 8, R. 9, thence along the North line of said Sec. 33
122. To the N.E. corner of said Sec. 33, thence along the East line of said

Sec. 33

123. To the S.E. corner of said Sec. 33, being a point in the Southerly boundary line of said Coachella Valley County Water District and of said County of Riverside, thence

124. West along said District and County boundary lines to the point of beginning.



EXHIBIT "C"

DESCRIPTION OF

LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT  
AND WITHIN THE COACHELLA SERVICE AREA,  
DESIGNATED THE SALTON AREA.

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.W. corner of Section 18, Township 7 South, Range 10 East, which is a point in the East boundary line of said Coachella Valley County Water District, and running thence along the Northerly boundary lines of said Section 18 and of Section 17 in said Township and Range:

1. To the N.E. corner of Sec. 17, T. 7, R. 10, thence
2. To the N.W. corner of Sec. 26, T. 7, R. 10, thence
3. To the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 26, thence
4. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 36, T. 7, R. 10, thence
5. To the S.E. corner of said Sec. 36, thence
6. To the S.E. corner of Sec. 6, T. 8, R. 11, thence
7. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 6, thence
8. To the S.E. corner of the N.W. $\frac{1}{4}$  of Sec. 7, T. 8, R. 11, thence
9. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence
10. To the S.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 7, thence
11. To the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 18, T. 8, R. 11, thence
12. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
13. Along the Southerly line of the N.W. $\frac{1}{4}$  of said Sec. 18, and the Westerly

projection of said Southerly line to an intersection with the Northeasterly line of the Southern Pacific main line railroad right-of-way running through the N.E.  $\frac{1}{4}$  of Sec. 13, T. 8, R. 10, thence

14. Northwesterly along said Northeasterly line of said railroad right-of-way to the intersection of said Northeasterly line with the South line of Sec. 28, T. 7, R. 10, or the Easterly projection thereof, thence along the Southerly lines of said Sec. 28 and of Sec. 29 and Sec. 30 in said Township and Range,

15. To the S.W. corner of said Sec. 30, being a point in the East boundary line of said Coachella Valley County Water District, thence

16. North along said District boundary line to the point of beginning.

EXHIBIT "D"

DESCRIPTION OF LANDS

OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND  
WITHIN THE COACHELLA SERVICE AREA,  
DESIGNATED THE DOS PALMAS AREA.

All that certain tract of land situate in the Counties of Riverside and Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.E. corner of Sec. 33, T. 8 South, R. 12 East, which is a point in the Southerly boundary line of said County of Riverside, and running thence along the Easterly boundary line of said Sec. 33:

1. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 33, thence
2. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 33, thence
3. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 33, thence
4. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
5. To the N.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
6. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 32, T. 8, R. 12, thence
7. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 32, thence
8. Along the Northerly line of said Sec. 32 to the N.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 32, thence
9. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 29, T. 8, R. 12, thence
10. To the N.W. corner of said S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 29, thence
11. Along the Westerly boundary line of said Sec. 29 to the N.W. corner of the S.W. $\frac{1}{4}$  of said Sec. 29, thence
12. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 30, T. 8, R. 12, thence

13. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 30, thence
14. Along the Northerly boundary line of said Sec. 30 to the N.W. corner of said Sec. 30, thence
15. Along the Westerly boundary line of Sec. 19, T. 8, R. 12, to the N.W. corner of said Sec. 19, thence
16. Along the Southerly boundary line of Sec. 13, T. 8, R. 11, to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 13, thence
17. To the N.W. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 12, T. 8, R. 11, thence
18. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 7, T. 8, R. 12, thence
19. Along the Easterly boundary line of said Sec. 7 to the S.E. corner of said Sec. 7, thence
20. To the S.E. corner of Sec. 17, T. 8, R. 12, thence
21. Along the Westerly boundary line of Sec. 21, T. 8, R. 12, to the S.W. corner of the N.W. $\frac{1}{4}$  of said Section, thence
22. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 21, thence
23. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 21, thence
24. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 21, thence
25. Along the Easterly boundary line of said Sec. 21 to the S.E. corner of said Sec. 21, thence
26. Along the Northerly boundary line of Sec. 27, T. 8, R. 12, to the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 27, thence
27. To the S.E. corner of Sec. 26, T. 8, R. 12, thence.
28. Along a straight line between the N.W. corner and the S.E. corner of Sec. 36, T. 8, R. 12, to a point where said straight line intersects a projection Northerly of the East line of Sec. 2, T. 9, R. 12, thence
29. Along said last-named projected line and the East line of said Sec. 2 to

the S.E. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

30. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

31. To the S.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 2, thence

32. Along the Southerly boundary line of said Sec. 2 to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 2, thence

33. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 11, T. 9, R. 12, thence

34. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 10, T. 9, R. 12, thence

35. Along the West line of Sec. 10 to the N.W. corner of said Sec. 10, thence

36. Along the South line of Sec. 4, T. 9, R. 12, to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

37. To the N.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

38. To the S.W. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

39. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 4, being a point in the Southerly boundary line of said County of Riverside, thence

40. Along said boundary line and the Northerly boundary line of said Sec. 4 to the point of beginning.

EXHIBIT "E"

DESCRIPTION OF LANDS

OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND

WITHIN THE COACHELLA SERVICE AREA,

DESIGNATED THE FISH SPRINGS AREA

All that certain tract of land situate in the County of Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 4, T. 9, R. 9, which is a point in the South boundary line of Coachella Valley County Water District and of the County of Riverside and the North Boundary line of the County of Imperial and running thence along said boundary lines and along the Northerly boundary lines of said Sec. 4 and of Sec. 5, T. 9, R. 9:

1. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 5, thence
2. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 8, T. 9, R. 9, thence
3. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 8, thence
4. To the S.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 8, thence
5. To the S.E. corner of Sec. 17, T. 9, R. 9, thence
6. To the S.E. corner of Sec. 21, T. 9, R. 9, thence
7. To the S.W. corner of Sec. 12, T. 10, R. 9, thence
8. Along the Southerly boundary line of said Sec. 12 to the S.E. corner of said Sec. 12, thence
9. To the S.E. corner of Sec. 6, T. 10, R. 10, thence
10. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 6, thence
11. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 16, T. 9, R. 9, thence



12: To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 4, T. 9, R. 9, thence

13: To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 4, thence to the point of beginning.

Annex "A"

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Reclamation

BOULDER CANYON PROJECT  
ALL-AMERICAN CANAL  
COACHELLA VALLEY COUNTY WATER DISTRICT

Contract for Construction of Capacity in Diversion Dam,  
Main Canal and Appurtenant Structures and for Delivery of Water.

Article 1. THIS CONTRACT, made this \_\_\_\_\_ day of \_\_\_\_\_, nineteen hundred thirty-four, pursuant to the Act of Congress approved June 17, 1902 (32 Stat., 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as the Reclamation Law, and particularly pursuant to the Act of Congress approved December 21, 1928 (45 Stat., 1057), designated the Boulder Canyon Project Act, and the Act of Congress approved June 16, 1933 (48 Stat., 195), designated the National Industrial Recovery Act, between THE UNITED STATES OF AMERICA, hereinafter referred to as the United States, acting for this purpose by Harold L. Ickes, Federal Emergency Administrator of Public Works and Secretary of the Interior, hereinafter styled the Secretary, and COACHELLA VALLEY COUNTY WATER DISTRICT, a County Water District created, organized and existing under and by virtue of the County Water District Act of the State of California, and acts amendatory thereof or supplementary thereto, with its principal place of business at Coachella, Riverside County, California, hereinafter referred to as the District;

W I T N E S S E T H :

Explanatory Recitals

Article 2. WHEREAS, for the purpose of controlling the floods, improving navigation and regulating the flow of the Colorado River, providing for storage and for the delivery of the stored waters for reclamation of public lands and other beneficial uses exclusively within the United States, the Secretary, subject to the terms

of the Colorado River Compact, is authorized to construct, operate and maintain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon, adequate to create a storage reservoir of a capacity of not less than twenty-million acre-feet of water, and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam, which the Secretary is also authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable as provided in the reclamation law; and

Article 3. WHEREAS, after full consideration of the advantages of both the Black Canyon and Boulder Canyon dam sites, the Secretary has determined upon Black Canyon as the site of the aforesaid dam, hereinafter styled the Boulder Dam, creating thereby a reservoir to be hereinafter styled the Boulder Canyon Reservoir; and

Article 4. WHEREAS, (a) there are included within the boundaries of the District areas of private and public lands and additional private and public lands will, by appropriate proceedings, be added to the District and to the Coachella Service Area, defined in Article 17 hereof; and

(b) There has been executed under date of December 1, 1932, a contract, herein styled Imperial Contract, between the United States and Imperial Irrigation District, an irrigation district created, organized and existing under and by virtue of the laws of the State of California, which contract provides for the construction of a suitable diversion dam and main canal and appurtenant structures, therein and hereinafter respectively styled "Imperial Dam" and "All-American Canal", located entirely within the United States, connecting with the Imperial and Coachella Valleys, and for the delivery to said Imperial Irrigation District of stored water from Boulder Canyon Reservoir; and

(c) Certain controversies between said two districts relating to their respective interests in water and power on said All-American Canal have been settled and



compromised by an agreement executed between said two districts, dated February 14th, 1934, a triplicate original of which said agreement was on \_\_\_\_\_, 1934, filed with the Secretary; and

(d) The District is desirous of entering into a contract for the construction of certain capacity for it in said Imperial Dam and All-American Canal and for the delivery to the District, for the benefit of the lands under or that will be served from the All-American Canal in Coachella Valley, now or hereafter within the District and lying within said Coachella Service Area, of stored water from Boulder Canyon Reservoir, such contract to be in harmony with the provisions of said Imperial Contract and those of said agreement dated February 14th, 1934; and

Article 5. WHEREAS, The Secretary has determined, upon engineering and economic considerations, that it is advisable to provide for the construction of such Imperial Dam and All-American Canal, and has determined that the revenues provided for by this contract are adequate in his judgment to insure payment of all expenses of construction, operation and maintenance of the capacity in said Imperial Dam and All-American Canal to be constructed hereunder, in the manner provided in the reclamation law;

Article 6. NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows, to-wit:

Construction by United States

Article 7. The United States will construct the Imperial Dam in the main stream of the Colorado River at the approximate location indicated on the map marked Exhibit "A" attached hereto and by this reference made a part hereof, and will also construct the All-American Canal to the Imperial and Coachella Valleys, the approximate location of said canal to be as shown on the aforesaid Exhibit "A". Said canal shall be so constructed as to provide a designed capacity of one thousand five hundred (1500) cubic feet of water per second, to be used by the District for the benefit of

the lands now or hereafter within the District and lying within said Coachella Service Area, from and including the diversion and desilting works at said dam to the southerly end of that portion of the All-American Canal designated on said Exhibit "A" as "Main (All-American) Canal to Coachella Valley" (hereinafter styled "Coachella Main Canal"). Said Coachella Main Canal shall be constructed with such capacities as the Secretary may conclusively determine to be necessary or advisable upon engineering or economic considerations to accomplish the ends contemplated by this contract; provided, however, that changes in capacities, locations, lengths and alignments, may be made during the progress of the work as may, in the opinion of the Secretary, whose opinion shall be final and binding upon the parties hereto, be expedient, economical, necessary or advisable, except the capacity above indicated from and including the diversion and desilting works at Imperial Dam to the Southerly end of said Coachella Main Canal, which capacity may be changed only by mutual agreement between the Secretary and the District. The ultimate cost to said two districts of the Imperial Dam and All-American Canal shall in no event exceed the aggregate sum of thirty-eight million, five hundred thousand dollars (\$38,500,000.00). Such cost shall include all expenses of whatsoever kind heretofore or hereafter incurred by the United States from the Reclamation Fund or the Colorado River Dam fund in connection with, growing out of, or resulting from the construction of said Imperial Dam and All-American Canal, including but not limited to the cost of labor, materials, equipment, engineering, legal work, superintendence, administration, overhead, any and all costs arising from operation and maintenance of said Imperial Dam and All-American Canal prior to the time that said costs are assumed respectively by the said two districts, damage of all kinds and character and rights-of-way as herein-after provided. The District hereby agrees to re-pay to the United States its share of all expenditures incurred on account of any and all damages due to the existence, operation or maintenance of the diversion dam and main canal, the incurrence of which increases expenditures by the United States beyond said sum of \$38,500,000.00.

The District shall re-pay the same share of said expenditures as the share to be paid by the District under Article 10 (b) hereof of the capital cost of the particular part of said works causing such damage. The United States will invoke all legal and valid reservations of rights-of-way under acts of Congress, or otherwise reserved or held by it, without cost to the District, except that the United States reserves the right where rights-of-way are thus acquired to reimburse the owners of such lands for the value of improvements which may be destroyed, and the District agrees that the United States may include such disbursements in the cost of the Imperial Dam and All-American Canal. If rights-of-way are required over an existing project of the Bureau of Reclamation, such sum or sums as may be necessary to reimburse the United States on account of the construction charges allocated to irrigable areas absorbed in such rights-of-way shall also be considered as a part of and be included with other costs of the Imperial Dam and All-American Canal. The District agrees to convey to the United States without cost, unencumbered fee simple title to any and all lands now owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for the Imperial Dam and All-American Canal; and the District agrees that Imperial Irrigation District may convey to the United States, unencumbered fee simple title to any and all lands now owned by it which, in the opinion of the Secretary, may be required for right-of-way purposes for those portions of the Imperial Dam and All-American Canal to be used in common by said two districts, at the fair market value thereof, to be determined by the Secretary, such value to be considered (as to the District) as a part of and included with other costs of the Imperial Dam and All-American Canal. Where rights-of-way within the State of California are required for the construction of Imperial Dam and All-American Canal, and such rights of way are not reserved to the United States under Acts of Congress, or otherwise, or the lands over which such rights of way are required are not then owned by either of said two districts, then the District agrees,



(a) that it will, upon request of the Secretary, acquire title to such lands required for such purposes as lie north of the lowest turnout for East Mesa on said Coachella Main Canal, and in turn convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the District, subject to the approval of such cost by the Secretary; and (b) agrees that Imperial Irrigation District, upon request of the Secretary, may acquire title to any such lands required for such purposes as lie south of the Northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line, and likewise convey unencumbered fee simple title thereto to the United States at the actual cost thereof to the Imperial Irrigation District, subject to the approval of such cost by the Secretary.

Assumption of Operation and Maintenance  
of Common and Separate Works.

Article 8. (a). Imperial Dam and All-American Canal and Laguna Dam except (i) that portion of said Coachella Main Canal lying North of the Lowest turnout for East Mesa and (ii) that portion of the All-American Canal lying West of the Southerly end of said Coachella Main Canal and designated on said Exhibit "A" as "Main (All American) Canal to Imperial Valley" are herein styled "common works". Upon sixty (60) days written notice from the Secretary of the completion of construction of the Imperial Dam and All-American Canal, or of any major unit thereof useful to said two districts or either of them, as determined by the Secretary, whose determination thereof shall be final and binding upon the parties hereto, said Imperial Irrigation District may assume the care, operation and maintenance of said common works, or major units thereof, and thereafter said Imperial Irrigation District may care for, operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the diversion, transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted. The United States may, from time to time, in the discretion of the Secretary, resume operation and maintenance of said Imperial Dam

upon not less than sixty (60) days written notice and require reassumption thereof by said Imperial Irrigation District on like notice. During such times, after completion, as the Imperial Dam is operated and maintained by the United States, the District shall on March first of each year advance to the United States its share of the estimated cost of operation and maintenance for the following twelve months, upon estimates furnished therefor on or before September first next preceding. Such share to be advanced by the District shall be in the proportion that the capacity provided for the District in common works above Syphon Drop bears to the total capacity thereof.

(b) From and after the assumption of operation and maintenance of said common works or any major unit thereof, by Imperial Irrigation District, the District shall bear such proportion of the cost of operation and maintenance (including repairs and replacements and any charges made by the United States under Article Nine (9) hereof) of each component part of said common works, as the capacity provided for the District in such component part bears to the total capacity thereof. The District agrees, expressly for the benefit of Imperial Irrigation District, to advance to Imperial Irrigation District on or before January first of each year its said proportionate share of the estimated cost for that year of such operation and maintenance in accordance with a written notice to be issued to it by Imperial Irrigation District, provided that payment shall in no event be due until thirty (30) days after receipt of such notice. Prior to March first of each year Imperial Irrigation District shall provide the District with a written statement showing in detail the cost for the previous year for operation and maintenance of the works on account of which the District has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notices. Upon request of the District, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper

charges shall be final. Such review shall not change the due date for advance payments as herein provided and the cost of such review shall be borne equally by said two districts. The Imperial Irrigation District may at its option withhold delivery of water from the District until its proportionate share of the costs of operation and maintenance has been advanced or paid, as in this article provided and until all sums due Imperial Irrigation District under Article 10 (c) hereof have been paid.

(c) Upon sixty (60) days written notice from the Secretary of the completion of construction of the Coachella Main Canal and appurtenant structures or of any major unit thereof useful to the District, as determined by the Secretary, whose determination thereof shall be final and binding on the parties hereto, the District shall assume the care, operation and maintenance of all such works north of the lowest turnout for East Mesa on said Coachella Main Canal, and thereafter the District shall, at its own cost and without expense to the United States, care for, operate and maintain the same in such manner that such works shall remain in as good and efficient condition and of equal capacity for the transportation and distribution of water as when received from the United States, reasonable wear and damage by the elements excepted.

Upon like notice Imperial Irrigation District may assume the care, operation and maintenance, at its own cost, of all works designated on said Exhibit "A" as "Main (All American) Canal to Imperial Valley", lying west of the southerly end of the Coachella Main Canal.

(d) After the care, operation and maintenance of any of the aforesaid works have been assumed by the District, the District shall save the United States, its officers, agents and employees harmless as to any and all injury and damage to persons and property which may arise out of the care, operation and maintenance thereof. In the event the United States fails to complete the works herein contemplated and the District fails to elect to make use of works theretofore partially or

wholly constructed, the District shall be fully relieved of any and all responsibility for any further operation and maintenance of any works theretofore taken over by the District for that purpose and thereupon the District shall no longer be responsible for said maintenance or operation or damage to person or property which may arise therefrom.

Keeping Diversion Dam, Main Canal and  
Appurtenant Structures in Repair

Article 9. Except in case of emergency no substantial change in any of the works to be constructed by the United States and transferred to either of said two districts under the provisions hereof or under said Imperial Contract shall be made by such district, without first having had and obtained the written consent of the Secretary and the Secretary's opinion as to whether any change in any such works is or is not substantial shall be conclusive and binding upon the parties hereto. Such district shall promptly make any and all repairs to and replacements of all said works transferred to it under the terms and conditions hereof or under said Imperial Contract which, in the opinion of the Secretary, are deemed necessary for the proper operation and maintenance of such works. In case of neglect or failure of such district to make such repairs, the United States may, at its option, after reasonable notice to such district, cause such repairs to be made and charge the actual cost thereof, plus fifteen per centum (15%) to cover overhead and general expense to such district operating the works so repaired. On or before September first of each calendar year the United States shall give written notice to such district operating such works of the amount expended by the United States for repairs under this article during the twelve-month period immediately preceding. Such cost, plus overhead and general expense as stated above, shall be repaid by such district operating such works on March first immediately succeeding.



Agreement by District to pay for Works Constructed  
by the United States

Article 10. (a) The District agrees to pay the United States its share, as defined in sub-article (b) of this Article, of the actual cost, not exceeding thirty-eight million five hundred thousand dollars (\$38,500,000.00), incurred by the United States on account of the Imperial Dam and All-American Canal, subject, however, to the provisions of Article seven (7) hereof; provided, that should Congress and other Governmental financing authorities fail to make necessary appropriations or allocations of money to complete the work herein provided for, then the Secretary may, at such reasonable time as he may consider advisable, after Congress and such other Governmental authorities shall have failed for five (5) consecutive years to make the necessary appropriations or allocations which shall have been annually requested by the Secretary, give the District notice of the termination of work by the United States and furnish a statement of the amount actually expended by the United States thereon. Upon the receipt of such notice by the District, the District shall be given two (2) years from and after such receipt of notice to elect whether it will utilize said works theretofore constructed hereunder, or some particular part thereof. Such election on the part of the District shall be expressed by resolution of the Board of Directors submitted to the electorate of the District for approval or rejection in the manner provided by law for submission of contracts with the United States. If the District elects not to utilize, or fails within said two-year period to elect to utilize said works constructed hereunder, or some portion thereof, then the District shall have no further rights therein and no obligations therefor. If the District elects to utilize said works or a portion thereof, then the reasonable value to the District of the works so utilized, not exceeding the actual cost thereof to the United States, shall be paid by the District under the terms of this contract; the first payment to be due and payable on the first day of March following the first day of August next succeeding the final determination of the reasonable

value to the District of such works, in case no further work is done by the District. Should the District elect to complete the work contemplated by this contract, or some portion thereof, the first payment shall be due and payable on the first day of March following the first day of August next succeeding the date of final completion of the work by the District as determined by the Secretary. In determining the value of such works to the District there shall be taken into account, among other things, the method of financing required and cost of money, so that in no event shall all of the works contemplated by this contract cost the District more than they would have cost the District had they all been constructed by the United States under the terms of this contract. In the event of failure of the parties to agree as to the reasonable value to the District of the works which the District elects to use, the same shall be determined as provided in Article twenty-six (26) hereof.

(b) The amounts herein agreed to be paid by the District to the United States shall be in accordance with the following proportions, which proportions the Secretary hereby determines to be equitable and just, to-wit:

i. That proportion of the total cost of that part of said common works above Syphon Drop, excepting Laguna Dam, that the capacity provided for the District therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project,

ii. That proportion of the total cost of each component part of all said common works, other than the part above Syphon Drop, that the capacity provided for the District in such part of said works bears to the total capacity thereof.

iii. The entire cost of all works North of the lowest turnout for East Mesa on the Coachella Main Canal.

(c) The District agrees to pay to the United States on the 31st day of December of each year commencing December 31, 1935, a portion (computed in the same manner as its share of costs of common works above Syphon Drop as agreed in Article 10 (b) i hereof) of each of the annual payments (together with interest required thereon,)

then or thereafter required to be made by Imperial Irrigation District to the United States for a connection with Laguna Dam, under its contract dated October 23, 1918, and under Article sixteen (16) of said Imperial Contract, or otherwise.

The Secretary hereby determines that it is equitable and just that the District pay, and the District agrees, expressly for the benefit of Imperial Irrigation District, to pay Imperial Irrigation District the same proportion of the aggregate sum which shall have been paid by Imperial Irrigation District to the United States prior to December 31, 1935, for a connection with Laguna Dam, as aforesaid, as the proportion herein agreed to be paid by the District to the United States of payments hereafter to be made for said connection with Laguna Dam. The aggregate sum to be paid by the District to Imperial Irrigation District shall be divided into ten equal installments, payable annually on March first of each year, commencing on or before the year 1939, with interest from date hereof on unpaid balances at the rate of six per centum (6%) per annum, payable March 1st, 1936, and annually thereafter. At its option, the District may at any time pay any amount on principal of said aggregate sum in advance of the due date and interest on the amount so paid shall thereupon cease,

(d) The lands now in the District, which are also situate in the Coachella Service Area, as defined in Article seventeen (17) hereof, are designated and described in statement hereto attached, marked Exhibit "B" and by this reference made a part hereof. The Board of Directors of the District does hereby declare, determine and find, and has by the ordinance by which it authorized the execution of this contract, declared, determined and found that only that portion of the District within said area described in said Exhibit "B" is susceptible for service with water from the waterworks contemplated under this contract and that said area shall be and constitute Improvement District No. 1 of the District. Said Board of Directors does further declare, determine and find and has, by said ordinance, declared, determined



and found that that portion of said Coachella Service Area not now in the District, of which description is hereto attached, marked Exhibit "C" and by this reference made a part hereof, (hereinafter styled "Salton Area"), is also susceptible of service from said water works, and that if and when said area described in Exhibit "C" is added to the District, said area shall also be added to, and entitled to the same benefits and subject to the same obligations as the lands in said Improvement District No. 1. Said Board of Directors does further declare, determine and find and has, by said ordinance, declared, determined and found, that those certain lands in said Coachella Service Area and not now in the District, (i) shown on said Exhibit "A" as enclosed within a hatched border line and marked "Dos Palmas Area", of which description is hereto attached, marked Exhibit "D" and by this reference made a part hereof, and (ii) shown on said Exhibit "A" as bounded on the East, South and West by a like hatched border line and on the North by the North boundary line of Imperial County and lying West of Salton Sea, (herein styled "Fish Springs Area") of which description is hereto attached, marked Exhibit "E" and by this reference made a part hereof, are also susceptible of service from said waterworks and that if and when said Dos Palmas Area, or any part thereof, is added to the District, it shall be and constitute Improvement District No. 2 of the District, and that if and when said Fish Springs Area, or any part thereof, is added to the District, it shall be and constitute Improvement District No. 3 of the District.

All lands now or hereafter situate both in said Coachella Service Area and in the District are, as a whole, obligated to pay to the United States the full amount herein agreed upon, regardless of the default or failure of any tract, or of any landowner, in the payment of the taxes levied by the District against such tract or landowner, and the District shall, when necessary, levy and collect appropriate taxes to make up for the default or delinquency of any such tract of land or of any such landowner in the payment of taxes, so that in any event, and regardless of any

defaults or delinquencies in the payment of any tax or taxes, the amounts due or to become due the United States shall be paid to the United States by the District when due. No lands in the District shall be charged with any taxes or assessments under this contract except those situate within said Coachella Service Area, as defined in Article seventeen (17) hereof, or as thereunder modified.

The Improvement Districts above mentioned are hereby required to be constituted and created as nearly as may be, in the manner prescribed in said County Water District Act for creation of Improvement Districts in County Water Districts in case of ordinary issuance of bonds.

#### Changes in Boundaries of Coachella Service Area

Article 11. After the date of this contract no change shall be made in the boundaries of the Coachella Service Area as defined in Article seventeen (17) hereof and the Board of Directors shall make no order changing the boundaries of said Coachella Service Area except as provided in said Article seventeen (17); provided, however, that the Secretary hereby consents to the inclusion in said Coachella Service Area of all of the lands described on Exhibits "B", "C", "D" and "E" hereto attached.

#### Terms of Payment

Article 12. The amount herein agreed to be paid to the United States shall be due and payable in not more than forty (40) annual installments commencing with the calendar year next succeeding the year when notice of completion of all work provided for herein is given to the District or under the provisions of Article 10 (a) hereof upon termination of work through failure of Congress and other Governmental authorities to make necessary appropriations or allocations therefor. The first five (5) of such annual installments shall each be one per centum (1%) of the amount herein agreed to be paid to the United States; the next ten (10) of such installments shall each be two per centum (2%) of the amount herein agreed to be paid to the United

states, and the remainder of such annual installments shall each be three per centum (3%) of the amount herein agreed to be paid to the United States. The sums payable annually as set forth above shall be divided into two (2) equal semi-annual payments, payable on March first and September first of each year; provided, however, that if notice of the completion of work is given to the District subsequent to August first of any year the first semi-annual installment of charges hereunder shall be due and payable on March first of the second succeeding year.

#### Operation and Maintenance Costs

Article 13. Each agency which hereafter contracts for capacity to be provided for it in Imperial Dam and All-American Canal and for which agency capacity is so provided shall bear such proportionate part of the cost of operation and maintenance (including repairs and replacements) of the component parts of Imperial Dam and All-American Canal and of the Laguna Dam as may be determined by the Secretary to be equitable and just, but not less than an amount in proportion to the total amount as are the relative capacities provided in each component part for such agency and for all other agencies, including the District. Each such agency shall advance to each district operating any works provided to be used in common by such district and such agency on or before January first of each year, its proportionate share of the estimated cost for that year of operation and maintenance in accordance with a notice to be issued by such district, provided that payment shall in no event be due until thirty (30) days after receipt of notice. Prior to March 1st of each year each such district shall provide each agency with a statement showing in detail the costs for the previous year for operation and maintenance of the works on account of which such agency has made advances. Differences between actual costs and estimated costs shall be adjusted in next succeeding notices. Upon request of any agency, both the advance notice of estimated costs and the subsequent statement of actual costs for each year shall be reviewed by the Secretary and his determination of proper charges



shall be final. Such review shall not change the due date for advance payments as herein provided, and the cost of such review shall be borne equally by the requesting agency and such district. Such district may, at its option, withhold the delivery of water from any agency until its proportionate share of the costs of operation and maintenance have been advanced or paid, as in this article provided.

#### Power Possibilities

Article 14. The power possibilities on the All-American Canal down to and including Syphon Drop with water carried for the benefit of the Yuma Project as provided for in Article fifteen (15) hereof, are hereby reserved to the United States. Subject to this reservation and the participation by other agencies as provided for in Article twenty-one (21) hereof, the District shall have the privilege of utilizing by contract or otherwise, by means of the capacity to be provided for the District hereunder, such power possibilities, including those at or near Pilot Knob, as may exist upon said canal at points where and to the extent that water diverted and/or carried for the District contributes to the development of power; provided, that such privilege shall not interfere with the utilizing by Imperial Irrigation District of such power possibilities at or near Pilot Knob, by means of the capacity to be provided for Imperial Irrigation District in the All-American Canal from Syphon Drop to Pilot Knob, in excess of 8,500 cubic feet of water per second. The net proceeds as hereinafter defined in Article thirty-one (31) hereof, and as determined by the Secretary for each calendar year, from any power development which the District is hereunder authorized to make, shall be paid into the Colorado River Dam fund on March first of the next succeeding calendar year and be credited to the District on this contract until the District shall have paid thereby and/or otherwise an amount of money equivalent to that herein agreed to be paid to the United States. Thereafter such net power proceeds shall belong to the District. It is agreed that in the event the net power proceeds in any calendar year,

creditable to the District, shall exceed the annual installment of charges payable under this contract during the then current calendar year, the excess of such net power proceeds shall be credited on the next succeeding unpaid installment to become due from the District under this contract.

Diversion and Delivery of Water for Yuma Project

Article 15. The District hereby consents that there be diverted at the Imperial Dam, and transported and delivered at Syphon Drop and/or such intermediate points as may be designated by the Secretary, the available water to which the Yuma Project (situated entirely within the United States and not exceeding in area 120,000 acres plus lands lying between the project levees and the Colorado River as such levees were located in 1931) is entitled, not exceeding two thousand (2,000) second-feet of water in the aggregate, or such part thereof as the Secretary may direct, for the use and benefit of said project, including the development of power at Syphon Drop, such water to be diverted, transported and delivered continuously in so far as reasonable diligence will permit; provided, however, that water shall not be diverted, transported or delivered for the Yuma Project when the Secretary notifies Imperial Irrigation District that said project for any reason may not be entitled thereto; provided, further, that there may be diverted, transported and delivered such water in excess of requirements for irrigation or potable purposes, as determined by the Secretary, on the Yuma Project as so limited, only when such water is not required by the District for irrigation or potable purposes. The diversion, transportation and delivery of water for the Yuma Project as aforesaid shall be without expense to the United States or its successors in control of said project, as to capital investment required to provide facilities for such diversion and transportation of water except such checks, turnouts and other structures required for delivery from said canal.

Contract of October 23, 1918

Article 16. That certain contract between the United States of America and Imperial Irrigation District, bearing date of October 23, 1918, providing for a connection with Laguna Dam, having been terminated, except as to the provisions of Article nine (9) thereof, by said Imperial Contract, the District hereby consents to such partial termination of said first mentioned contract. The District hereby consents that there be furnished to the United States or its successors in interest in the control, operation and maintenance of the Yuma Project, from any power development on the All-American Canal at or near Pilot Knob, up to but not to exceed four thousand horsepower of electrical energy for use by the agency in charge of project operations for irrigation and drainage pumping purposes and necessary incidental use on said Yuma Project, such power to be furnished at cost (including overhead and general expense) plus ten per cent; provided, however, that such power at or near Pilot Knob shall not be required to be furnished except at such times as all power feasible of development at Syphon Drop or developed elsewhere within a radius of 40 miles from the City of Yuma for the benefit of the Yuma Project is being used for project operations as in this article specified.

Delivery of Water by United States

Article 17. The United States shall, from storage available in the reservoir created by Boulder Dam, deliver to or for the District, for the benefit of the lands under or that will be served from the All-American Canal in Coachella Valley, now or hereafter within the District and lying within the Coachella Service Area, hereinafter defined, each year, at a point in the Colorado River immediately above Imperial Dam, so much water as may be necessary to supply the District a total quantity, including all other waters diverted for use within the District from the Colorado River, in the amounts and with priorities in accordance with the recommendation of the Chief of the Division of Water Resources of the State of California, as follows:

(Subject to availability thereof for use in California under the Colorado River Compact and the Boulder Canyon Project Act):

The waters of the Colorado River available for use within the State of California under the Colorado River Compact and the Boulder Canyon Project Act shall be apportioned to the respective interests below named and in amounts and with priorities therein named and set forth, as follows:

Section 1. A first priority to Palo Verde Irrigation District for beneficial use exclusively upon lands in said District as it now exists and upon lands between said District and the Colorado River, aggregating (within and without said District) a gross area of 104,500 acres, such waters as may be required by said lands.

Section 2. A second priority to Yuma Project of the United States Bureau of Reclamation for beneficial use upon not exceeding a gross area of 25,000 acres of land located in said project in California, such waters as may be required by said lands.

Section 3. A third priority (a) to Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 3,850,000 acre-feet of water per annum less the beneficial consumptive use under the priorities designated in Sections 1 and 2 above. The rights designated (a) and (b) in this section are equal in priority. The total beneficial consumptive use under priorities stated in Sections 1, 2 and 3 of this article shall not exceed 3,850,000 acre feet of water per annum.

Section 4. A fourth priority to the Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum.

Section 5. A fifth priority (a) to The Metropolitan Water District of Southern California and/or the City of Los Angeles, for beneficial consumptive use, by themselves and/or others, on the Coastal Plain of Southern California, 550,000 acre-feet of water per annum and (b) to the City of San Diego and/or County of San Diego, for beneficial consumptive use, 112,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.

Section 6. A sixth priority (a) to Imperial Irrigation District and other land under or that will be served from the All-American Canal in Imperial and Coachella Valleys, and (b) to Palo Verde Irrigation District for use exclusively on 16,000 acres in that area known as the "Lower Palo Verde Mesa," adjacent to Palo Verde Irrigation District, for beneficial consumptive use, 300,000 acre-feet of water per annum. The rights designated (a) and (b) in this section are equal in priority.



Section 7. A seventh priority of all remaining water available for use within California, for agricultural use in the Colorado River Basin in California, as said basin is designated on Map No. 23000 of the Department of the Interior, Bureau of Reclamation.

Section 8. So far as the rights of the allottees named above are concerned, the Metropolitan Water District of Southern California and/or the City of Los Angeles shall have the exclusive right to withdraw and divert into its aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said District and/or said City (not exceeding at any one time 4,750,000 acre-feet in the aggregate) by reason of reduced diversions by said District and/or said City; provided, that accumulations shall be subject to such conditions as to accumulation, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between said District and/or said City and such users resulting therefrom.

Section 9. In addition, so far as the rights of the allottees named above are concerned, the City of San Diego and/or County of San Diego shall have the exclusive right to withdraw and divert into an aqueduct any water in Boulder Canyon Reservoir accumulated to the individual credit of said City and/or said County (not exceeding at any one time 250,000 acre-feet in the aggregate) by reason of reduced diversions by said City and/or said County; provided, that accumulations shall be subject to such conditions as to accumulations, retention, release and withdrawal as the Secretary of the Interior may from time to time prescribe in his discretion, and his determination thereof shall be final; provided further, that the United States of America reserves the right to make similar arrangements with users in other States without distinction in priority, and to determine the correlative relations between the said City and/or said County and such users resulting therefrom.

Section 10. In no event shall the amounts allotted in this agreement to the Metropolitan Water District of Southern California and/or the City of Los Angeles be increased on account of inclusion of a supply for both said District and said City, and either or both may use said apportionments as may be agreed by and between said District and said City.

Section 11. In no event shall the amounts allotted in this agreement to the City of San Diego and/or to the County of San Diego be increased on account of inclusion of a supply for both said City and said County, and either or both may use said apportionments as may be agreed by and between said City and said County.

Section 12. The priorities hereinbefore set forth shall be in no wise affected by the relative dates of water contracts executed by the Secretary of the Interior with the various parties.

The Secretary reserves the right to, and the District agrees that he may, contract with any of the allottees above named in accordance with the above stated recommendation, or, in the event that such recommendation as to Palo Verde Irrigation

District is superseded by an agreement between all the above allottees or by a final judicial determination, to contract with the Palo Verde Irrigation District in accordance with such agreement or determination; Provided, that priorities numbered fourth and fifth shall not thereby be disturbed.

The use of water by the District shall be in conformity to the following provisions of that certain agreement executed between the District and Imperial Irrigation District dated February 14th, 1934, hereinabove in Article 4 (c) referred to to-wit:

"Imperial Irrigation District shall have the prior right for irrigation and potable purposes only, and exclusively for use in the Imperial Service Area, as hereinafter defined or hereunder modified, to all waters apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in Imperial and Coachella Valleys as provided in the third and sixth priorities set out in the recommendation of the Chief of the Division of Water Resources of the State of California, as contained in Article 17 of the Imperial Contract. Subject to said prior right of Imperial Irrigation District, Coachella Valley County Water District shall have the next right, for irrigation and potable purposes only and exclusively for use in the Coachella Service Area, as hereinafter defined or hereunder modified, to all waters so apportioned to said Imperial Irrigation District and other lands under or that will be served from the All-American Canal in the Imperial and Coachella Valleys, as provided in said third and sixth priorities. The use of water for generation of electric energy shall be, in all respects, secondary and subservient to all requirements of said two districts for irrigation and potable purposes as above limited.

As hereinabove used, the term 'Imperial Service Area' shall comprise all lands within the boundaries of Imperial Irrigation District as said District was constituted on June 25, 1931, and all lands in Imperial and San Diego Counties, California, shown on Map marked Exhibit 'A', attached to said Imperial Contract, and included within hatched border lines indicated on said map by legend as 'Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District', other than (a) such of said lands as are labeled 'Dos Palmas Area' and (b) such of said lands as lie West of Salton Sea and North of the Northerly boundary line of Township 11, South of the San Bernardino Base Line. The term 'Coachella Service Area' shall comprise all lands described on statements hereto attached and marked Exhibits 'B', 'C', 'D' and 'E', respectively,"

(said Exhibits "B", "C", "D" and "E" being identical with Exhibits "B", "C", "D" and "E" attached to this contract between the District and the United States),

"being approximately, but not exactly, the lands within said hatched border lines shown on said Exhibit 'A', other than those included in said Imperial Service Area, Upon application of either District and with the written consent of the Secretary of the Interior, the boundaries of the service area which such district is entitled hereunder to serve may at any time or from time to time be

changed, but may not be so changed as, in the aggregate, to add more than 5000 acres to, nor to subtract more than 5000 acres from such service area, as herein defined, without the written consent of the district entitled hereunder to serve the other service area."

As far as reasonable diligence will permit said water shall be delivered as ordered by the District, and as reasonably required for potable and irrigation purposes within said Coachella Service Area. This contract is for permanent water service but is subject to the condition that Boulder Dam and Boulder Canyon Reservoir shall be used; first, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights in pursuance of Article VIII of the Colorado River Compact; and third, for power. This contract is made upon the express condition and with the express covenant that the District and the United States shall observe and be subject to, and controlled by said Colorado River Compact, in the construction, management and operation of Boulder Dam, Imperial Dam, All-American Canal, and other works and the storage, diversion, delivery and use of water for the generation of power, irrigation, and other purposes. The United States reserves the right to temporarily discontinue or reduce the amount of water to be delivered for the purpose of investigation, inspection, maintenance, repairs, replacements or installation of equipment and/or machinery at Boulder Dam, but as far as feasible the United States will give the District reasonable notice in advance of such temporary discontinuance or reduction. The United States, its officers, agents and employees shall not be liable for damages when, for any reason whatsoever, suspension or reductions in delivery of water occur. This contract is without prejudice to any other or additional rights which the District may now have not inconsistent with the foregoing provisions of this article, or may hereafter acquire in or to the waters of the Colorado River. Subject to the provisions of Article fourteen (14) hereof, nothing in this contract shall be construed to prevent the diversion by or for the District of water to the full capacity herein provided for it in the All-American Canal if and when water over and above the



quantity apportioned to it hereunder is available, and no power development at Imperial and/or Laguna Dam shall be permitted to interfere with such diversion by or for said District, but, except as provided in Article twenty-one (21) hereof, water shall not be diverted, transported nor carried by or through Imperial Dam or All-American Canal for any agency other than the District or Imperial Irrigation District, except by written consent of the Secretary.

#### Measurement of Water

Article 18. The water which the District receives under the apportionment as provided in Article seventeen (17) hereof shall be measured at such point or points on the canal as may be designated by the Secretary. Measuring and controlling devices shall be furnished and installed by the United States as a part of the work provided for herein, but shall be operated and maintained by and at the expense of the district, or districts, operating the works. They shall be and remain at all times under the complete control of the United States, whose authorized representatives may at all times have access to them over the lands and rights-of-way of the District.

#### Record of Water Diverted

Article 19. The District shall make full and complete written reports as directed by the Secretary, on forms to be supplied by the United States, of all water diverted from the Colorado River, and delivered to the District, and the disposition thereof. The records and data from which such reports are made shall be accessible to the United States on demand of the Secretary.

#### Refusal of Water in Case of Default

Article 20. The United States reserves the right to refuse to deliver water to the District in the event of default for a period of more than twelve (12) months in any payment due the United States under this contract, or in the discretion of the Secretary to reduce deliveries in such proportion as the amount in default by the

District bears to the total amount due. It is understood, however, that the provisions of this article shall not relieve the District of its obligation hereunder to divert, transport and deliver water for the use and benefit of other agencies with whom the United States may contract for the diversion, transportation and delivery of water through or by the works to be constructed under the terms hereof. The United States further reserves the right to forthwith assume control of all or any part of the works to be constructed hereunder and to care for, operate and maintain the same, so long as the Secretary deems necessary or advisable, if, in his opinion, which shall be final and binding upon the parties hereto, the District does not carry out the terms and conditions of this contract to their full extent and meaning. In such event, the District's pro rata share of the actual cost of such care, operation and maintenance by the United States shall be repaid to the United States, plus fifteen per centum (15%) to cover overhead and general expense, on March first of each year immediately succeeding the calendar year during which said works are operated and maintained by the United States. Nothing herein contained shall relieve the District of the obligation to pay in any event all installments and penalties provided in this contract.

#### Use of Works by the United States and Others

Article 21. The United States also reserves the right to, and the District agrees that it may, at any time prior to the transfer of constructed works to the District or Imperial Irrigation District for operation and maintenance, increase the capacity of such works and contract for such increased capacity with other agencies for the delivery of water for use in the United States; provided, however, that such other agencies shall not thereby be entitled to participate in power development on said All-American Canal, except at points where and to the extent that the water diverted and/or carried for them contributes to the development of power. In the event other agencies thus contract with the United States, each of such agencies shall

assume such proportion of the total cost of said works to be used jointly by such agency and the District, including Laguna Dam, as the Secretary may determine to be equitable and just but not less than the proportion that the capacity provided for such agency in such works bears to the total capacity thereof (except in that part thereof above Syphon Drop including Laguna Dam, in which part the proportion which such other agency shall assume shall be not less than the proportion that the capacity provided for such agency therein bears to the total capacity thereof less the capacity to be provided without cost to and for the Yuma Project) and the District's financial obligations under this contract shall be adjusted accordingly. In no event shall construction costs chargeable to the District be increased by reason of additional capacity being provided for any such agency or agencies or contract or contracts having been made with same. Any such agency thus contracting shall also be required to reimburse the District in such amounts and at such times as the Secretary may determine to be equitable and just for payments theretofore made by the District for the right to use Laguna Dam.

Title to Remain in the United States

Article 22. Title to the aforesaid Imperial Dam and All-American Canal shall be and remain in the United States notwithstanding transfer of the care, operation and maintenance thereof to said two districts, or either of them; provided, however, that the Secretary may, in his discretion, when repayment to the United States of all moneys advanced shall have been made, transfer the title to said main canal and appurtenant structures, except the diversion dam and the main canal and appurtenant structures down to and including Syphon Drop, to the districts or other agencies of the United States having a beneficial interest therein in proportion to their respective capital investments under such form of organization as may be acceptable to him.

### Rules and Regulations

Article 23. There is reserved to the Secretary the right to prescribe and enforce rules and regulations not inconsistent with this contract governing the diversion and delivery of water hereunder to or for the District and to other contractors. Such rules and regulations may be modified, revised and/or extended from time to time after notice to the District and opportunity for it to be heard, as may be deemed proper, necessary or desirable by the Secretary to carry out the true intent and meaning of the law and of this contract, or amendments thereof, or to protect the interests of the United States. The District hereby agrees that in the operation and maintenance of the Imperial Dam and All-American Canal, all such rules and regulations will be fully adhered to by it.

### Inspection by the United States

Article 24. The Secretary may cause to be made from time to time a reasonable inspection of the works constructed by the United States to the end that he may ascertain whether the terms of this contract are being satisfactorily executed by the District. Such proportion of the actual expense of such inspection in any calendar year, as shall be found by the Secretary to be equitable and just, shall be paid by the District to the United States on March first of each year immediately following the year in which such inspection is made, and upon statement to be furnished by the Secretary. The Secretary or his representative shall at all times have the right of ingress to and egress from all works of the District for the purpose of inspection, repairs and maintenance of works of the United States, and for all other purposes.

### Access to Books and Records

Article 25. The officials or designated representatives of the District shall have full and free access to the books and records of the United States, so far as they relate to the matters covered by this contract, with the right at any time



during office hours to make copies of and from the same; and the Secretary shall have the same right in respect of the books and records of the District.

#### Disputes or Disagreements

Article 26. Disputes or disagreements as to the interpretation or performance of the provisions of this contract, except as otherwise provided herein, shall be determined either by arbitration or court proceedings, the Secretary being authorized to act for the United States in such proceedings. Whenever a controversy arises out of this contract, and the parties hereto agree to submit the matter to arbitration, the District shall name one arbitrator and the Secretary shall name one arbitrator, and the two arbitrators thus chosen shall elect three other arbitrators, but in the event of their failure to name all or any of the three arbitrators within thirty (30) days after their first meeting, such arbitrators not so elected, shall be named by the Senior Judge of the United States Circuit Court of Appeals for the Ninth Circuit. The decision of any three of such arbitrators shall be a valid and binding award of the arbitrators.

#### Interest and Penalties

Article 27. No interest shall be charged on any installments of charges due from the District hereunder except that on all such installments or any part thereof, which may remain unpaid by the District to the United States after the same become due, there shall be added to the amount unpaid a penalty of one-half of one per centum ( $\frac{1}{2}\%$ ) and a like penalty of one-half of one per centum ( $\frac{1}{2}\%$ ) of the amount unpaid shall be added on the first day of each month thereafter so long as such default shall continue.

#### Agreement Subject to Colorado River Compact

Article 28. This contract is made upon the express condition and with the express understanding that all rights based upon this contract shall be subject to and controlled by the Colorado River Compact, being the compact or agreement signed

at Santa Fe, New Mexico, November 24, 1922, pursuant to Act of Congress approved August 19, 1921, entitled "An Act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," which compact was approved by the Boulder Canyon Project Act.

Application of Reclamation Law

Article 29. Except as provided by the Boulder Canyon Project Act, the reclamation law shall govern the construction, operation and maintenance of the works to be constructed hereunder.

Contract to be Authorized by Election and  
Confirmed by Court

Article 30. The execution of this contract by the District shall be authorized by the qualified electors of the District at an election held for that purpose. Thereafter, without delay, the District shall prosecute to judgment proceedings in court for a judicial confirmation of the authorization and validity of this contract. The United States shall not be in any manner bound under the terms and conditions of this contract unless and until a confirmatory final judgment in such proceedings shall have been rendered, including final decision, or pending appellate action if ground for appeal be laid. The District shall without delay and at its own cost and expense furnish the United States for its files, copies of proceedings relating to the election upon this contract and the confirmation proceedings in connection therewith, which said copies shall be properly certified by the Clerk of the Court in which confirmatory judgment is obtained.

Method of Determining Net Power Proceeds

Article 31. In determining the net proceeds for each calendar year from any power development which the district is hereunder authorized to make, on the All-American Canal, to be paid into the Colorado River Dam fund as provided in Article

fourteen (14) hereof, there shall be taken into consideration all items of cost of production of power, including but not necessarily limited to amortization of and interest on capital investment in power development, replacements, improvements, and operation and maintenance, if any. Any other proper factor of cost not here expressly enumerated may be taken into account in determining the net proceeds.

#### Contingent upon Appropriations

Article 32. This contract is subject to appropriations or allocations being made by Congress or other Governmental financing authority from year to year of moneys sufficient to do the work provided for herein, and to there being sufficient moneys available in the Colorado River Dam fund to permit allotments to be made for the performance of such work. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient moneys not being so appropriated nor on account of there not being sufficient moneys in the Colorado River Dam fund to permit of said allotments. If more than three years elapse after this contract becomes effective and before appropriations or allocations are available to permit the United States to make expenditures hereunder, the District may, at its option, upon giving sixty (60) days written notice to the Secretary, cancel this contract. Such option shall be expressed by vote of the electors of the District with the same formalities as required for the authorization of contracts with the United States.

#### Addition of Lands to District

Article 33. (a) The District agrees to change its boundaries, subject to presentation to its Board of Directors before January 1, 1940, of lawful and sufficient petition or petitions therefor and the approval of the electors, so as to add to the District and to its Improvement District No. 1 all lands lying within the Salton Area, referred to in Article 10 (d) hereof.

(b) Whenever any of said lands within the Coachella Service Area are added to the District, the Secretary, on behalf of the United States, hereby consents to

such addition. Nothing contained in this contract shall impair any right or remedy of any person entitled to object or protest against the addition to the District of any particular tract or tracts of land, nor impair the power of the Board to hear and determine any such objections or protests.

(c) Notwithstanding anything herein contained, the District may, at its option, change its boundaries to as to add to the District all or any part of the Dos Palmas Area, and/or of the Fish Springs Area, referred to in Article 10 (d) hereof. In the event any lands within said Dos Palmas Area or Fish Springs Area shall be added to the District such addition shall be made upon conditions substantially as herein-after contained and as and when authorized by law, and the Secretary on behalf of the United States hereby requires and consents to such conditions, to-wit:

CONDITION NO. 1

Contribution to Capital Costs

The lands within each Improvement District shall collectively bear that proportion of all costs of the Imperial Dam, and All-American Canal, including Laguna Dam, herein agreed to be borne by the District, which the area within such Improvement District bears to the total area of the Coachella Service Area from time to time within the District.

CONDITION NO. 2

Contribution to Costs Paid by District

Each Improvement District, other than Improvement District No. 1 shall bear, in the proportion set out in Condition No. 1, its share of all capital costs of the Imperial Dam and All-American Canal, including Laguna Dam, paid by the District prior to the first District tax collection from the lands within such Improvement District and shall pay such share to the District in such installments and at such times as shall be determined by resolution of the Board of Directors of the District to be just and equitable. Upon collection of said sums by the District, the

portions of the Coachella Service Area by which said sums were originally paid shall thereupon be entitled to reimbursement or credit in such manner as may be determined by said Board.

CONDITION NO. 3

Distribution System

Each improvement District shall bear the entire capital cost of any distribution system which may be constructed by or under the authority of the District to serve the lands within such Improvement District but shall not be required to bear any part of the capital cost of any distribution system to serve the lands within any other Improvement District.

CONDITION NO. 4

Taxation

All charges hereunder to be borne by each Improvement District unless otherwise collected from the lands therein, shall be a part of but in addition to the annual taxes upon said lands for other District purposes and shall constitute an additional annual charge upon said lands, to be levied upon an ad valorem or other basis as now or hereafter provided by law.

Rights Reserved under Section 3737 Revised Statutes

Article 34. All rights of action for breach of any of the provisions of this contract are reserved to the United States as provided in Section 3737 of the Revised Statutes of the United States.

Remedies Under Contract not Exclusive

Article 35. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States, the District or Imperial Irrigation District of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to

be a waiver of any other provision hereof or of a subsequent breach of such provision.

Interest in Contract not Transferable

Article 36. No interest in this contract is transferable by the District to any other party, and any such attempted transfer shall cause this contract to become subject to annulment at the option of the United States.

Member of Congress Clause

Article 37. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom. Nothing, however, herein contained shall be construed to extend to this contract if made with a corporation for its general benefit.

Contract Void If Certain Lands Included in  
Imperial Irrigation District

Article 38. In the event lawful petition or petitions sufficient in all respects for inclusion within Imperial Irrigation District of ninety per centum (90%) of the lands shown on said Exhibit "A" lying North of the Northerly boundary line of Township Eleven (11), South of the San Bernardino Base Line and bounded by the lines indicated on said Exhibit "A" as "Boundary of Additional Areas in Proposed Enlarged Imperial Irrigation District", exclusive of the Dos Palmas area and exclusive of Indian lands and public lands of the United States shall be filed pursuant to and within the time limited by said Imperial Contract, and said lands shall be thereafter included within said Imperial Irrigation District pursuant to such petition or petitions, then, as of the date of such inclusion, this contract shall terminate and be at an end.



IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA

By \_\_\_\_\_  
Federal Emergency Administrator  
of Public Works and Secretary of  
the Interior.

COACHELLA VALLEY COUNTY WATER DISTRICT

By \_\_\_\_\_  
President.

Attest:

\_\_\_\_\_  
Secretary.

EXHIBIT "B"

DESCRIPTION OF LANDS WITHIN  
COACHELLA VALLEY COUNTY WATER DISTRICT AND  
ITS IMPROVEMENT DISTRICT NO. 1 AND  
WITHIN THE COACHELLA SERVICE AREA.

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All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.W. corner of the S.E. $\frac{1}{4}$  of Section 31, Township 8 South, Range 9 East, which is a point in the South boundary line of said Coachella Valley County Water District and thence along straight lines

1. To the S.W. corner of Sec. 10, T. 8, R. 8, thence
2. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 33, T. 7, R. 8, thence
3. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
4. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 19, T. 7, R. 8, thence
5. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 19, thence along the West line of said Sec. 19
6. To the N.W. corner of said Sec. 19, thence along the South line of Sec. 13, T. 7, R. 7.
7. To the S.W. corner of said Sec. 13, thence along the West line of said Sec. 13
8. To the N.W. corner of said Sec. 13, thence
9. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 11, T. 7, R. 7, thence
10. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 11, thence along the West line of said Sec. 11
11. To the N.W. corner of said Sec. 11, thence along the South line of Sec. 3

in said Township and Range

12. To the S.W. corner of said Sec. 3, thence along the West line of said Sec. 3

13. To the N.W. corner of said Sec. 3, thence along the South line of Secs. 34 and 33, T. 6 South, R. 7 East

14. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 33, T. 6, R. 7, thence

15. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 28, T. 6, R. 7, thence

16. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, thence

17. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 20, T. 6, R. 7, thence

18. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 20, thence

19. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

20. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

21. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 17, T. 6, R. 7, thence

22. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 8, T. 6, R. 7, thence

23. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

24. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

25. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 8, thence

26. To the N.W. corner of said Sec. 8, thence

27. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 7, T. 6, R. 7, thence

28. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 7, thence

29. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence

30. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence

31. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 7, thence along the West line of said Sec. 7

32. To the S.E. corner of Sec. 1, T. 6, R. 6, thence along the South line of said Sec. 1

33. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 1, thence

34. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 1, thence along the North line of said Sec. 1

35. To the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 36, T. 5, R. 6, thence

36. To the N.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 36, thence

37. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 31, T. 5, R. 7, thence

38. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 19, T. 5, R. 7, thence

39. To the S.W. corner of the N.W. $\frac{1}{4}$  of said Sec. 19, thence

40. North along the West line of said T. 5, South to a point in the North-easterly line of the right-of-way of the State Highway commonly known as "U. S. Highway 99", thence

41. Northwesterly along said Northeasterly line of said right-of-way of said Highway to the intersection of said line with the Westerly line of the E. $\frac{1}{2}$  of Sec. 19, T. 4, R. 6, thence

42. To the N.W. corner of the S.E. $\frac{1}{4}$  of Sec. 18, T. 4, R. 6, thence

43. To the N.E. corner of the S.E. $\frac{1}{4}$  of Sec. 15, T. 4, R. 6, thence

44. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 23, T. 4, R. 6, thence

45. To the N.E. corner of the S.E. $\frac{1}{4}$  of Sec. 24, T. 4, R. 6, thence

46. To the S. W. corner of the S.E. $\frac{1}{4}$  of Sec. 34, T. 4, R. 7, thence

47. To the N.E. corner of Sec. 3, T. 5, R. 7, thence

48. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 2, T. 5, R. 7, thence

49. To the S.E. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence

50. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

51. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 1, T. 5, R. 7, thence

52. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 1, thence

53. To the S.W. corner of Sec. 6, T. 5, R. 8, thence

54. To the S.W. corner of Sec. 15, T. 5, R. 8, thence along the West line of Sec. 22, T. 5, R. 8

55. To the S.W. corner of said Sec. 22, thence

56. To the S.W. corner of the S.E. $\frac{1}{4}$  of Sec. 27, T. 5, R. 8, thence  
57. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 34, T. 5, R. 8, thence  
58. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 34, thence  
59. To the S.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 34, thence  
60. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 34, T. 5, R. 8, thence  
along the East line of said Sec. 34

61. To the S.E. corner of said Sec. 34, thence along the North line of Sec. 2,  
T. 6, R. 8

62. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence  
63. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence  
64. To the S.E. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 2, thence  
65. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence  
66. To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence  
67. To the S.W. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence  
68. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 2, thence along  
the East line of said Sec. 2

69. To the S.E. corner of said Sec. 2, thence

70. To the S.E. corner of Sec. 13, T. 6, R. 8, thence

71. To the S.E. corner of Sec. 3, T. 7, R. 9, thence along the South lines of  
Sections 2 and 1 in said Township and Range

72. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 12, T. 7, R. 9, thence

73. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 12, thence

74. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 12, thence

75. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 12, thence

76. To the N.E. corner of the S.E. $\frac{1}{4}$  of said Sec. 12, being a point on the East  
boundary line of said Coachella Valley County Water District, thence

77. South along said boundary line to the S.E. corner of Sec. 25, T. 7, R. 9,



thence along the South lines of said Sec. 25 and of Sec. 26 in said Township and Range

78. To the S.W. corner of said Sec. 26, thence
79. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 27, T. 7, R. 9, thence
80. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 27, thence
81. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 27, thence
82. To the N.W. corner of the S.W. $\frac{1}{4}$  of said Sec. 27, thence
83. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 28, T. 7, R. 9, thence
84. To the N.W. corner of the S.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 28, thence
85. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, T. 7, R. 9, thence along the North lines of said Sec. 28 and of Sec. 29 in said Township and Range
86. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 29, thence
87. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 29, thence
88. To the N.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 29, thence
89. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 29, thence
90. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 30, T. 7, R. 9, thence
91. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 30, thence
92. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 25, T. 7, R. 8, thence
93. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of said Sec. 25, thence
94. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 25, thence
95. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 25, thence
96. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 25, thence
97. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 36, T. 7, R. 8, thence
98. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 36, thence
99. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 36, thence
100. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 36, thence along the East line of said Sec. 36

101. To the S.E. corner of said Sec. 36, thence

102. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 6, T. 8, R. 9, thence

103. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 7, T. 8, R. 9, thence

104. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 7, thence along the West lines of said Sec. 7 and of Sec. 18 in said Township and Range

105. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence

106. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence

107. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 18, thence

108. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 18, thence

109. To the S.E. corner of the N.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 18, thence

110. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 18, thence along the East lines of said Sec. 18 and of Sec. 19 in said Township and Range

111. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 20, T. 8, R. 9, thence

112. To the N.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

113. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 20, thence

114. To the S.E. corner of the N.E. $\frac{1}{4}$  of said Sec. 20, thence

115. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 21, T. 8, R. 9, thence

116. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 21, thence

117. To the S.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 21, thence

118. To the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 28, T. 8, R. 9, thence

119. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 28, thence

120. To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 28, thence

121. To the N.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 33, T. 8, R. 9, thence along the North line of said Sec. 33

122. To the N.E. corner of said Sec. 33, thence along the East line of said

Sec. 33

123. To the S.E. corner of said Sec. 33, being a point in the Southerly boundary line of said Coachella Valley County Water District and of said County of Riverside, thence

124. West along said District and County boundary lines to the point of beginning.

EXHIBIT "C"

DESCRIPTION OF

LANDS OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT  
AND WITHIN THE COACHELLA SERVICE AREA,  
DESIGNATED THE SALTON AREA.

All that certain tract of land situate in the County of Riverside, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.W. corner of Section 18, Township 7 South, Range 10 East, which is a point in the East boundary line of said Coachella Valley County Water District, and running thence along the Northerly boundary lines of said Section 18 and of Section 17 in said Township and Range:

1. To the N.E. corner of Sec. 17, T. 7, R. 10, thence
2. To the N.W. corner of Sec. 26, T. 7, R. 10, thence
3. To the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 26, thence
4. To the S.W. corner of the N.W. $\frac{1}{4}$  of Sec. 36, T. 7, R. 10, thence
5. To the S.E. corner of said Sec. 36, thence
6. To the S.E. corner of Sec. 6, T. 8, R. 11, thence
7. To the S.W. corner of the S.E. $\frac{1}{4}$  of said Sec. 6, thence
8. To the S.E. corner of the N.W. $\frac{1}{4}$  of Sec. 7, T. 8, R. 11, thence
9. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 7, thence
10. To the S.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 7, thence
11. To the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 18, T. 8, R. 11, thence
12. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 18, thence
13. Along the Southerly line of the N.W. $\frac{1}{4}$  of said Sec. 18, and the Westerly

projection of said Southerly line to an intersection with the Northeasterly line of the Southern Pacific main line railroad right-of-way running through the N.E. $\frac{1}{4}$  of Sec. 13, T. 8, R. 10, thence

14. Northwesterly along said Northeasterly line of said railroad right-of-way to the intersection of said Northeasterly line with the South line of Sec. 28, T. 7, R. 10, or the Easterly projection thereof, thence along the Southerly lines of said Sec. 28 and of Sec. 29 and Sec. 30 in said Township and Range,

15. To the S.W. corner of said Sec. 30, being a point in the East boundary line of said Coachella Valley County Water District, thence

16. North along said District boundary line to the point of beginning.



EXHIBIT "D"

DESCRIPTION OF LANDS

OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND

WITHIN THE COACHELLA SERVICE AREA,

DESIGNATED THE DOS PALMAS AREA.

All that certain tract of land situate in the Counties of Riverside and Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the S.E. corner of Sec. 33, T. 8 South, R. 12 East, which is a point in the Southerly boundary line of said County of Riverside, and running thence along the Easterly boundary line of said Sec. 33:

1. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 33, thence
2. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 33, thence
3. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 33, thence
4. To the S.W. corner of the S.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
5. To the N.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 33, thence
6. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 32, T. 8, R. 12, thence
7. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 32, thence
8. Along the Northerly line of said Sec. 32 to the N.W. corner of the N.E. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 32, thence
9. To the N.E. corner of the S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of Sec. 29, T. 8, R. 12, thence
10. To the N.W. corner of said S.W. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 29, thence
11. Along the Westerly boundary line of said Sec. 29 to the N.W. corner of the S.W. $\frac{1}{4}$  of said Sec. 29, thence
12. To the S.W. corner of the N.E. $\frac{1}{4}$  of Sec. 30, T. 8, R. 12, thence

13. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 30, thence
14. Along the Northerly boundary line of said Sec. 30 to the N.W. corner of said Sec. 30, thence
15. Along the Westerly boundary line of Sec. 19, T. 8, R. 12, to the N.W. corner of said Sec. 19, thence
16. Along the Southerly boundary line of Sec. 13, T. 8, R. 11, to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 13, thence
17. To the N.W. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 12, T. 8, R. 11, thence
18. To the N.E. corner of the S.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 7, T. 8, R. 12, thence
19. Along the Easterly boundary line of said Sec. 7 to the S.E. corner of said Sec. 7, thence
20. To the S.E. corner of Sec. 17, T. 8, R. 12, thence
21. Along the Westerly boundary line of Sec. 21, T. 8, R. 12, to the S.W. corner of the N.W. $\frac{1}{4}$  of said Section, thence
22. To the N.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 21, thence
23. To the N.W. corner of the S.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 21, thence
24. To the N.E. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 21, thence
25. Along the Easterly boundary line of said Sec. 21 to the S.E. corner of said Sec. 21, thence
26. Along the Northerly boundary line of Sec. 27, T. 8, R. 12, to the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 27, thence
27. To the S.E. corner of Sec. 26, T. 8, R. 12, thence
28. Along a straight line between the N.W. corner and the S.E. corner of Sec. 36, T. 8, R. 12, to a point where said straight line intersects a projection Northerly of the East line of Sec. 2, T. 9, R. 12, thence
29. Along said last-named projected line and the East line of said Sec. 2 to

the S.E. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

30. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 2, thence

31. To the S.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 2, thence

32. Along the Southerly boundary line of said Sec. 2 to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.W. $\frac{1}{4}$  of said Sec. 2, thence

33. To the S.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 11, T. 9, R. 12,  
thence

34. To the S.W. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 10, T. 9, R. 12,  
thence

35. Along the West line of Sec. 10 to the N.W. corner of said Sec. 10, thence

36. Along the South line of Sec. 4, T. 9, R. 12, to the S.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

37. To the N.W. corner of the S.E. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

38. To the S.W. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of said Sec. 4, thence

39. To the N.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 4, being a point in the Southerly boundary line of said County of Riverside, thence

40. Along said boundary line and the Northerly boundary line of said Sec. 4 to the point of beginning.

EXHIBIT "E"

DESCRIPTION OF LANDS

OUTSIDE COACHELLA VALLEY COUNTY WATER DISTRICT AND

WITHIN THE COACHELLA SERVICE AREA,

DESIGNATED THE FISH SPRINGS AREA

All that certain tract of land situate in the County of Imperial, State of California, and in the Townships (designated "T") hereinafter mentioned South, and Ranges (designated "R") hereinafter mentioned East, of the San Bernardino Base Line and Meridian, particularly described as follows, to-wit:

Beginning at the N.E. corner of the N.W. $\frac{1}{4}$  of Sec. 4, T. 9, R. 9, which is a point in the South boundary line of Coachella Valley County Water District and of the County of Riverside and the North Boundary line of the County of Imperial and running thence along said boundary lines and along the Northerly boundary lines of said Sec. 4 and of Sec. 5, T. 9, R. 9:

1. To the N.E. corner of the N.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of said Sec. 5, thence
2. To the S.E. corner of the S.W. $\frac{1}{4}$  of the N.W. $\frac{1}{4}$  of Sec. 8, T. 9, R. 9, thence
3. To the S.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 8, thence
4. To the S.E. corner of the S.W. $\frac{1}{4}$  of said Sec. 8, thence
5. To the S.E. corner of Sec. 17, T. 9, R. 9, thence
6. To the S.E. corner of Sec. 21, T. 9, R. 9, thence
7. To the S.W. corner of Sec. 12, T. 10, R. 9, thence
8. Along the Southerly boundary line of said Sec. 12 to the S.E. corner of said Sec. 12, thence
9. To the S.E. corner of Sec. 6, T. 10, R. 10, thence
10. To the N.E. corner of the N.W. $\frac{1}{4}$  of said Sec. 6, thence
11. To the S.W. corner of the N.E. $\frac{1}{4}$  of the N.E. $\frac{1}{4}$  of Sec. 16, T. 9, R. 9, thence

12. To the N.E. corner of the N.W. $\frac{1}{4}$  of the S.E. $\frac{1}{4}$  of Sec. 4, T. 9, R. 9, thence
13. To the S.W. corner of the N.E. $\frac{1}{4}$  of said Sec. 4, thence to the point of beginning.





## APPENDIX C: STAKEHOLDER OUTREACH

Alternative Governance and Electrical Services Study - Imperial Irrigation District: Stakeholder Groups Identified by Riverside and Imperial LAFCO's

**GROUP 1 – PARTY TO THE AGREEMENT OF COMPROMISE**

- Imperial Irrigation District

**GROUP 2 – PARTY TO THE AGREEMENT OF COMPROMISE**

- Coachella Valley Water District

**GROUP 3 – TRIBAL NATIONS**

- Tribal Nations (Joseph Mirelez, Torres Martinez Desert Cahuilla Indians- Contact through CVEC Staff)
  - o Cabazon, Torres-Martinez, Augustine, Twenty-Nine Palms
- At Large Tribal Nations (Anthony Madrigal, Twenty-Nine Palms Band of Mission Indians- Contact through CVEC Staff)

**GROUP 4 – CITIES**

- City of La Quinta Linda Evans, Mayor & John McMillen, City Manager
- City of Indio Waymond Fermon, Mayor & Bryan Montgomery, City Manager
- City of Coachella Steven Hernandez, Mayor & Dr. Gabriel Martin, City Manager
- Cove Communities Services Commission (JPA between Cities of Rancho Mirage, Palm Desert, Indian Wells) Mayor Richard Balocco, City of Indian Wells- Contact through CVEC Staff
- At-Large Cities Philip Bettencourt- Contact through CVEC Staff

**GROUP 5 – STATE AND COUNTY**

- Office of Asm. Eduardo Garcia District Director- Coachella Office-
- Office of Asm. Chad Mayes- District Director- Rancho Mirage Office
- County of Riverside Gloria Fernandez- Contact through CVEC Staff
- County of Imperial LaVon Jaksch- Contact through CVEC Staff
- At-Large Counties Blaine Carian- Contact through CVEC Staff
- Riverside County 4<sup>th</sup> District Supervisor V. Manuel Perez
- Imperial County Board of Supervisors 4th District Supervisor Ryan Kelley, Board of Supervisors
- Coachella Valley Association of Governments (E&E Committee)

**GROUP 6 – LOCAL AND COMMUNITY GROUP**

- Agricultural Groups
  - o Growing Coachella Valley (P.O Box 68, Coachella, CA 92236)
  - o Imperial County Farm Bureau
  - o Imperial County Vegetable Growers Association-
- Environmental / Justice Groups
  - o Alianza
  - o Leadership Counsel for Justice and Accountability
  - o Sierra Club, San Geronio Chapter
  - o Los Amigos De La Comunidad IV
- Community Groups
  - o Riverside County's Unincorporated Community Councils
    - o Bermuda Dunes Community Council
    - o Indio Hills Community Council
    - o Mecca-North Shore Community Council
    - o Sky Valley Community Council
    - o Thermal-Oasis Community Council
    - o Thousand Palms Community Council
    - o Vista Santa Rosa Community Council
  - o Comité Civico del Valle, Inc
- Healthcare
  - o Desert Health Care District
  - o Hospitals
    - John F. Kennedy Memorial Hospital
    - Pioneers Memorial Healthcare District
- Educational Institutions
  - o Coachella Valley Unified School District
  - o Desert Sands Unified School District
  - o College of the Desert
  - o Imperial Valley College
- Other Local Government
  - o Valley Sanitary District
  - o Salton City Community Services District
  - o Bombay Beach Community Services District
  - o Desert Recreation District
- Housing Groups
  - o Coachella Valley Housing Coalition
  - o Pueblo Unido Community Development Corporation
  - o Desert Valley Builders Association
  - o California Desert Association of Realtors
- Business
  - o Greater Coachella Valley Chamber of Commerce
  - o Burrtec Waste and Recycling
- Ratepayer Advocacy
  - o Energy Consumers Advisory Committee-
- Labor
  - o IID Professional Salary Association
  - o IBEW Local 465
- Federal Government
  - o Bureau of Land Management- California Desert District
  - o Bureau of Indian Affairs- Pacific Region
- State Government
  - o California Public Utilities Commission
  - o California Energy Commission

## **Riverside and Imperial County LAFCO: Alternative Governance and Electrical Service Provisions – Imperial Irrigation District**

### Survey Questions:

1. What are your current electric service needs for residential, commercial, and/or industrial customers?
2. What would you consider the highest priority in electric service for neighboring communities within the Coachella Valley?
3. What is your assessment of future electric service needs in the broader Region?
4. What type of governance structure would you like to see for electric service in the Coachella Valley, if not the Imperial Irrigation District?
  - a. What would be the optimal governance structure that meets your needs?
  - b. Is there a governance structure that you would not be able to support?
5. What do you consider as “drivers” for potential change in electric service and/or governance? Such as service needs, costs, representation, other?
6. What areas of electric service are highest priority for you? Please provide feedback in the following areas:
  - a. Regulatory and Legal
  - b. Distribution and Transmission
  - c. Electric Generation
  - d. Planning
  - e. Financial, Administrative, and Customer Services
  - f. Rates and Cost
  - g. Reliability
  - h. Other
7. Do you believe the current electric service in the Coachella Valley is positioned for emerging industry trends, such as climate change, grid stress, reliability, and increased electrification? What do you predict will happen in the next 5 to 10 years?
8. Do you have environmental concerns on current electric generation sources?
9. If electric service from the Imperial Irrigation District were to end, what type of electric service utility would you prefer?
  - a. Municipal utility
  - b. Private utility such as Southern California Edison or San Diego Gas & Electric
  - c. City or County run utility
  - d. No preference or other
10. How can the Coachella Valley advance their electric utility service?
11. What do you believe is the biggest challenge in the electric service industry at the moment?
12. How do you feel about your electric service rates for the level of service you receive?
13. What are common misconceptions people have about electric service in Coachella Valley?
  - a. How might these misconceptions be addressed?
14. Is there anything we’re leaving out that should be addressed for electric service in the Coachella Valley?

Question Number	Stakeholder	Feedback Provided
1	What are your current electric service needs for residential, commercial, and/or industrial customers?	
	City of Indian Wells	Municipal and residential services
	Augustine Band of Cahuilla Indians	The Tribe has a 3 megawatt solar field, multiple homes, a government headquarters building, an organic farm, and a Casino that all require electrical service or connection to the grid. The tribe will also need new connections for future projects.
	City of Coachella	The Coachella Valley has the potential for significant economic development. Residential, General Service, and industrial customer loads are projected to grow from between 5 to 20 megawatts to over 300 megawatts over the next 20 years, if electric service is made available.
	Coachella Valley Water District (CVWD)	CVWD's current electrical needs are industrial and about 8 megawatts in Imperial Irrigation Districts Coachella Valley service area.
	Palm Creek Ranch, LLC-Real Estate Development	We have 820 dwelling units in our development. Imperial Irrigation District has indicated that they only have the capacity to deliver power to 250 units.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Residential, 2 adults – kitchen appliances, laundry, lighting, computers (home office, business use), irrigation, pool service. The district I am in (Rancho Mirage/Palm Desert) has residential developments similar to mine, in terms of size and electric requirements. There is also a large commercial area in this district consisting of big box, entertainment, franchises, and some small businesses. The district I am in (Rancho Mirage/Palm Desert) has residential developments similar to mine, in terms of size and electric requirements. There is also a large commercial area in this district consisting of big box, entertainment, franchises, and some small businesses.
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	I am a residential customer living in the unincorporated community of Sky Valley
	City of Indio	The demands are rapidly increasing as more residents work from home, more are making the desert communities a permanent home (not just a vacation home), and more residents are utilizing electric vehicles and other "electricity thirsty" devices. More substations are needed ASAP.
	City of La Quinta	The City of La Quinta currently has 25,875 households and more than 550 commercial/retail and/or industrial customers. Electrical consumption continues to rise with more full-time residents and building codes and state mandates that increase the demand. Existing infrastructure and substations are operating at or above their design capacity reducing reliability and redundancy. Based on current proposed projects in La Quinta one new substation and four substation expansions are required.
	Alianza Coachella Valley	I'm not sure how to answer this question. Is it referring to how many watts we use per month? We get electricity services at our organization building. We do not pay for electric services, the City of Coachella does.
	Resident, City of Indio	Current provisions by Imperial Irrigation District are good – our current needs are met. However, as flex-alerts (or whatever it is that Imperial Irrigation District calls them), suggest that demand can already peak beyond capacity. Demand will only increase with new development and more electrification (cars, and home heating and water heating) with state phasing-out of fossil fuels for them in the next 10-20 years.
2	What would you consider the highest priority in electric service for neighboring communities within the Coachella Valley?	
	City of Indian Wells	Reliability
	Augustine Band of Cahuilla Indians	Uninterrupted, reliable, and clean energy for the valley's current and future needs.
	City of Coachella	Electric Service in the Economic Development Zone.
	Coachella Valley Water District (CVWD)	Highest priority would be representation of all utility ratepayers on the governing board. A close second would be uninterruptible service at reasonable rates. Municipalities want infrastructure. It is hard to determine whether the current electrical service provider has provided adequate system maintenance consistent with best industry standards.
	Palm Creek Ranch, LLC-Real Estate Development	The ability to deliver reliable and efficient power to accommodate growth in the Coachella Valley.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	. Hospital/health services . Police, fire, public safety . Preparedness for extreme emergencies
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	Reliable and reasonably priced service
	City of Indio	Key infrastructure upgrades, with a focus on substations. These are critical for the reliability, redundancy, safety, and economic development of our communities.
	City of La Quinta	Throughout the Coachella Valley, communities have the need for electric infrastructure which is essential in promoting system reliability and supporting prudent economic development.  Critical local electricity infrastructure in the Coachella Valley needs major upgrade, repair, and expansion to improve safety, reliability, redundancy, and the economic viability of the valley.  Growth and development including the need for more affordable housing units cannot occur without additional substations. Already La Quinta is seeing potential housing and development projects not moving forward because of the lack of service and high cost for additional substations. Many residential/commercial/retail projects once approved for electrical/energy service have since received letters of "no service," essentially killing the projects.
	Alianza Coachella Valley	Affordable prices are the highest priority along with quality service.
	Resident, City of Indio	I think the question refers to my town, Indio and others, as one of those "neighboring communities". With that in-mind, my answer to Question 1 mostly covers this. But, here I will add that I know that in communities such as Indio, some folks are concerned about our limited representation within Imperial Irrigation District. So far, I don't have a complaint that I can associate with that issue personally.
3	What is your assessment of future electric service needs in the broader Region?	
	City of Indian Wells	With the increase use of EV's, supply and infrastructure are two major concerns.
	Augustine Band of Cahuilla Indians	Due to the growing population and increasing environmental pressures the region will need to have multiple new reliable sources of power.
	City of Coachella	Agricultural and industrial retail customers will continue to drive growth of retail sales the broader region.
	Coachella Valley Water District (CVWD)	It is our understanding that La Quinta, Indio, Coachella and Riverside County all need additional substations to support growth, which will require additional transmission and generation assets as well.
	Palm Creek Ranch, LLC-Real Estate Development	Will continue to grow with the growth in the region.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	. Increasing housing tracts/residential development . Walt Disney World . Increasing hospital development . Associated services & small businesses/big box to support the above
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	I expect the needs will increase as population increases.
	City of Indio	I believe the responses to the questions above also provide an answer to this question.



	City of La Quinta	Throughout the Coachella Valley, communities have the need for electric infrastructure which is essential in promoting system reliability and supporting prudent economic development. Critical local electricity infrastructure in the Coachella Valley needs a major upgrade, repair, and expansion to improve safety, reliability, redundancy, and the economic viability of the valley. Growth and development including the need for more affordable housing units cannot occur without additional substations.
	Alianza Coachella Valley	. Upgrading and replacement . More energy demand as temperatures increase . Emergency systems in place for power outages . More dependent energy infrastructure
	Resident, City of Indio	Electrical demand will dramatically increase as homes and businesses move away from gasoline and natural gas as the state starts in 2030 to phase out the sale of natural gas space heaters, water heaters and then cars in 2035. New development will also add to the load.
4a	<b>What type of governance structure would you like to see for electric service in the Coachella Valley, if not the Imperial Irrigation District?</b> <b>a. What would be the optimal governance structure that meets your needs?</b>	
	City of Indian Wells	Board/customer structure
	Augustine Band of Cahuilla Indians	Equal representation for all key stakeholders in the valley with a focus on providing energy instead of profit.
	City of Coachella	A Municipal Utility would allow for greater local control.
	Coachella Valley Water District (CVWD)	CVWD believes that if a public entity is to provide electric service to the Coachella Valley, the governance structure should provide the Coachella Valley ratepayers with voting representation and recognize that the ratepayers paid for and own the electric infrastructure.
	Palm Creek Ranch, LLC-Real Estate Development	The entity providing the power for the region needs to be held accountable to the needs of the Coachella Valley ratepayers either by being regulated by state and/or federal regulatory bodies or by real representation on the governing board of the entity.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Would prefer community-oriented, non-profit with elected board members; don't know anyone in my area dissatisfied with current Imperial Irrigation District organization
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	I believe that the current governance structure with Imperial Irrigation District is optimal.
	City of Indio	A representation of all customers within the Imperial Irrigation District service territory is needed. The interests relating to electricity are different between the two counties, so a Coachella Valley entity is really the optimal solution. This could be a service/special district or JPA.
	City of La Quinta	Local representation is critical to ensure the needs of the Coachella Valley are delivered. Likely the optimal structure would be a Municipal Utility District.
	Alianza Coachella Valley	There is representation of the Coachella Valley in the Imperial Irrigation District Board
	Resident, City of Indio	Public utility (like Imperial Irrigation District) but with better representation for Coachella Valley power customers. Again, I don't have much of a problem with Imperial Irrigation District's service, so I can't complain about the choices Imperial Irrigation District's governance has made. But, I do see it as potentially problematic that out-of-district power customers don't feel properly represented. However, it is already much better than it would be if we were dealing with a private power provider like Edison. (Edison customers don't have better representation!)
4b	<b>What type of governance structure would you like to see for electric service in the Coachella Valley, if not the Imperial Irrigation District?</b> <b>b. Is there a governance structure that you would not be able to support?</b>	
	City of Indian Wells	Unknown
	Augustine Band of Cahuilla Indians	A structure that does not listen to its stakeholders and focuses on profit.
	City of Coachella	Not answered.
	Coachella Valley Water District (CVWD)	CVWD could not support a governance structure that continues to ignore the majority of the ratepayers to which it provides service.
	Palm Creek Ranch, LLC-Real Estate Development	It is inherently unfair and problematic to elect the Board Members from small population districts outside of the region that may have competing interests with the residences of Coachella Valley.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	A one-city (e.g., LA DWP) structure, trade association or government association (e.g., CVAG)
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	I do not support any change in the governance structure.
	City of Indio	The current structure is unfair and unworkable.
	City of La Quinta	One that does not provide local representation and control.
	Alianza Coachella Valley	Private entity
	Resident, City of Indio	Yes, private.
5	<b>What do you consider as "drivers" for potential change in electric service and/or governance? Such as service needs, costs, representation, other?</b>	
	City of Indian Wells	The State's push for exclusive EV vehicles increases service needs beyond the infrastructure's capacity
	Augustine Band of Cahuilla Indians	Reliable service, cost, representation, and a willingness to prioritize alternative or renewable energy sources.
	City of Coachella	Representation and service needs. The City would like to encourage economic development. Potential new customers have reported they are unable to obtain electric service due to line extension policies established by Imperial Irrigation District (cost prohibitive).
	Coachella Valley Water District (CVWD)	The primary "driver" for change would be recognizing that 60% of the current revenue stream comes from ratepayers in the provider's total service area who are not currently able to vote for representation on the governing board. Secondly, a determination on ownership of the electric infrastructure currently providing service is needed, to include all distribution, transmission and generation assets, regardless of physical location.
	Palm Creek Ranch, LLC-Real Estate Development	All the above.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	. Washington, DC by way of Sacramento . Increasing local population . Migration from coastal areas . Possibly local representation
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	I think service needs and costs are the main drivers. I do not think there is any problem with the current governance structure.
	City of Indio	For electric service, there needs to be revenues generated and dedicated to infrastructure improvements – just like the rate cases made by investor-owned utilities. The CPUC requires those entities to provide for infrastructure improvements and approves rates that provide the revenues needed. For governance, there needs to be fair representation. With such disparate conditions and interests between the two counties, the Coachella Valley needs its own governance structure for electricity.
	City of La Quinta	Service needs and representation are the top priorities.
	Alianza Coachella Valley	Costs and needs would be some of the biggest drivers for potential change

	Resident, City of Indio	Increasing demand ... capacity and stability of supply. Costs and rates. Since the state is saying we want to do better re the environment and climate change (good); let's be honest about it. Will generation be green? Will storage be green, will batteries be green in their production and disposal/recycling? If individuals are on the line to pay the bill: buy new electric cars and replace batteries that don't hold up well in the desert heat; to retrofit our homes for electric heating and pay more per mile, more per BTU, for energy ... there's going to be a lot of scrutiny. If these transitions are greenwashed behind the scenes that will get called out. Tens of thousands of people paying tens of thousands of dollars on mandates to buy new hardware (cars, heaters, etc.) and more to use them are going to want those things not only to work, but to deliver on the promise of a greener future. They are going to look behind the curtain.
6	What area(s) of electric service are highest priority for you? Please provide feedback in the following areas:	
	City of Indian Wells	<b>a. Regulatory and Legal</b> - Low Priority <b>b. Distribution and Transmission</b> - High Priority <b>c. Electric Generation</b> - High Priority <b>d. Planning</b> - High Priority <b>e. Financial, Administrative, and Customer Services</b> - Medium Priority <b>f. Rates and Cost</b> - Medium Priority <b>g. Reliability</b> - High Priority <b>h. Other</b> - n/a
	Augustine Band of Cahuilla Indians	<b>a. Regulatory and Legal</b> - Providing regulatory and legal issues in layman terms <b>b. Distribution and Transmission</b> - 4 Insuring availability for future growth. <b>c. Electric Generation</b> - 3 Increase of clean, reliable, local generation. <b>d. Planning</b> - Insuring a solution should Imperial Irrigation District leave the Coachella Valley. <b>e. Financial, Administrative, and Customer Services</b> - Improving customer service and ability to request information or data (Billing, usage, contracts, etc.). Communication between departments within Imperial Irrigation District could be improved. <b>f. Rates and Cost</b> - 1 Increase cost with decrease in reliability. <b>g. Reliability</b> - 2 Outage and brownouts have increased which has had a direct negative impact on tribal revenues. <b>h. Other</b> - Insuring a good relationship with the Augustine tribe on all aspects of power.
	City of Coachella	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission</b> <b>c. Electric Generation</b> <b>d. Planning</b> - Utility infrastructure investments are needed to encourage economic growth in the Coachella Valley. Imperial Irrigation District should already be designing new sub stations and ordering new equipment in order to meet current and future demand. <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> - The majority of the City of Coachella is a disadvantaged community that has a low household income. Rates must continue to be affordable due to the socioeconomic status of the community especially during the summer months when extreme climate can cause dangerous situations for those who cannot afford power for AC. <b>g. Reliability</b> <b>h. Other</b>
	Coachella Valley Water District (CVWD)	<b>a. Regulatory and Legal</b> - n/a <b>b. Distribution and Transmission</b> - fifth priority <b>c. Electric Generation</b> - seventh priority <b>d. Planning</b> - fourth priority <b>e. Financial, Administrative, and Customer Services</b> - third priority <b>f. Rates and Cost</b> - sixth priority <b>g. Reliability</b> - second priority <b>h. Other</b> - CVWD believes first and foremost that representation of Coachella Service Area ratepayers must be included in the electric utility governing board.
	Palm Creek Ranch, LLC-Real Estate Development	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission</b> <b>c. Electric Generation</b> <b>d. Planning</b> - Supporting growth at an efficient rate and cost will always be the balance. <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> <b>g. Reliability</b> <b>h. Other</b>
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission</b> <b>c. Electric Generation</b> - #1 <b>d. Planning</b> - #2 <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> - #3 <b>g. Reliability</b> <b>h. Other</b> - I believe #1 and #2 together are critical in early stages in order to provide reliable service, as well as keeping rates/costs competitive.
	Leadership Counsel for Justice and Accountability	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission</b> <b>c. Electric Generation</b> <b>d. Planning</b> <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> <b>g. Reliability</b> <b>h. Other</b>
	Member of the Sky Valley Community Council	No answer.
	City of Indio	<b>a. Regulatory and Legal</b> - Policies need to be changed and more realistic relating to covering the costs of new substations. While a development impact fee makes sense to reimburse a reasonable share to access existing infrastructure, the upfront cost of the infrastructure should be covered by rates - similar to the investor-owned utilities. <b>b. Distribution and Transmission</b> - MOST important. Rates have been too low for too long and aren't providing the necessary resources. <b>c. Electric Generation</b> <b>d. Planning</b> <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> - Rates are low and don't appear to generate the revenues needed. <b>g. Reliability</b> - The system has many aged components that need replacement. <b>h. Other</b>
	City of La Quinta	No answer.

	Alianza Coachella Valley	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission - Huge priority</b> <b>c. Electric Generation - Huge priority.</b> As temperatures increase, there is more demand for energy to help cool down <b>d. Planning - a Priority, especially as energy demands increase throughout the seasons</b> <b>e. Financial, Administrative, and Customer Services - I think Imperial Irrigation District does a good job here at financial, administrative and customer services.</b> <b>f. Rates and Cost - Highest priority</b> <b>g. Reliability - High priority</b> <b>h. Other</b>
	Resident, City of Indio	<b>a. Regulatory and Legal</b> <b>b. Distribution and Transmission</b> <b>c. Electric Generation</b> <b>d. Planning</b> <b>e. Financial, Administrative, and Customer Services</b> <b>f. Rates and Cost</b> <b>g. Reliability</b> <b>h. Other - All of the above, plus storage for green generation sources that do not reliably produce electricity 24/7/365.</b>
7	Do you believe the current electric service in the Coachella Vally is positioned for emerging industry trends, such as climate change, grid stress, reliability, and increased electrification? What do you predict will happen in the next 5 to 10 years?	
	City of Indian Wells	It is sufficient for current and near future needs, but it is not sufficient for long term area needs
	Augustine Band of Cahuilla Indians	No, there will be an increase of stress on the system which will lead to increased outages and other negative effects which could led to disastrous events in the Coachella Valley.
	City of Coachella	Microgrids will become standard utility practice. Retail rates will need to reflect the nature of decentralized systems.
	Coachella Valley Water District (CVWD)	No, the current electric service provider is not well positioned in the Coachella service area to support new development or growth as the area needs additional substations, transmission and generation investment.
	Palm Creek Ranch, LLC-Real Estate Development	The Valley is well positioned to capitalize on renewable energy provided by hydroelectric, wind and solar to provide cheap and clean energy into the future.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	I have no idea what "climate change" refers to specifically, and the only reason we have "grid stress" is that we are not using the power creation sources we already have on hand.
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	Yes, I think Imperial Irrigation District is as well positioned as any other electric service provider to address emerging issues relative to climate change, grid stress, reliability and increased electric usage.
	City of Indio	The electrical service is not positioned well. We are aware of a handful of potential employers who have turned away from the Imperial Irrigation District territory because of the lack of infrastructure.
	City of La Quinta	Critical local electricity infrastructure in the Coachella Valley needs a major upgrade, repair and expansion to improve safety, reliability, redundancy, and the economic viability of the Valley. The Imperial Irrigation District's (Imperial Irrigation District) rate structure is very low and not adequate to address these critical infrastructure needs. Rates must increase to improve and expand the necessary infrastructure in order to meet the future demands.
	Alianza Coachella Valley	I am not very confident the current electric service in the Coachella Valley is positioned for emerging industry trends. Currently, the ECV does not yet have a reliable electric grid. We constantly have to try to save energy during heat waves. I think that there will be some improvements in the next 5 to 10 years and remain optimistic but this work to improve the energy grid needs to be sooner than later.
	Resident, City of Indio	No it can't be positioned for the future if we already get warned about current demand outstripping capacity. In 5-10 years demand will be dramatically increased given California's plans.
8	Do you have environmental concerns on current electric generation sources?	
	City of Indian Wells	Yes. Sustainability is important for long term reliable service
	Augustine Band of Cahuilla Indians	The tribe supports current trend towards renewable clean sources.
	City of Coachella	No.
	Coachella Valley Water District (CVWD)	Yes, it is currently unclear how the current electric service provider is able to comply with the state-wide requirement to go to 100% renewable. The development of geothermal and the harvesting of lithium is a growing concern.
	Palm Creek Ranch, LLC-Real Estate Development	No answer.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	I am very concerned about so-called "green energy", which I believe to be almost non-existent in quantity, and what is available is unreliable and I don't see anyone planning infrastructure for this - whatever it is. I have no problem with fossil fuels, as long as there are continued efforts to upgrade them and continue moving towards cleaner fossil fuels.
	Leadership Counsel for Justice and Accountability	
	Member of the Sky Valley Community Council	No - though I think we will all need to move to wind and solar sources.
	City of Indio	None that I am aware of.
	City of La Quinta	There needs to be a balance of sources. Clean and renewable sources should be utilized where practical and financially sensible. Similar to the answer above: Critical local electricity infrastructure in the Coachella Valley is in need of upgrade, repair and expansion to improve safety, reliability, redundancy, and the economic viability of the Valley.
	Alianza Coachella Valley	I'm not entirely sure how Imperial Irrigation District creates their energy. I know some of it is geothermal which is great. However, if energy is generated through coal burning power plants, that is a major environmental concern. There needs to be a transition to fully renewable energy as quickly and safely as possible
	Resident, City of Indio	Maybe. I don't actually know how all Imperial Irrigation District sources electricity at this time. That may be public info., I just don't know it.
9	If electric service from the Imperial Irrigation District were to end, what type of electric service utility would you prefer? <b>a. Municipal utility</b> <b>b. Private utility such as Southern California Edison or San Diego Gas &amp; Electric</b> <b>c. City or County run utility</b> <b>d. No preference or other</b>	
	City of Indian Wells	Municipal utility
	Augustine Band of Cahuilla Indians	No preference or other
	City of Coachella	Municipal utility; City or County run utility
	Coachella Valley Water District (CVWD)	No preference or other... CVWD prefers an entity that would provide for the representation of all its ratepayers
	Palm Creek Ranch, LLC-Real Estate Development	This question cannot be answered without knowing the cost, rate structure and ability to provide for planning and growth of each alternative. The ability to access an efficient and seamless approval process and timely delivery is important to accommodate future growth.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Municipal utility; How is "municipal" different from "city"? I would like to see a conglomerate of cities in Coachella Valley form an entity that would provide the service - if Imperial Irrigation District is going away, which I hope it is NOT

	Leadership Counsel for Justice and Accountability	If a transition towards a new electric service utility is being considered it is vital that the direct input of the impacted Riverside County customers is directly considered. We recommend attaching a survey to Riverside County's Imperial Irrigation District customers who will be impacted by this change. The survey should ask residents what their preferred electric service utility looks like, provide the potential options, and provide a summary of the pros and cons for each of these options. The survey should be easy to understand, be provided in English, Spanish, and Purepecha, and be easy to submit once completed. Additionally, we prefer a service utility that is publicly owned or government-regulated and we do not support a privately owned utility.
	Member of the Sky Valley Community Council	Municipal utility; I would be very unhappy were Imperial Irrigation District's electrical service to end and be replaced by any of the options listed above in (a) through (c). I know that the two private utility providers mentioned in (b) provide terrible service at high prices. I do not want to be subject to the governmental bureaucracies that municipal, city or county run utilities would bring with them.
	City of Indio	Municipal utility; Perhaps with more than one city
	City of La Quinta	No preference or other; New special district or JPA
	Alianza Coachella Valley	Municipal utility
	Resident, City of Indio	Municipal utility; City or County run utility
10	How can the Coachella Valley advance their electric utility service?	
	City of Indian Wells	Require development to build energy efficient buildings with solar power infrastructure in place
	Augustine Band of Cahuilla Indians	Increase focus on maintenance of equipment and system. Update aged systems. Utilize most current technologies when expanding grid to increase efficiency and reliability in delivery of power. Increase focus on local energy production.
	City of Coachella	Investment in local resources, customer programs such as energy efficiency, increase local control.
	Coachella Valley Water District (CVWD)	By recognizing that the 1934 Compromise Agreement does not provide clear guidance on "what happens next" nor does it guarantee that the current electric provider will have a continuing presence. In order to fully evaluate alternatives, a legal determination must be made on ownership of all assets (distribution, transmission and generation) and voting representation rights of all ratepayers must be accommodated.
	Palm Creek Ranch, LLC-Real Estate Development	Providing reliable power at cheap rates without delay for growth.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Sorry, I don't understand the question.
	Leadership Counsel for Justice and Accountability	Imperial Irrigation District (or any future service provider) must ensure adequate representation that ensures that the needs of individual communities and cities are addressed. The needs of the ECV as described throughout our responses to this questionnaire represent the needed advances to improve the electric utility service for the ECV.
	Member of the Sky Valley Community Council	This is a meaningless question.
	City of Indio	By encouraging Imperial Irrigation District to make the investments here and eventually some other governance model be put in place.
	City of La Quinta	Plan ahead and build modern infrastructure for the future.
	Alianza Coachella Valley	A more reliable energy grid. There are power outages more often than there should be. Financial programs have been a benefit for those that need more affordable rates.
	Resident, City of Indio	Planning for the future with increased demand.
11	What do you believe is the biggest challenge in the electric service industry at the moment?	
	City of Indian Wells	Fire hazard caused by lack of system maintenance and/or upgrades
	Augustine Band of Cahuilla Indians	Reliance on power sources outside of the region that can be reduced or taken away.
	City of Coachella	Some ideas: • Electrification under renewable and greenhouse gas mandates, transmission investments • PSPS events (may not be applicable down south?) • High-cost summer events – market price duck curve • communication with retail customers about time of use issues
	Coachella Valley Water District (CVWD)	System maintenance costs and the requirement to move to 100% renewable generation.
	Palm Creek Ranch, LLC-Real Estate Development	Ability to provide for efficient growth.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	. Misinformation . Government
	Leadership Counsel for Justice and Accountability	The biggest challenge in the electric service industry at the moment is mitigating and adapting to climate change, including extreme weather events while providing affordable and reliable electricity to consumers.
	Member of the Sky Valley Community Council	Enhancing the development of wind and solar sources of electric power.
	City of Indio	I think key infrastructure and supply-chain issues for components of that infrastructure.
	City of La Quinta	Meeting State requirements, mandates for larger percentages of renewable generation, large infrastructure costs, and long lead times on project components/supplies.
	Alianza Coachella Valley	A stable and reliable energy grid during heat waves.
	Resident, City of Indio	At the moment it is okay – just a little reliability issue in summer's peak heat. The future will bring a huge increase in demand. That needs current attention!
12	How do you feel about your electric service rates for the level of service you receive?	
	City of Indian Wells	The rates are reasonable compared to the service provided
	Augustine Band of Cahuilla Indians	The rates are high for the level of service and reliability we receive.
	City of Coachella	Imperial Irrigation District rates are lower than SCE rates.
	Coachella Valley Water District (CVWD)	While the residential rates may be lower than those of any alternative providers, the current electric service provider does not offer the same industrial/commercial incentives as local investor owned utilities to reduce peak usage
	Palm Creek Ranch, LLC-Real Estate Development	One cannot rate service levels for what they cannot get.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Excellent!
	Leadership Counsel for Justice and Accountability	As described in our response to question #6 subsection e and f there needs to be increased transparency on bill structure and rates. In general ECV residents express concern about the fluctuation of bills without a clear explanation. Some ECV residents have shared that their bill surpasses the \$300 charge which does not seem reasonable.
	Member of the Sky Valley Community Council	I think Imperial Irrigation District has fair rates for the service provided.
	City of Indio	The rates seem fine, but not adequate for needed infrastructure upgrades. In some ways, the low rates are a great disservice to the customers.
	City of La Quinta	The Imperial Irrigation District's (Imperial Irrigation District) rate structure is very low (over 60% below the rates of Southern California Edison) and not adequate to address these critical infrastructure needs.
	Alianza Coachella Valley	The city pays for the electric service rates at our building. We rent the area space so I think this question is not applicable to us. As a community member of Coachella that receives electric service from Imperial Irrigation District, we found we have reliable access to electricity for the most part. The rates could be more affordable.
	Resident, City of Indio	I choke on my summer electric bill. But, we get by comfortably.
13	What are common misconceptions people have about electric service in Coachella Valley, and how might these misconceptions be addressed?	

	City of Indian Wells	The service will be available after a large natural disaster. Emergency preparedness and self sufficiency materials in the billing documents will increase awareness
	Augustine Band of Cahuilla Indians	The tribe is unaware of current misconceptions about electric service in the Coachella Valley
	City of Coachella	1. The Imperial Irrigation District system is outdated and oversubscribed which will deter developers from bringing in economic development project and create new industries and jobs. 2. Imperial Irrigation District has a long bureaucratic process in order to obtain approvals, will serve letters and construction schedules for projects. 3. Coachella Valley residents/customers do not have any representation or voice on the Imperial Irrigation District Board, even though they are the majority of the electric customers for the district.
	Coachella Valley Water District (CVWD)	The current electric service provider treats both Imperial and Coachella service areas with the same priority and investment. The current governance structure accurately reflects all ratepayer interests. The current electrical service provider can only exist as a combined water and electric utility.
	Palm Creek Ranch, LLC-Real Estate Development	That power supporting growth is available. More emphasis on forward planning and delivery of power to accommodate future housing needs would be beneficial to all parties.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	Most people I've asked have no idea how electricity is created/generated or where it comes from. Some just assume that it's "clean" because they don't see or smell emissions from their EVs.
	Leadership Counsel for Justice and Accountability	One misconception we often hear is the supposed "low demand" for energy service in the ECV and Imperial County. While the population in both areas may be low compared to more urban areas, these regions still lack energy reliability and adequate infrastructure. In the ECV, many mobile home parks don't have the appropriate metering systems for each unit which reduces the number of actual customers.
	Member of the Sky Valley Community Council	I am not aware of common misconceptions which other people have. Again...a meaningless question.
	City of Indio	A key one is that we praise and are proud of low rates, but the misconception is that scenario is not sustainable and, in a way, unfair to the ratepayers.
	City of La Quinta	That there is an endless supply, and supply will meet growing demands. Conveying to existing residents/ratepayers the current critical situation, and the benefits of upgrades to them in the future, is crucial.
	Alianza Coachella Valley	Possibly who uses the most electric service and puts more stress on the energy grid (it is not low-income residents). That there will always be energy available for customers, and programs spreading awareness of efficient energy use can help address that. Maybe not so much a misconception as it is a question but where is the money collected from customers going into? Is it being used to upgrade infrastructure?
	Resident, City of Indio	I'm not sure. (Maybe I've shown some misconceptions myself? Ha). I guess that Imperial Irrigation District power customers outside of Imperial Irrigation District's district, may be concerned about governance/representation. But, again, I think pointing out how our neighbors in the Valley - served by Edison - are probably less represented, might help in that regard. I really don't understand why CVWD needed to agree to let Imperial Irrigation District serve folks like us in Indio. I didn't know that they did; and I didn't know we were about to face an expiration of such an agreement. This was the first I'd known of that. CVWD hasn't offered power service that I am aware of. Is CVWD prepared to tackle our power needs? If not, I don't think Imperial Irrigation District should need to submit to CVWD for agreement (or at least I don't understand why).
14	Is there anything we're leaving out that should be addressed for electric service in the Coachella Valley?	
	City of Indian Wells	No
	Augustine Band of Cahuilla Indians	Not at this time.
	City of Coachella	The conditions of existing sub-stations in sub-urban areas within Cities need to be addressed. Some of the sub-stations in Coachella are in the middle of residential and affordable housing areas; however, they do not have sidewalks, streetlights, bike lanes and ADA ramps for safe accessibility or active transportation for residents. They can also use some beautification, such as landscaping and trees to reduce the carbon emission footprint from the gas turbine generators on site.
	Coachella Valley Water District (CVWD)	Yes, we believe that there is a history and context to the Compromise Agreement that would be helpful for you to consider as part of your process (see full response on his returned questionnaire)
	Palm Creek Ranch, LLC-Real Estate Development	The interests of the rate payers in the Imperial Valley have historically differed than the interests of the ratepayers in the Coachella Valley. The Imperial Valley has long concerned itself with water and cheap power needs while the Coachella Valley has experienced explosive growth creating a greater interest in power availability and timeliness. Continuing to ignore these differences will continue to foster problems.
	Imperial Irrigation District Energy Consumers Advisory Committee (ECAC)	How will changes to operations work with Southern California Edison and/or any other utility providers? ***Most of these operations currently are or may be serviced in the future by Southern California Edison, not Imperial Irrigation District.
	Leadership Counsel for Justice and Accountability	No answer.
	Member of the Sky Valley Community Council	No.
	City of Indio	No answer.
	City of La Quinta	New technology should be properly incentivized and the grid design should utilize the latest technology to maximize efficiency and future expandability.
	Alianza Coachella Valley	No answer.
	Resident, City of Indio	Well, this isn't limited to the Coachella Valley, but with the state's upcoming prohibitions on the sale of most fossil fuel powered hardware (cars, trucks, heaters, water heaters), I think private individuals need some help figuring out how they are going to manage the transition in terms of what will be required of them personally. I'm a little frightened. I wonder if I'm going to be able to afford it. The state's prohibitions don't amount to a plan. I haven't heard about a detailed plan that helps folks know where they (we) fit in.  We are clearly dealing with more heat and extreme weather events right here (things are worse in many places around the world). We need to change, but folks need to understand that they can (that they'll be able to) play their part and then get on with life. I am retired. Will I need to leave California, the Coachella Valley, Indio ... home? I don't want that! I do want to be part of the solution, but I'm not happy with communication re plans that might help give me some confidence that I will be able to take that part in terms of paying for it.



Mariela Loera &lt;mloera@leadershipcounsel.org&gt;

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## Public Comment in Response to the Appointment of At-Large Representative for CVEC

2 messages

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**Mariela Loera** <mloera@leadershipcounsel.org>  
To: CVECcomments@iid.com

Wed, Oct 6, 2021 at 1:57 PM

Residents from the communities of Mecca, North Shore, and Thermal have put together the following list of qualities that they would like to see in the person appointed as the at-large representative focusing on the unincorporated communities of Riverside County and Imperial County.

As the commission moves forward in the process of appointing this person they should take these into serious consideration given that the ask comes from people who will be directly represented. Additionally, it is important that there is a focus on the communities of Riverside County given that the purpose of this space is to bring representation to this region and address the unreliable and outdated electricity infrastructure.

Residents would like to see an individual that is a resident of the Eastern Coachella Valley and is able to relate and has shared lived experiences related to the lifestyle and experiences of those in their communities. The person should also be familiar with these communities including who they are and what their history and challenges have been. It is important that they are transparent, honest, accessible, bilingual, outspoken, and have the time, energy, and ability to fully participate and represent the needs of the community in the commission.

--

**Mariela Loera (she/her/hers)**

**Policy Advocate**

**Leadership Counsel for Justice and Accountability**

**Eastern Coachella Valley**

**85350 Bagdad Ave., Coachella, CA 92236**

**Office: (559) 721-5406 ext. 131**

**Cell: (760) 501 - 8033**

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**Gonzales, Rosa Maria** <rmgonzales@iid.com>  
To: Mariela Loera <mloera@leadershipcounsel.org>

Wed, Oct 6, 2021 at 1:58 PM

Good afternoon, Ms. Loera,

This confirms we received your comments. Thank you very much.





**Rosa Maria Gonzales**

**Community & Business Liaison**

81-600 Avenue 58, La Quinta, CA 92253 USA

Office: (760) 398-5812 | Mobile: (760) 898-1877

Email: [rmgonzales@iid.com](mailto:rmgonzales@iid.com) | Website: [www.iid.com](http://www.iid.com)

**From:** Mariela Loera <[mloera@leadershipcounsel.org](mailto:mloera@leadershipcounsel.org)>

**Sent:** Wednesday, October 6, 2021 1:57 PM

**To:** CVECComments <[CVECComments@IID.com](mailto:CVECComments@IID.com)>

**Subject:** Public Comment in Response to the Appointment of At-Large Representative for CVEC

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Mariela Loera &lt;mloera@leadershipcounsel.org&gt;

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**CVEC Comment**

3 messages

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**Mariela Loera** <mloera@leadershipcounsel.org>  
To: CVECcomments@iid.com

Thu, Oct 14, 2021 at 8:43 AM

The undersigned residents support the appointment of Shayra Rubi Hernandez and Nereida Montes as at-large representatives on the Coachella Valley Energy Commission. Both of these individuals closely fit the description given by residents in an earlier public comment quoted below.

“Residents would like to see an individual that is a resident of the Eastern Coachella Valley and is able to relate and has shared lived experiences related to the lifestyle and experiences of those in their communities. The person should also be familiar with these communities including who they are and what their history and challenges have been. It is important that they are transparent, honest, accessible, bilingual, outspoken, and have the time, energy, and ability to fully participate and represent the needs of the community in the commission.”

1. Luis Manuel Ceja, North Shore
2. Margarita Cambrona, North Shore
3. Yurema Arvizu, Coachella
4. Violeta Lopez, North Shore
5. Maria (Conchita) Pozar, North Shore
6. Antonio Silvia, North Shore
7. Norma Garcia de Silvia, North Shore
8. Bertha Estrada, North Shore
9. Jesus Estrada, North Shore
10. Patricia Leal-Gutierrez, North Shore
11. Yolanda Cisneros de Lopez, North Shore
12. Jose Manzo, North Shore
13. Josefina Julian, North Shore
14. Mario Bautista, North Shore
15. Ana Gonzalez, North Shore
16. Luis Zacarias, North Shore
17. Carolilna Macknight, North Shore
18. Elizabeth Jaime, North Shore
19. Lorenzo Rosales, North Shore
20. Raul Jaime Rio, North Shore
21. Maria Jaime, North Shore
22. Rita Gutierrez, North Shore
23. Blanca Barraza, North Shore
24. Maria D. Torres, North Shore
25. Eduardo Torres, North Shore
26. Sandra Ramirez, Coachella
27. Hermelinda Tejas, Thermal
28. Marisela Ortiz, North Shore
29. Juan Carlos Gutierrez, North Shore
30. Maria Vazquez, North Shore
31. Jesus Vazquez, North Shore
32. Salvador Ceja, North Shore
33. Ramón Zaragoza, Thermal
34. Elsa G. Mendoza Ceja, North Shore
35. Juan Ramon Biarco, North Shore
36. Ma Jesus Camacho de Biarco, North Shore
37. Karina Andalon, North Shore
38. Christian Mendez, Desert Shores
39. Isamar Gonzalez, North Shore
40. Fernandez Espinoza, North Shore

41. Lourdes Espinoza, North Shore
42. Carlos Espinoza, North Shore
43. Luis Mesa, North Shore
44. Celeste Alonso, La Quinta
45. Luis Alonso, La Quinta
46. Rafael Valadez, Coachella
47. Maggy Canizales, Indio
48. Manuel Canizales, Indio
49. Elizabeth Moreno, Coachella
50. Paul Hopkins, Vista Santa Rosa
51. Jessy Nuñez, La Quinta
52. Kerry Nuñez, La Quinta
53. Jaqueline Lopez, Indio
54. Jose Zavala, North Shore
55. Alejandra Rodriguez, Palm Desert
56. Maria Lopez, North Shore

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**Mariela Loera (she/her/hers)**

**Policy Advocate**

**Leadership Counsel for Justice and Accountability**

**Eastern Coachella Valley**

**85350 Bagdad Ave., Coachella, CA 92236**

**Office: (559) 721-5406 ext. 131**

**Cell: (760) 501 - 8033**

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**Mariela Loera** <mloera@leadershipcounsel.org>  
To: CVECComments@iid.com  
Cc: Rebecca Zaragoza <rzaragoza@leadershipcounsel.org>

Mon, Nov 15, 2021 at 4:51 PM

To whom this may concern,


Here is an updated letter with additional resident sign-ons with a total of 95 signatures.

Thank you,

Mariela

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1649K

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**Gonzales, Rosa Maria** <rmgonzales@iid.com>  
To: Mariela Loera <mloera@leadershipcounsel.org>, CVECComments <CVECComments@iid.com>  
Cc: Rebecca Zaragoza <rzaragoza@leadershipcounsel.org>

Mon, Nov 15, 2021 at 4:56 PM

Good afternoon,

Thank you very much.



**Rosa Maria Gonzales**

**Community & Business Liaison**

81-600 Avenue 58, La Quinta, CA 92253 USA

Office: (760) 398-5812 | Mobile: (760) 898-1877

Email: [rmgonzales@iid.com](mailto:rmgonzales@iid.com) | Website: [www.iid.com](http://www.iid.com)

**From:** Mariela Loera <[mloera@leadershipcounsel.org](mailto:mloera@leadershipcounsel.org)>

**Sent:** Monday, November 15, 2021 4:51 PM

**To:** CVECComments <[CVECComments@IID.com](mailto:CVECComments@IID.com)>

**Cc:** Rebecca Zaragoza <[rzaragoza@leadershipcounsel.org](mailto:rzaragoza@leadershipcounsel.org)>

**Subject:** Re: CVEC Comment

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July 13, 2021

Imperial Irrigation District Board of Directors:  
Board President James C. Hank - Division 3  
Board Vice President J.B. Hamby - Division 2  
Board Member Alex Cardenas - Division 1  
Board Member Javier Gonzalez - Division 4  
Board Member Norma Sierra Galindo - Division 5

*Sent via Email*

**RE: Community concerns regarding representation on Imperial Irrigation District's Board of Directors and energy in the Eastern Coachella Valley**

Dear members of the Board,

As residents of the Eastern Coachella Valley, we have experienced frequent power outages that affect our quality of life. Not only does our community already suffer from substandard housing and environmental conditions, but our infrastructure is also severely outdated, making it more vulnerable to the impacts of climate change and extreme weather events. We understand that part of the problem may not be as a result of Imperial Irrigation District's (IID) governance, but we do believe that your agency has the power and capacity to identify a path forward that's favourable and respectful of the communities in the Eastern Coachella Valley.

First, we request real representation on IID's board. As 60% of IID's ratepayers for electricity, we deserve to be properly represented on your Board with full voting and decision-making privileges and for the community to be able to inform the appointment of this seat. Ratepayers have the right to representation on IID's Board and this has been denied to them for decades. Adding a voting board member seat to IID Board would ensure ECV ratepayers have representation within IID.

Second, IID Board has raised concerns about impacts to their water rights as a result of adding a board member to represent Riverside County. As per Cal Wat Code § 21383, the minimum number of directors required to constitute a quorum of the board is three, as such, decisions about water rights would require meeting the minimum quorum. Adding an additional board member representing Riverside County does not indicate there would be impacts to IID's water rights. Based on the information we have gathered, there is no relevant case law that supports IID's concerns. If there is relevant case law the Board is basing their concerns on, we would like to know what it is so we can review.

Third, IID's proposed Coachella Valley Energy Commission (CVEC) does not fully satisfy the needs and demands from community members for representation and infrastructure upgrades. The composition of the proposed 14-member commission includes 7 positions that are IID Board members or directly appointed by Board members, as well as one from Imperial County - meaning that a minority of representatives would be accountable to the Coachella Valley. Furthermore, the Board has proposed implementing Section 19B of the 1934 Agreement of Compromise, which would allow the Board to charge Coachella Valley customers more than Imperial Valley ones, to fund the commission's operating expenses. Under IID's proposal, Coachella Valley residents would be the sole funders of a commission that would give majority representation to Imperial County - a fundamental inequity that does not adequately provide representation for or address the needs of Coachella Valley residents.

Additionally, IID has demonstrated a complete lack of commitment to a fair and transparent process, both in its opposition to AB 1021 and its proposal of the CVEC. By threatening to exit the Coachella Valley if AB 1021 passes, de facto forcing ratepayers to accept the CVEC proposal if they wish to continue their current energy services, IID has effectively sidelined rather than centered the ECV communities who would be affected by changes to IID's governance. It is not acceptable for IID to hold ratepayers hostage to its preferred governance structure, especially considering both the fact that the proposed CVEC disproportionately represents Imperial Valley and the bylaw process has been too fast to adequately allow time for public engagement. This extremely rushed process - with only 1 week between the proposal of and vote on the bylaws - leaves almost no opportunity for community input or engagement, especially since the proposed CVEC could result in higher rates for Coachella Valley ratepayers. IID's recent actions have illustrated a failure to engage its ratepayers in a significant proposed change to its governance structure in an open, fully accountable manner.

Last, for years the electrical power grid in the ECV, and rural communities in general, has failed to provide reliable energy service to its customers. Extreme weather events have become more common, often exacerbated by climate change. These have caused significant damage to the existing power grid in the region, such as downed transmission lines due to strong winds and rainstorms. When this happens, residents go days without electricity, losing food, access to critical medical equipment, access to educational resources, among other issues that deny the safety of constituents. This happens several times throughout the year and we expect this to continue in the following decades. IID should commit to critical infrastructure upgrades to ensure community safety and an energy system that is climate resilient.

We strongly urge IID to renew its commitment to an open and accountable process, slowing down the bylaw process to adequately address the needs of community for representation, and to commit to climate resilient upgrades to its infrastructure system to address climate-related power outages.

Signed,



Erika Castellanos, Mecca	Evelyn Sofia Rivera, Indio
Arturo Castellanos, Mecca	Jose Manzo, North Shore
Polette Zavala, Coachella	Adriana Torres, North Shore
Odalys Beltran, Coachella	Karina Hernandez, North Shore
Jose Ceja, North Shore	Marina Beltran, Indio
Danny Torres, Coachella	Berenice Venegas, Mecca
Yolanda Moreno, Mecca	Jorge Gomez, Coachella
Maria Pozar, North Shore	Maria Jose Rodriguez, Coachella
Yesenia Pozar, North Shore	Martin Posada Espinoza, Coachella
Natividad Gonzalesz, North Shore	Clara Nieblas, Coachella
Karina Villalpando, Coachella	Andres Lucero, Coachella
Julie Serrato, Mecca	Baltazar Aguirre Jr., Coachella
Angel Gonzalez, Mecca	Jessica Serrato, Mecca
Noemi Aguilar, Mecca	Steven Andrade, Coachella
Marcos Magana, Thermal	Migdalia N. Sanchez, Coachella
Andrea Gomez, Indio	Christian Mendez, Desert Shores
Jesenia Pineda, Mecca	Janet Zepeda, Indio
Miguel Gudiño, Indio	Venessa Becerra, Indio
Adrianna Rivera, Indio	Karina Lizeth Andalon, Coachella
Adriana Hernández, Coachella	Patricia Leal-G, North Shore
Imelda Rios, Calipatria	Vanessa Moreno, Coachella



March 8, 2022

**Sent Via Email**

Imperial Irrigation District's Coachella Valley Energy Commission

President James C. Hanks

Vice President J.B. Hamby

Chairman Darrell Mike

Cities Vice-Chairman Linda Evans

Tribal Nations/Counties Vice-Chairman

Joseph Mirelez

Commissioner Waymond Fermon

Commissioner Richard Balocco

Commissioner La Voc Jaksch

Commissioner Gloria Fernandez

Commissioner Steven Hernadez

**RE: Energy Infrastructure and Representation for the Eastern Coachella Valley**

Dear President, Vice President, Chairman, Vice-Chairman, and Commission at-large,

As expressed by residents from the Eastern Coachella Valley (ECV) on multiple occasions and in multiple forms, the short-term and long-term impacts of the multi-day power outages like the two experienced last year makes power infrastructure upgrades in these communities an urgent matter.

We ask that the unique situation of the unincorporated communities in the ECV in terms of representation and history with power outages be specially considered in future endeavors and conversations related to the matter. This is especially important as the Imperial Irrigation District (IID) seeks funding for energy infrastructure upgrades and develops a budget plan for next year, as well as, when IID's Coachella Valley Energy Commission (CVEC) discusses the future of Riverside County's resident's energy service and representation.

**Local Agency Formation Commissions (LAFCO) Study**

We understand that LAFCo is currently working to develop a study to address the representation issues with IID, as intended by AB 1021. We urge CVEC and IID to align their efforts to those of the LAFCO study given that the purpose of these two processes is relatively similar as described below and responds directly to an issue raised by community residents in the ECV.

As described in Governors Newsome's veto letter:

*“The 2021 Budget Act included \$500,000 from the General Fund to finance such a study. Imperial Irrigation District's electric service in the Coachella Valley is part of a 99-year lease that will reach its full term in 2033. It is valuable to invest the proper resources, time, and stakeholder engagement into **studying the complex impacts of the Imperial Irrigation District's impending electrical service agreement expiration. This study should include any options to ensure that the local communities currently served may continue to receive energy service, as well as opportunities to give energy customers a voice.**”*

As described in the CVEC's bylaws:

*“2.02. PURPOSE. The Commission is formed for the purpose of providing direct, immediate, and diverse local representation by Coachella Valley energy stakeholders for the unique energy needs of the greater Coachella Valley portion of the IID energy service area and to **develop a long-term strategic plan for continued energy service to the Coachella Valley following the 2033 expiration of the 99-year lease provision.***

*2.03. TRANSITIONARY BODY. The Commission will provide the link between existing service and governance as provided in the Agreement of Compromise and the permanent service and governance option formed collaboratively and cooperatively between the IID and Coachella Valley stakeholders represented through the Commission ”*

We request for this information to be discussed, including updates on the timeline, current actions, challenges, and success that the group is aware of with the general public. We suggest adding a standing item to the CVEC agendas where these updates and information can be shared.

Additionally, we ask that as future options for representation for Riverside County residents are being discussed it is taken into consideration that the unincorporated communities require more equitable representation given the level of impacts experienced in this region specifically. It is important to ensure that these communities have more appropriate resident representation beyond an overarching county representative or at-large representative. In other spaces, we typically see representation for these communities as one representative for the communities of North Shore and Mecca and another for the communities of Oasis and Thermal.

### **Energy Infrastructure Funding**

Given the impact of the increasing consistency of power outages in the ECV, it is important to keep these communities updated on the actions IID is taking to ensure energy infrastructure upgrades in a timely manner. Keeping community members informed and engaged helps IID

have a more comprehensive understanding of the needs and impacts of the community experience on the ground as well as increase public trust in IID as an agency.

We are aware that IID has applied to FEMA's Building Resilient Infrastructure and Communities grant, however, we urge IID to be actively seeking other forms of funding. For example, this is a great opportunity to work in collaboration with Riverside County as they determine allocations of their American Rescue Plan Act funds and identify the feasibility of these supporting energy infrastructure upgrades for the ECV through matching funds or other allocations.

Additionally, it is important to know what other actions IID is taking to ensure that ECV's energy infrastructure is upgraded in a timely matter. We suggest that there be a standing item on the CVEC agendas where updates on infrastructure funding and related information are provided.

### **Emergency Plan Updates**

As it was made evident in the power outage the community of North Shore experienced in August and September of 2021, there is a great need for an emergency plan. This was acknowledged and discussed during the North Shore community meeting in November hosted by Riverside County and IID. During that meeting, it appeared that both the county and IID were aware of all the suggestions the community made for future emergency situations and were willing to implement those into the plan.

Given the extreme climate events in the region and summer months approaching, the community is on constant alert of similar situations occurring. We ask that the emergency plan follow a public review process in order to allow space for community and stakeholder input and provide updates to the community on the progress of the plan.

Additionally, if any emergency preparation guidelines exist it is important to make these available and accessible to ECV residents. For example, the "Emergency Checklist" document on IID's website is not accessible to the community for multiple reasons. We suggest that this and other materials be made available in English, Spanish, and Purepecha given that these are the primary languages spoken in the community. Given that the majority of residents do not know these resources exist on the website, are not actively looking for resources on the website, and might not have access to the internet, we urge CVEC and IID to develop a public awareness campaign to help distribute these resources via other tactics. The community has directly shared that having a physical form of these resources in key community locations like local markets and community centers is a good and accessible tactic.

\* \* \* \* \*

Again, we appreciate the work that CVEC has done to address this issue so far, but continue to stress the importance of taking into consideration the unique and urgent situation of the communities in the ECV in terms of representation and energy infrastructure needs. We continue to offer our support to collaborate on finding meaningful solutions that will best support the ECV region.

Sincerely,

Mariela Loera  
Policy Advocate  
Leadership Counsel for Justice and Accountability

CC:

Enrique Martinez  
General Manager  
Imperial Irrigation District

Marilyn Del Bosque Gilbert  
Energy Manager  
Imperial Irrigation District

Energy Consumer Advisory Committee  
Imperial Irrigation District

Bruce Barton  
Director  
County of Riverside Emergency Management Department

Supervisor V. Manuel Perez  
Riverside County, Fourth District

Imperial Irrigation District Board of Directors:  
Board President James C. Hank - Division 3  
Board Vice President J.B. Hamby - Division 2  
Board Member Alex Cardenas - Division 1  
Board Member Javier Gonzalez - Division 4  
Board Member Norma Sierra Galindo - Division 5

## APPENDIX D: PUBLIC COMMENT LETTERS AND RESPONSE TO COMMENTS





Riverside and Imperial LAFCO's have received the following comment letters in response to the March 2023 Draft Alternative Governance and Electricity Services Study – Imperial Irrigation District. A copy of each comment letter received can be found in Attachment A. The following is a brief overview of the comment letters received.

- August 8, 2023 from the Coachella Valley Water District. Requesting additional time be granted to identify an overall recommendation that is the most cost-effective and efficient implementation scenario.
- August 3, 2023 from the Electric Ratepayer Alliance. Requesting that a financial impact analysis of each option under consideration be conducted.
- August 30, 2023 from the Imperial Irrigation District. Providing clarifying comments in regard to their existing customer service programs, the 1934 Agreement of Compromise, Legal complexities associated with alternatives under consideration. Suggesting that a cost analysis effort is beyond the scope of the original LAFCO effort and should be conducted after a consensus-based alternative and corresponding service responsibilities are defined.
- August 23, 2023 from the Coachella Valley Energy Commission. Requesting a supplemental financial analysis and extension of the public comment period to October 15, 2023.
- August 30, 2023 from the City of La Quinta. Requesting additional time be granted to identify an overall recommendation that is the most cost-effective and efficient implementation scenario.
- August 30, 2023 from the County of Riverside. Providing suggested guiding principles with respect to governance, system reliability, cost-efficient services, and accommodating future growth equitably. Requesting a supplemental financial analysis to include certain information by jurisdiction.

Riverside and Imperial LAFCO's appreciate the level of stakeholder engagement throughout the study process; including consensus-based solutions for the Coachella Valley service territory. The Riverside and Imperial LAFCO's would like to thank those that have submitted a comment letter.

Below are responses to address the following comment letter overarching themes:

- 1) Riverside and Imperial LAFCO's did not fulfill the required scope of work.
- 2) An overall recommendation is not provided in the draft Study.
- 3) A supplemental financial analysis is required.
- 4) The public comment period needs to be extended.

**1) Riverside and Imperial LAFCOs did not fulfill the required scope of work.**

**Response:**

Riverside and Imperial LAFCO's have determined that the comments received on this topic have misinterpreted the required scope of work indicated in the grant funding agreement and the professional services agreement with Dopudja & Wells Consulting. The scope of services clearly indicates that the effort *"should utilize currently available information rather than initiate new analysis"*. While Riverside and Imperial LAFCO's understand the desire for more financial analysis, it was not necessary for evaluation of

cost-effectiveness under this scope of work. As further outlined below, Riverside and Imperial LAFCO recommend that the desired financial analysis be performed once the participants make the necessary policy decisions.

*Background:*

In May 2022, the Riverside and Imperial LAFCO's entered into a study grant funding agreement with the State Water Resources Control Board in response to legislation introduced by former-Assembly Member Chad Mayes to conduct a study to evaluate alternative governance structures and alternative electricity services provided by the Imperial Irrigation District. In August 2022, a professional services agreement was executed between the Riverside LAFCO and Dopudja & Wells Consulting to analyze and prepare the "Alternative Governance Structures and Alternative Electricity Service Provision – Imperial Irrigation District" study report (Study).

The Scope of Services per Exhibit A of the August 2022 professional services agreement with Dopudja & Wells required the consultant to review the current conditions relative to the electricity service provisions by the Imperial Irrigation District and address two requirements: Options for providing continued electricity services, and options for alternative governance structures for Coachella Valley customers. According to the agreement, the consultant was expected to address the two requirements in a cost-effective manner, utilize the information that is currently available rather than initiate new analyses, conduct the analysis in a collaborative fashion with opportunities for input and review by stakeholders, create a product that will assist with making conclusions and decisions regarding the recommendations, and have all work products readily accessible and easily understandably by the general public. It is the opinion of the Riverside and Imperial LAFCO's that all requirements have been met by the consultant and that no new financial or technical analyses were required. If such studies and associated information were available, the Study effort would still not be responsible for producing a new financial analysis and would have used the information to validate the final recommendations as being the most cost-effective and efficient implementation scenario for further consideration, as required by the scope of work.

In August 2022, the consultant initiated Task 2 - Information Collection and Verification effort. This task was to gather and obtain all existing and available information. In preparation, the consultant submitted a list of data requests seeking to collect enough information to construct the Study objectives prior to conducting outreach. In September 2022, the consultant commenced stakeholder outreach and was to conclude by November 2022 in order to meet project scheduling requirements. This work actually concluded in February 2023 after conducting eleven interviews with individual stakeholders. By the time outreach was complete, little to no operational or financial information was provided to the consultant and several stakeholder contacts were still outstanding. In response to stakeholder availability and limited information received, the Riverside and Imperial LAFCO's agreed to extend stakeholder outreach to February 2023 in an attempt to help facilitate and guide the Study's approach and overall determination of alternatives under potential consideration. Eleven stakeholder interviews were held over the course of the outreach period.

In January 2023, Task 3 – Administrative/Agency Draft Study Report was initiated to start the development of the draft Study. It was the opinion of the Riverside and Imperial LAFCO's that the overall objective of the draft Study was accomplished and; although general, the draft Study did include a discussion of general capital requirements and a rate comparison to alternative service providers. In response to the limited amount of data made available, the approach taken by the consultant was focused exclusively from input received by stakeholders to help prioritize alternative options for further consideration. Ranking of the alternative options was performed by determining the extent each of the seventeen

foundational objectives are addressed. Those alternatives which addressed the most foundational objectives were then prioritized as the top recommendations.

The two alternative options with the highest ranking included:

- Option 1.D: Joint Powers Authority
- Option 2.B: Form a New Utility District

## **2) An overall recommendation is not provided in the draft Study.**

### *Response:*

Riverside and Imperial LAFCO's agree that the draft Study does not conclude with an overall recommendation. The final Study will identify an overall recommendation for the most cost-effective and efficient implementation scenario of the alternative options under consideration.

### *Background:*

According to Task 3 – Administrative/Agency Draft Study Report requirements, the Study shall synthesize the analysis into an overall recommendation for the most cost-effective and efficient implementation scenario. The LAFCO's agree that the draft Study does not conclude with an overall recommendation, instead identifies the following foundational objectives as most important among the stakeholders when considering further evaluation of each proposed alternative option:

- A Governance Structure Uncomplicated to Implement
- Ability to Achieve Vertically Integrated Utility Status
- Ability to Adapt to Future Changes and Responsibilities

When comparing the above foundational objectives against the alternative options ranked highest, the reader will need to determine the importance of each previously mentioned objective in regard to future electrical service provisions for the Coachella Valley service territory. If the desire among Coachella Valley stakeholders is to pursue an alternative option that is efficient to implement, flexible and adaptable going forward, then Option 1.D should be further developed and pursued. The intent of structuring the draft Study this way was to assist with ongoing stakeholder collaboration, as each member continues to identify and determine their local and regional priorities prior to concluding which alternative option is financially sustainable.

The final Study will include an overall recommendation by identifying the most cost-effective and efficient implementation scenario. Identifying the most cost-effective and efficient implementation scenario will be based on the information provided to-date and supplemental information provided on September 7, 2023, from IID and their financial consultant. The extent of validation will assume that each of the two previously mentioned recommendations (Option 1.D and 2.B) provide an alternative governance opportunity but offer varying degrees of flexibility in service responsibilities. The extent of service responsibilities will be the key criteria used when determining cost-effectiveness and efficient implementation. Any additional financial evaluations beyond what has been described are beyond the scope of services.

### 3) A supplemental financial analysis is required.

#### Response:

Refer to comment 1 response and summary below regarding this topic. It's apparent that the Coachella Valley parties have made significant progress over the years and must acknowledge that Coachella Valley Energy Commission (CVEC) has promoted collaboration and has been effective at advancing development on this issue. Despite the progress that has been made, there are still several key determinations needing to be addressed in order to advance discussion and conduct further financial and technical evaluations. A summary of outstanding policy and key determinations is provided below and summarized in Table 1 at the end of this letter on page 6.

#### Background:

The parties must acknowledge that little to no information is available from IID on assets and capital improvements exclusive to the Coachella Valley service territory. At the July 27, 2023 CVEC meeting, it was discussed that IID had information that could support further evaluations for the Coachella Valley territory. In response to this notice, the consultant scheduled a review meeting with IID and their cost of service consultant to review the latest effort and help assist with validating the draft Study's recommendations. A review meeting was held on September 7, 2023. At the meeting it was evident that IID has little to no disaggregated data separately available for the Coachella Valley service territory. All assessments performed by IID are done as a "integrated-whole" and not broken down by jurisdiction. Information on asset inventory and capital planning is not segregated by jurisdiction. IID was able to provide limited customer data summarized by jurisdiction. The data received by IID can be found in Attachment B. Since data exclusive to the Coachella Valley service territory is not available from IID, the parties need to determine how such information can be generated to support further financial and/or technical evaluations.

To date, it's apparent that several key determinations are still required prior to initiating any future financial or technical evaluations. Any such evaluations performed at the moment will largely depend on broad assumptions which would lack the requisite precision and would likely continue to result in inconclusive outcomes. To produce an analysis that can clearly weigh benefits, risks and corresponding rate impacts, the following determinations, at a minimum, must be made. Based on the observation of the Riverside and Imperial LAFCO's, the following items appear to be fundamental prior to conducting any further evaluations.

Summary of policy and key determinations needing to be addressed by Coachella Valley Parties:

- It's unclear if members would like to pursue an alternative option with IID continuing to provide some degree of electrical services. Determining each member's interest in changing from IID provision of full electrical service to any other alternative would be fundamental to understanding potential financial and rate impacts.
- If a consensus-based alternative is not feasible among all parties, identifying each party's preference for either a JPA or new utility district will be necessary to assess financing and revenue requirements.
  - o To note, existing IID policy does not include funding for un-committed customer driven growth-related projects, i.e. substations, line extensions, etc.. Under the JPA membership, the parties might need to consider establishing a financing authority, or

similar revenue mechanism if growth related projects are desired to be funded differently than current IID policy and/or adopted rates.

- The parties should also determine membership eligibility and enabling legislation needs to prohibit a member's ability to join any alternative option under consideration. Existing legislation prohibits certain public districts from owning and operating electrical assets.
- The parties will need to understand the associated investments of IID and CVWD upon the termination of leased power rights under the Agreement of Compromise, including each party's respective legal and equitable rights in said power rights, works and facilities on or in connection with the All-American Canal. Over the course of developing the draft Study, a number of discussions were held around this topic with no clear or consistent indication of outcome. It would be crucial to understand the potential impact this could have on IID and/or the proposed successor utility.
- The parties should obtain an opinion on asset disposition and/or associated cost to potentially acquire existing assets from IID. Through the course of this effort, it was not apparent if existing assets would be made available, or at what price. To note, limited information is available from IID on existing/planned assets for the Coachella Valley territory and the parties will likely need to obtain this information from other sources, e.g. conducting a comprehensive assessment and inventory of assets, before further analysis is performed. As stated earlier, performing a financial evaluation prior to obtaining this information will depend largely on broad assumptions and could result in significant unforeseen financial impact to members pursuing an alternative option with service responsibility.
- To identify unforeseen risk potentials with the forming and operating a new utility, it's advisable that a risk assessment be performed to understand potential market drivers, trends, mandates, and requirements for low-income areas. All items carry a degree of uncertainty and must be quantified in order to determine cost mitigation efforts if such items were to be realized. For example, a few of these items are captured in IID's Energy Cost Adjustment (ECA) charge.
- To aid in the assessment and decision-making process, it's advisable that the parties develop general debt policy guidelines to identify limits, obligations, and associated risk mitigation measures for uncertain market drivers and customer demands. These guidelines will assist with issuing, managing, and adhering to affordability standards for the proposed alternative option under consideration. This could also assist with balancing obligations associated with asset acquisitions, associated rehabilitation and replacement projects, and new capital investment planning.

It should be noted that IID is underway with technical and financial evaluations as part of their 2023 cost-of-service effort. Summary findings provided by IID are included in Attachment C. Depending on the outcome of the above determinations, the parties could potentially consider opportunities with IID and the current cost of service effort to identify a solution beneficial to the entire service territory. The technical work appears to be complete and IID is evaluating rate structure strategies and policy before potential Board consideration.

#### 4) The public comment period needs to be extended.

##### Response:

As a result of comments received, the Riverside and Imperial LAFCO's have agreed to extend the public comment period from August 30, 2023 to October 15, 2023. We respectfully request that the parties continue collaborative efforts to ensure a successful next phase in the decision making process. Additional comments are to be submitted to the Riverside and Imperial LAFCO's. At the completion of the extended public comment period, that final Study will be produced, addressing the comments received and submitted by November 30, 2023.

In summary, Table 1 was developed to compare the two alternative options ranked highest in the draft Study against the outstanding items needing to be addressed before further assessment can be performed. The comparison provides a general indication of each option's cost effectiveness and implementation complexity. When comparing the top two alternatives shown in Table 1, Option 1.D: Joint Powers Authority provides an alternative governance structure and ***assumes no ownership or operation of electrical assets.***

Table 1: Items Needing to be Addressed Depending on the Alternative Governance Option Desired by Coachella Valley Parties.

Outstanding Items to be Addressed Prior to Conducting Further Assessments on Alternative Energy Service Options for the Coachella Valley Service Territory	Top Ranked Alternative Options	
	Option 1.D: Joint Powers Authority	Option 2.B: Form a New Utility District
Identify preferred governance alternative	Required	Required
Determine enabling legislation requirements	Required	Required
Establish service territory	Not Required	Required
Obtain opinion on disposition of assets	Not Required	Required
Perform asset inventory and conditional assessment	Not Required	Required
Determine acquisition, upgrade, and severance costs	Not Required	Required
Perform financial evaluation	Not Required <sup>(1)</sup>	Required
Determine financing options and bonding capacity	Not Required <sup>(1)</sup>	Required
Perform rate study	Not Required	Required

*Notes: (1) Potentially required if Public Financing Authority is pursued.*

##### List of Attachments

Attachment A: Public Comment Letters

Attachment B: Data Received from Imperial Irrigation District

Attachment C: Imperial Irrigation District 2023 Cost-of-Service Effort

Date: November 17, 2023

Subject: Response to Public Comments for the Alternative Governance and Electricity Services Study – Imperial Irrigation District

The following is a summary of public comments received in response to the March 2023 Draft Alternative Governance and Electricity Services Study – Imperial Irrigation District. The public review period commenced on March 31, 2023 and extended to October 15, 2023. A total of 13 comment letters were received. Below is a summary of response to comments received during the public review period.

1. August 3, 2023 from the Electric Ratepayer Alliance. Requesting that a financial impact analysis of each option under consideration be conducted.
  - a. Request for financial evaluation – no financial evaluations currently exist and little to no financial information is available from IID for the Coachella Valley service territory. In addition, developing a financial evaluation was not part of the scope of work. Additional information can be found in LAFCO's response letter dated September 19, 2023. Financial information provided by IID is included in the study appendices.
  - b. Provided guiding principles on efficient resource allocation, financial independence and stabilization, improvements of service, and economic prosperity – information was used to update the foundational objectives per Section 6 of the study.
2. August 8, 2023 from the Coachella Valley Water District. Requesting additional time be granted to identify an overall recommendation that is the most cost-effective and efficient implementation scenario.
  - a. Request for a financial evaluation – refer to response 1.a.
  - b. Request to extend the public comment period – public comment period was extended from August 31, 2023 to October 15, 2023.
3. August 23, 2023 from the Coachella Valley Energy Commission. Requesting a supplemental financial analysis and extension of the public comment period to October 15, 2023.
  - a. Request for financial evaluation – refer to response 1.a.
  - b. Request to extend the public comment period – public comment period was extended from August 31, 2023 to October 15, 2023.
4. August 30, 2023 from the Imperial Irrigation District. Providing clarifying comments in regard to their existing customer service programs, the 1934 Agreement of Compromise, Legal complexities associated with alternatives under consideration. Suggesting that a cost analysis effort is beyond the scope of the original LAFCO effort and should be conducted after a consensus-based alternative and corresponding service responsibilities are defined.
  - a. Provided clarifying comments regarding the Agreement of Compromise and Lease of Power Rights – the study was updated to correct the terms and conditions of the Lease of Power Rights.
  - b. Requested procedural and formation information related to Joint Powers Authority and membership eligibility – formation guidelines and clarifications were added to Section 5 of the study.
5. August 30, 2023 from the City of La Quinta. Requesting additional time be granted to identify an overall recommendation that is the most cost-effective and efficient implementation scenario.
  - a. Request for financial evaluation – refer to response 1.a.
  - b. Request to extend the public comment period – public comment period was extended from August 31, 2023 to October 15, 2023.



- c. Provided guiding principles on maintenance, upgrading, and proactive funding and implementation of sub-stations – information was used to update the foundational objectives per Section 6 of the study.
- 6. August 30, 2023 from the County of Riverside. Providing suggested guiding principles with respect to governance, system reliability, cost-efficient services, and accommodating future growth equitably. Requesting a supplemental financial analysis to include certain information by jurisdiction.
  - a. Request for financial evaluation – refer to response 1.a.
  - b. Provided guiding principles on governance, reliable electricity, cost-effectiveness, planning and funding for future growth, and operational flexibility – information was used to update the foundational objectives per Section 6 of the study.
- 7. October 3, 2023 from Leadership Counsel for Justice and Accountability. Indicating the need for ongoing residential customer engagement, addressing unique priorities of East Coachella Valley, and identifying potential barriers to the formation of a Joint Powers Authority.
  - a. Include recommendations for ongoing residential customer engagement – The study agrees that ongoing customer engagement will be critical as stakeholders advance any of the proposed alternative options and was identified in Section 7 as critical next steps.
  - b. Study must address and outline the unique priorities of East Coachella Valley - Information received from stakeholders during outreach was utilized to develop and define the established foundational objectives provided in Section 6 to assist with prioritizing the alternative options.
  - c. Discuss potential barriers to the formation of a Joint Powers Authority - additional information has been provided in Section 5, ultimate governance and control of the JPA will be dependent on the service responsibilities separate from IID and legal advisement on “common powers rule” should be pursued for this special circumstance, when service is provided outside of the underlying utilities jurisdiction.
- 8. October 5, 2023 from the City of Indio. Providing input on the proposed alternative governance and service options and request for financial considerations.
  - a. Request for financial evaluation – refer to response 1.a.
- 9. October 12, 2023 from the City of Coachella. Providing input on the proposed alternative governance and service options and comments on the draft study.
  - a. Included comments throughout the study – refer to the attached comment long table for additional details and responses.
  - b. Clarified that California Public Utilities Commission (CPUC) policies and procedures are not an option – no action taken and the study addresses this per Section 5. CPUC policies and rate payer participation only under an Investor-Owned Utility.
  - c. Request for identifying key determinations and next steps – the study has been updated and includes key determinations and policies that stakeholders will need to address prior to performing additional technical and financial evaluations.
  - d. Request for financial evaluation – refer to response 1.a.
  - e. Request to include asset information, budgets, and financial information specific to the Coachella Valley - refer to response 1.a.
  - f. Municipalization must be analyzed as a standalone alternative – additional clarification was provided in Section 5 of the study, outlining the various publicly owned utility models. Municipalization is not analyzed separately and remains grouped under the publicly owned utility models.

- g. Provided clarifying comments regarding the Agreement of Compromise and Lease of Power Rights – the study was updated to correct the terms and conditions of the Lease of Power Rights.
  - h. Request for legal review of governance law interpretation of the Agreement of Compromise – the study identified this need per Section 7. Legal review of the Agreement of Compromise is outside the scope of this effort.
  - i. Provide specific utility examples – additional reference utilities have been provided in Section 5 of the study.
  - j. Provide clarifications regarding a Joint Powers Authority governing body - additional information has been provided in Section 5, ultimate governance, and control of the JPA will be dependent on the service responsibilities separate from IID and legal advisement on “common powers rule” should be pursued for this special circumstance, when service is provided outside of the underlying utilities jurisdiction.
  - k. Clarify the Indio and IID Joint Powers Authority agreement – clarification has been provided identifying that it is a financing mechanism for growth related electrical projects.
  - l. Provide additional clarifications regarding alternative option 2.B and 2.C – Section 6 was clarified to identify option 2.B as a new publicly owned utility with specific services and/or geographic area; option 2.C proposes a vertically integrated utility that would provide service to Coachella Valley independent of IID.
  - m. Clarify legal formation requirements for a Community Choice Aggregation under Public Utilities Code 331.1, which allows for a CCA to form if be serviced outside of the underlying service providers jurisdiction – after reviewing the Public Utilities Code 331.1, it is unclear if the code authorizes formation if serviced outside of the underlying service providers jurisdiction. Stakeholders should seek legal advisement on code interpretation. This item has been identified as a next step in Section 7 of the study.
10. October 13, 2023 from the Coachella Valley Energy Commission. Providing input on the proposed alternative governance and service options under consideration. Requesting additional information regarding policies and procedures for implementing a Joint Powers Authority and Municipal Utility District and criteria to help aid with determining cost-effectiveness and efficient implementation.
- a. Provided clarifications on service area responsibilities for municipal utility district and public utility districts – clarifications were made and additional information provided in Section 5 of the study.
  - b. Provided input on challenges associated with options requiring popular vote for selecting officials – clarification has been added to Section 5 of the study.
  - c. Request for additional policies and procedures associated with implementing a Joint Powers Authority and Municipal Utility District – policies and formation procedures has been added to Section 5 of the study.
  - d. Request to added criteria for determining cost-effectiveness and efficient implementation – the executive summary includes preliminary criteria based on stakeholder feedback regarding cost-effectiveness. Stakeholders will need to redefine this criteria if electrical service responsibilities are desired for the proposed entity.
11. October 13, 2023 from the Twenty-Nine Palms Band of Mission Indians. Providing input on the proposed alternative governance and service options under consideration, background information, financial information, and clarifications on Tribal participation in energy provisions.
- a. Provided background and information on Tribal participation to become a generation partner with dedicated financing opportunities with the Department of Finance – Additional information was provided in Section 5 and associated foundational objectives

were updated in Section 6 to reflect desire of promoting local generation partnerships. Reference to dedicated funding opportunities was included.

- b. Clarify how Tribal nations will be impacted – no action taken. Stakeholders will need to address the key determinations outlined in Section 7 prior to assessing local benefit and risk assessments for the selected alternative.
12. October 15, 2023 from a customer located in the County of Riverside. Providing input on the proposed alternative governance and service options under consideration.
    - a. No action necessary.
  13. October 15, 2023 from a customer located in the County of Riverside. Providing input on the proposed alternative governance and service options under consideration.
    - a. No action necessary.

August 3rd, 2023

LAFCO

**Re: Public Comment on Draft Study Report dated March 2023 entitled "Alternative Governance and Electricity Service Study – Imperial Irrigation District"**

Dear Gentilepersons:

The Electric Ratepayers Alliance (ERA) is a non-profit organization formed in 2016 as a California Mutual Benefit Corporation. ERA's mission is to promote verifiably clean, local energy sources and programs that save consumers money, while building a resilient community grid to replace aging grid systems. ERA continues to advocate for all electric ratepayers across California, to achieve the ultimate goal of fueling our world with clean, dependable, localized energy. ERA members include, among others, leaders in the renewable energy industry, as well as non-profit entities with expertise in the renewable energy sector and consumer advocacy. The members of ERA seek to ensure that all ratepayers enjoy barrier-free access to affordable, sustainable, localized power, while promoting the common business interests of renewable power entities and affiliated industries.

ERA has reviewed the Draft Study Report dated March 2023, which is titled "Alternative Governance and Electricity Service Study – Imperial Irrigation District" (referred to herein as the "Draft Study Report" or simply as the "Report.") That Report discusses various options for potential alternative electrical service governance structures for the IID's extended service territory in the Coachella Valley. One of those options, which is described in the Report as Option 2.B, is to "form a new utility district with specific roles." For the reasons discussed below, ERA believes Option 2.B is the best path forward both to accomplish the objectives described in the Report, and to further the best interests of the ratepayers in the Coachella Valley.

**1. Governance and Representation:** Option 2.B allows for the creation of a new, localized governance structure that allows for local representation and decision-making power. A newly created local district would provide a stronger voice for ratepayers and consist of responsive leadership as compared to the current representation by the existing utility model in Eastern Riverside County. It maximizes public involvement and local control of assets, which results in efficient use of public resources, more meaningful oversight, and makes the system more representative and adaptable to the fundamental energy needs of the local constituency.

A new utility district, focused solely on Eastern Riverside County, naturally provides for greater local representation and local control. This blueprint is preferable to a competing model that services a broader area and varying interests. The Draft Study Report specifically identifies this as a top priority, regardless of the structure chosen.

Seeking to ensure all ratepayers enjoy barrier-free access to affordable, sustainable, localized power, while promoting the common business interests of renewable power entities and affiliated industries.

**2. Elimination of Existing Issues/Mitigation of Future Issues:** Establishing a new utility district for Eastern Riverside County would allow local representatives to develop and implement energy policies that better align with the local ratepayers' values and needs. These values and objectives include, but are not limited to: system reliability (the avoidance of frequent/prolonged outages); affordable, reliable electricity (which means a durable, updated infrastructure); accommodation for growth (both commercial and residential development); meeting renewable energy goals set by the state and federal government for the future of the local residents and ratepayers; managing funding of capital improvements; supporting local power program offerings for alternative and independent sources of energy such as wind, water and solar; managing rates and maintaining affordability; and maintaining the efficient use of public resources.

Maintaining the status quo not only fails to achieve these stated goals, but also will lead to further degradation of infrastructure as well as increased rates for the local residents and the suppression of development and growth. The existing structure has not provided a clear path out of the bleak economic predicament that Eastern Riverside County faces, which has resulted from a decaying infrastructure and climbing electricity rates. Maintaining the status quo, through which these problems arose, is far more likely to worsen the issues than to resolve them.

**3. Advisory Role and Efficient Resource Allocation:** The formation of a new utility district allows for more focused energy resource allocation through customized planning and implementation processes driven by local needs and priorities. A separate, publicly owned district, governed by a flexible structure, can better manage, and allocate energy resources specific to its region, ensuring that the needs of local ratepayers are met more effectively, efficiently, and financially.

A locally operated utility prioritizes its constituent ratepayers' interests over third parties such as shareholders, special interests, and other unrelated entities. Minimizing conflicts among the needs of disparate groups with varying motivations and the appropriate allocation of limited assets and resources results in equity, efficiency, and economy.

**4. Financial Independence and Stabilization:** Creating a new utility district will provide financial advantages to the community such as targeted taxation and revenue generation mechanisms for long-term infrastructure investment. Ratepayers and their representatives can better manage their financial resources related to energy generation, delivery, and maintenance by forming a separate district tailored to their specific economic circumstances.

Any cost associated with forming a new entity or energy utility is far outweighed by the benefits. The deteriorating IID electrical infrastructure must be updated/improved subject to any one of the proposed alternatives/options. A local, centralized entity/utility will be able to focus its tax and revenue for planned infrastructure improvement and maintenance in a direction/manner approved by its constituents, rather than groups or individuals with diverging concerns. This minimizes financial risk and provides flexible funding and financing opportunities for the improvement and maintenance of infrastructure.

ERA requests that a financial impact analysis of each option under consideration be conducted to provide a more in-depth analysis regarding the costs and financial risks associated with each possible approach. Creation of a new utility district, under Option 2.B in the Draft Study Report, should be included in that financial impact analysis.

**5. Improvement of Services and Economic Prosperity:** A new local utility district has the ability and flexibility to tailor its services to the unique needs of its constituents. Such a utility would provide programs and initiatives specifically designed to address the challenges and opportunities in the community. This will lead to more efficient and effective service delivery and a reduction of outages and lost revenue. This, in turn, shall promote the overall growth of the community by promoting and supporting local commercial and residential development, which results in a better, more stable future for the local population.

\*\*\*\*\*

As the eight options discussed in the Draft Study Report are assessed, ERA concludes that Option 2.B will be the most favorable alternative to accomplish the objectives described in the Draft Study Report. Creation of a new utility district to serve the ratepayers in the IID not only promotes local interests and protects the area's ratepayers, but it also offers the advantages of financial stability and provides a more auspicious path for upgrading infrastructure in the manner that best serves affected stakeholders.

The members of the ERA thank you for your time and consideration.



# COACHELLA VALLEY WATER DISTRICT

*Established in 1918 as a public agency*

GENERAL MANAGER  
Jim Barrett

ASSISTANT GENERAL MANAGER  
Robert Cheng

CLERK OF THE BOARD  
Sylvia Bermudez

ASSISTANT GENERAL MANAGER  
Dan Charlton

August 8, 2023

**VIA EMAIL AT [GTHOMPSON@LAFCO.ORG](mailto:GTHOMPSON@LAFCO.ORG), [INFO@LAFCO.ORG](mailto:INFO@LAFCO.ORG) & U.S. MAIL**

Gary Thompson  
Executive Officer  
Riverside County Local Agency Formation Commission (LAFCO)  
6216 Brockton Avenue, Suite 111-B  
Riverside, CA 92506

Dear Mr. Thompson:

Subject: CVWD Comment Letter: March 2023 Draft  
Alternative Governance and Electricity Services Study - Imperial Irrigation District

Coachella Valley Water District (CVWD) welcomes the opportunity to provide comments to the Riverside County Local Agency Formation Commission (LAFCO) on the March 2023 Draft Alternative Governance and Electricity Services Study – Imperial Irrigation District (Study).

As you may know, CVWD serves approximately 300,000 residents in its 1,000 square-miles of service area ranging from the San Gorgonio Pass to the Salton Sea, mostly within the Coachella Valley area of Riverside County, including much of the same electrical service area of the eastern Coachella Valley contemplated in the Study.

CVWD appreciates LAFCO's efforts in compiling this Study which provides alternative energy and governance solutions for the eastern Coachella Valley region when the 99-year agreement between the Imperial Irrigation District (IID) and CVWD expires in 2032. IID's eastern Coachella Valley territory accounts for over 60% of IID's rate paying customer base, and CVWD has a direct vested interest in the issue as the largest electrical customer in this territory.

With regret, CVWD is unable to provide meaningful feedback on the Study by the August 30, 2023 deadline without the financial and cost analysis that was stipulated in the Scope of Work and Schedule of the Memorandum of Understanding between the State Water Resources Control Board (SWRCB) and Riverside and Imperial LAFCOs necessary to provide the "overall recommendation for the most cost effective and efficient implementation scenario for each required option" called for in Task 3iii.



Gary Thompson  
Executive Officer  
Riverside County Local Agency Formation Commission (LAFCO)  
August 8, 2023  
Page 2

It is CVWD's understanding that this financial information from IID was not available at the time the Study was published for comment, but that on July 27, 2023, IID staff informed the Coachella Valley Energy Commission (CVEC) that the financial information was now available.

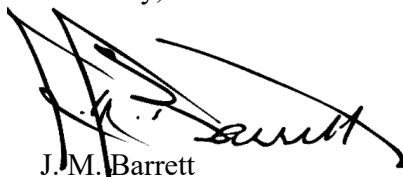
CVWD respectfully requests this financial information be used to expand the depth of the analysis on the options provided, and that overall recommendations for the most cost effective and efficient implementation scenario be included per the study's scope of work. Meaningful and constructive comment cannot be made without substantially deeper analysis and specific recommendations in this Study. This is critical to resolving the issue of determining what is the most prudent way for appropriate local representation and ensuring reliable and affordable electrical service for existing and future customers in the eastern Coachella Valley, including CVWD so it can continue to provide reliable water and wastewater services.

Governor Newsom vetoed AB 1021 (Mayes, 2021), the bill that authorized the Study, and his veto message emphasized the need to "invest the proper resources, time, and stakeholder engagement into studying the complex impacts of the..." termination of the Compromise Agreement in 2032. Although a delay is not desirable, too much time and resources from all involved have been invested in this process; it would be unfortunate to not achieve the Study's core goal due to timing of availability of key data which can now be accessed. A little extra time is a small price to pay to make substantial progress in moving us forward to answering a question so important to many stakeholders with consequences far into the foreseeable future.

Coachella Valley Water District is grateful for the opportunity to provide comments and looks forward to continued collaboration with our partners in the Valley, IID, stakeholders, the Consultants, and Riverside and Imperial LAFCOs.

Please do not hesitate to contact me at (760) 398-2651 or [JBarrett@cvwd.org](mailto:JBarrett@cvwd.org) with any questions or concerns.

Sincerely,



J.M. Barrett  
General Manager

Gary Thompson  
Executive Officer  
Riverside County Local Agency Formation Commission (LAFCO)  
August 8, 2023  
Page 3

cc: Anthony Madrigal, At-Large, Tribal Nations  
Blaine Carian, At-Large, Counties  
Gloria Fernandez, Riverside County  
JB Hamby, Imperial Irrigation District  
John Aguilar, Coachella Valley Water District  
John Ramont, Cove Communities Services Commission  
Joseph Mirelez, Tribal Nations  
Juan Perez, County of Riverside  
Karin Eugenio, Imperial Irrigation District  
Linda Evans, City of La Quinta  
Lavon Jaksch, Imperial County  
Philip Bettencourt, At-Large, Cities  
Bill Pattison, City of Coachella  
Waymond Fermon, City of Indio

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File: 0043.1



August 23, 2023

Stephen Dopudja, P.E.  
President  
Dopudja & Wells Consulting  
6789 Quail Hill Parkway, #421  
Irvine, California 92603

RE: Request for Supplemental Financial Analysis and Extension of Comment Period on the Draft Alternative Governance and Electrical Service Study

Dear Mr. Dopudja,

The Coachella Valley Energy Commission (CVEC) appreciates the opportunity to provide comments on the governance alternatives analyzed in the joint Imperial County and Riverside County LAFCOs draft "Alternative Governance and Electricity Service Study" (Study) published in March of this year. We also thank you and LAFCO staff for participating in the August 17 CVEC monthly meeting discussion related to the Study. As you are aware, CVEC directed the formal request of the following items through this letter:

- Publication of a revised Study by September 30, 2023 that is to include supplemental financial analysis conducted by LAFCO.
- Extension of the Study comment period to October 15, 2023.

CVEC appreciates your acknowledgement of our efforts in Section 9.5 of your report and we look forward to using the final Study to aid our ongoing discussions and engagements. We appreciate the opportunity to comment on alternatives for analysis in the LAFCO study process and look forward to working with your team, the Imperial County and Riverside County LAFCOs and affected stakeholders throughout the remainder of this process. If you have any questions, please contact Emmanuel Martinez at [emartinez@cvag.org](mailto:emartinez@cvag.org) or Susie Carrillo at [scarrillo@iid.com](mailto:scarrillo@iid.com).

Sincerely,

A handwritten signature in black ink, appearing to read "JB Hamby".

J.B. Hamby  
Chairman

A handwritten signature in black ink, appearing to read "Joseph Mirelez".

Joseph Mirelez  
Vice Chair

A handwritten signature in blue ink, appearing to read "Linda Evans".

Linda Evans  
Vice Chair



cc: Augustine Band of Cahuilla Indians  
Cabazon Band of Cahuilla Indians  
City of Coachella  
City of Indio  
City of La Quinta  
Coachella Valley Association of Governments  
Coachella Valley Water District  
County of Imperial  
County of Riverside  
Cove Communities Services Commission  
Imperial Irrigation District  
Torres Martinez Desert Cahuilla Indians  
Twenty-Nine Palms Band of Mission Indians  
Imperial County LAFCO  
Riverside County LAFCO



# IID

*A century of service.*

www.iid.com

*Since 1911*

August 30, 2023

Via Electronic Mail

(For convenience, paper copy to follow via Federal Express)

Stephen Dopudja, P.E.  
President Dopudja & Wells Consulting  
6789 Quail Hill Parkway, #421  
Irvine, California 92603

**Re: Imperial Irrigation District's Comments on the *Alternative Governance and Electricity Services Study-Imperial Irrigation District* (the "Study")**

Dear Mr. Dopudja,

The Imperial Irrigation District ("IID") appreciates the efforts of the Riverside and Imperial County Local Agency Formation Commissions to explore options for alternative governance structures to address the concerns of its Coachella Valley electrical customers and other stakeholders. IID is proud of its history of providing its customers with reliable electrical service while emphasizing environmentally friendly operations and maintaining some of the lowest electric rates in California. Consideration of potential alternative governance structures should be predicated on maintaining these standards. By these comments, IID seeks to clarify the record with respect to the 1934 Agreement of Compromise between IID and the Coachella Valley Water District (the "1934 Compromise Agreement") and provide additional context against which stakeholders should evaluate the proposed alternatives.

**I. In Evaluating Potential Changes to the Status Quo, Customer Satisfaction Should Be The Top Priority.**

In all of its operations, IID puts customers first. The Study identifies several concerns voiced by Coachella Valley energy stakeholders but does not attempt to correlate these concerns with day-to-day customer satisfaction. For example, when evaluating IID's performance from an industry perspective, in terms of sustained interruptions, frequency of sustained interruptions, and average durations of interruptions, the data show that IID consistently outperforms similarly situated utilities. Since 2018, IID has evaluated and tracked (by random sampling) customer satisfaction with regard to trouble calls that ask, among other things, the customer's overall experience, the courtesy

and professionalism of staff, the resolution of the issue, and whether the job was completed in the appropriate time frame. IID received an overall rating of “Outstanding” in those four categories. IID provides excellent service to customers at low cost, in comparison to investor-owned utilities and other publicly-owned utilities of similar scale confronted with weather-imposed challenges and rapidly growing demand coupled with material seasonal demand fluctuations.

IID has taken significant steps toward addressing the concerns identified in the Study while maintaining excellent customer service and low rates. IID is capitalizing on new technologies, securing affordable energy resources, expanding our capacity for local generation, and strengthening our power delivery system, all the while keeping the rates to customers low. Since the establishment of the Coachella Valley Energy Commission (“CVEC”) in 2021, IID has been committed to working with the diverse stakeholders in the eastern Coachella Valley within the IID electrical service area. IID, alongside diverse municipal, county, tribal, and public stakeholders, has worked to ensure the CVEC is focused on developing an effective long-term strategic plan for continued energy service to the Coachella Valley following the expiration of the 99-year lease provision of the 1934 Compromise Agreement.

IID’s willingness and ability to respond to the divergent needs of specific communities within the current legal framework is reflected in the voluntary, cooperation-based joint exercise of powers agreement recently approved by IID and the City of Indio which will facilitate the accelerated expansion and enhancement of electrical service within Indio.

## **II. The 1934 Agreement of Compromise Does Not Expire in 2033 and None of the Alternatives Will Terminate the 1934 Agreement of Compromise.**

The Study states that the 1934 Compromise Agreement “expires” in 2033 and that some of the alternatives would result in the “termination” of the 1934 Compromise Agreement. Both assertions are wrong. The 1934 Compromise Agreement contains several provisions regarding Colorado River matters, IID water entitlement priority ahead of the Coachella Valley Water District (“CVWD”), and related issues that will continue in perpetuity unless changes are mutually agreed to by IID and CVWD. Only one provision – Section 17, Lease of Power Rights – has a termination date (January 1, 2033.) On that date, IID’s exclusive right to the sale, use and control of power rights (as defined in the agreement) based on the All-American Canal system in exchange for its obligation to pay CVWD 8% of net proceeds will end. All other provisions of the 1934 Compromise Agreement will remain in force.<sup>1</sup>

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<sup>1</sup> Under the terms of the 1934 Compromise Agreement, upon the expiration of the Lease of Power Rights, “. . . the rights and privileges of the parties thereto shall be segregated and/or adjusted as may be equitable and just, having in view the business, interests and investments of the parties and their respective

The 1934 Compromise Agreement is a contract between IID and CVWD that third parties cannot “terminate” without IID and CVWD’s consent. As noted in the Study, unless IID and/or CVWD consent to an alternative that impacts the terms of the 1934 Compromise Agreement, protracted litigation could ensue. Each of the proposed alternatives that purport to “terminate” the 1934 Compromise Agreement (alternatives 1.C and all Option 2 alternatives) could result in potential claims by IID and/or CVWD against a new entity. Thus, stakeholders need to consider the rights of IID and CVWD in evaluating each alternative.

### **III. Several of the Alternatives Are Not Legally Viable.**

The Study provides a thorough survey of possible alternative governance structures. However, some of the proposed alternatives would face legal and/or practical hurdles that render them not viable. For instance, Option 1.B proposes annexation of the Coachella Valley electrical service area (the “Coachella Valley Service Area”) into the IID. Existing law does not permit this approach absent an extension of water service to the Coachella Valley Service Area. Because IID already provides electrical service to the Coachella Valley Service Area, annexation of this area into IID requires an extension of service as a matter of law. Absent the extension of services in addition to retail electric service (such as water service) into the Coachella Valley Service Area, no legal grounds for annexation exist. Given IID’s water entitlement priority, it is unrealistic to assume any extension of water service in support of annexation.

This option has a practical impediment as well. The population differences between the Coachella Valley Service Area and the IID jurisdictional boundary would likely allow the Coachella area voters to elect a significant majority of a single governing board. The Study suggests that under Option 1.B, Coachella area directors will recuse themselves on water matters. But with a majority of the board having to recuse themselves when that board acts on water matters, the board will likely fail to have a quorum, preventing any decisions from being made. In addition, closed session discussions on water matters by the IID area elected directors would be more difficult or impossible unless there is a separate general manager and general counsel, and even perhaps a chief financial officer, for water services in order to protect confidential water-related discussions.

Option 1.C is also legally problematic. A new “sub-Board of Directors” is proposed to govern all matters related to the new jurisdictional area encompassing the Coachella Valley Service Area, while the existing Board would continue to govern matters related to IID’s jurisdictional boundary. Such an approach is without legal support. Irrigation district boards are not authorized to delegate board responsibility to a sub-board or to anyone else.

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legal and equitable rights in said power rights, works and facilities on or in connection with the All-American Canal.”



**IV. The Most Viable and Preferred Alternative is the Utilization of the JPA Structure to Accomplish the Various Goals of Different Coachella Valley Interests.**

Option 1-D – Coachella Valley Parties Establish a Joint Powers Authority with IID – is the most legally viable alternative discussed in the Study. All entities described in the Study have the authority to coordinate with one another to form a JPA. The powers that each is allowed to exercise differ, which creates limitations on which entities could participate in forming a JPA whose purpose will be to provide electricity services to Coachella Valley customers, but there are practical workarounds to those obstacles.

JPA's can only exercise whatever powers are common to all the entities that formed it. This is the "common powers rule." For purposes of providing electricity services, this means that all entities that form the new JPA must each have the independent authority to provide electricity services. IID, the cities, and the Tribes clearly have that authority. The Government Code endows counties with the power to construct, acquire, and develop works for the generation of hydroelectric or wind power and to operate and maintain such works, but it does not confer authority to provide electricity services. Thus, Riverside and Imperial counties could not participate *directly* in the formation of a JPA because they do not have the independent authority to provide electricity.

However, in order to provide representation to customers living in unincorporated areas of the counties, Riverside and Imperial counties could participate in a JPA with IID through the creation of Public Utility Districts within their territories outside of incorporated areas. As discussed in the Study, PUDs can be utilized to enable counties to provide electricity service in unincorporated areas, and thus participate in a JPA to do so. JPA's have additional benefits. They can be tailored to the specific goals of the members, be governed by the existing governance of the members, and be modified over time for purpose and powers by agreement among the members. They thus appear to be more suitable as a tool to adapt and evolve the present setting to a changing energy future in the Coachella Valley, and would allow participation and representation of unincorporated areas in a JPA structure as a member agency.

In addition to the benefits of JPA's described in the Study, the JPA approach has the additional benefit of having already been implemented, albeit on a smaller and limited scale, between IID and the City of Indio. The IID/Indio JPA could serve as a blueprint for future JPA's between IID and the Coachella Valley parties.

## **V. Further Study Should Include The Comparative Costs of Each Alternative.**

While a comparative cost analysis was beyond the scope of the Study, as the range of possible alternatives is reduced, the costs associated with those alternatives needs to be closely examined. Change will come with a price, and future analysis should clearly indicate how each alternative will impact rates, so that stakeholders can fairly weigh the benefits of a proposed alternative against the costs of change.

Although costs and revenue information about IID service to the Coachella Valley is useful, those factors do not provide much guidance about the new cost consequences of changing from IID provision of full service to any other alternative, or the portion of costs associated with different aspects of energy service and the corresponding benefits of different alternatives. IID remains committed to working with Coachella Valley parties to define a consensus-based alternative and conducting appropriate financial analyses of such a defined consensus-based alternative.

## **VI. Conclusion**

The Imperial Irrigation District Board of Directors and staff appreciate the opportunity to participate in this Study process and will continue to foster and participate in collaborative efforts with our partners, stakeholders, and customers in the eastern Coachella Valley long after the completion of the Study process. We look forward to ensuring that the positive efforts between IID and Coachella Valley parties over the last two years continue and will yield durable, adaptable, and effective solutions for the next century of service in the Coachella Valley and beyond.

Sincerely,



Alex Cardenas, President



JB Hamby Vice President



Gina Dockstader, Director



Karin Eugenio, Director



Javier Gonzalez, Director

August 30, 2023

Page 6 of 6

cc: Imperial County LAFCO  
Riverside County LAFCO  
Augustine Band of Cahuilla Indians  
Cabazon Band of Cahuilla Indians  
City of Coachella  
City of Indio  
City of La Quinta  
Coachella Valley Association of Governments  
Coachella Valley Water District  
County of Imperial  
County of Riverside  
Cove Communities Services Commission  
Torres Martinez Desert Cahuilla Indians  
Twenty-Nine Palms Band of Mission Indians



## EXECUTIVE OFFICE

JEFFREY A. VAN WAGENEN, JR.  
COUNTY EXECUTIVE OFFICER

JUAN C. PEREZ  
CHIEF OPERATING OFFICER

DAVE ROGERS  
CHIEF ADMINISTRATIVE OFFICER

SAYORI BALDWIN, ASSISTANT CEO  
HUMAN SERVICES

CHARISSA LEACH, ASSISTANT CEO  
PUBLIC WORKS & COMMUNITY SERVICES

MICHELLE PARADISE, ASSISTANT CEO  
PUBLIC SAFETY

ZAREH SARRAFIAN, ASSISTANT CEO  
HEALTH SYSTEMS

August 30, 2023

Gary Thompson, Executive Officer  
Riverside County Local Agency Formation Commission  
6216 Brockton Avenue, Suite 111-B  
Riverside, CA 92506

Re: Initial Comments to Alternative Governance and Electricity Services Study -  
Imperial Irrigation District (March 2023 Draft)

Dear Mr. Thompson:

The County of Riverside ("County") is appreciative of the work done to date by the Riverside and Imperial County Local Agency Formation Commissions (LAFCO) in the preparation of the Alternative Governance and Electricity Study. We also appreciate the granting of an extension to the comment period requested by the Coachella Valley Energy Commission (CVEC) to October 15, 2023, and LAFCO's willingness to prepare and circulate a financial analysis prior to that date to provide all stakeholders and the public with the ability to offer more complete comments. We offer these initial comments on the March 2023 draft Alternative Governance and Electricity Services Study - Imperial Irrigation District (the "Draft Study") in the interest of sharing initial observations with LAFCO and stakeholders, while expecting to submit additional comments by October 15<sup>th</sup>.

The County unincorporated area constitutes the largest jurisdictional subdivision within the Imperial Irrigation District ("IID") Electric Service Territory in Riverside County. The County's current unincorporated area population within that territory is estimated to exceed 60,000. As we look back over the tremendous growth that the Electric Service Territory has experienced during the 90 years that the arrangement with IID has been in place, it is critically important to plan for how the area may continue to grow into the future.

### Guiding Principles

As LAFCO and the stakeholders move closer to identifying the most beneficial alternatives, the County offers the following comments on key aspects that we would like to see addressed moving forward as the alternatives are narrowed down:

#### a. Governance.

Population projections based on build-out of General Plan land uses forecast a future unincorporated area population of about 350,000 residents (not accounting for possible annexations). Having a governance model which provides for a greater direct voice for our growing unincorporated area, through a means of representation, is one of the key desired outcomes in order to have an electric utility system which is responsive to the needs of its customers – our County constituents.

b. Ability to provide reliable electricity.

A reliable and resilient system for the provision of electricity services is paramount to assure that the needs of our existing residents are met to protect their health, safety and quality of life. The system should include the necessary capital improvement and preventative maintenance components to assure that power can continue uninterrupted, and to be able to quickly respond to emergency conditions to restore power as soon as practicable

c. Cost-effective service for ratepayers.

Having a system that can provide cost-efficient services in order to keep utility rates comparatively low will be another key component for consideration. The County unincorporated area includes several disadvantaged communities, which are particularly sensitive to the impacts of high utility costs. The financial analysis being conducted by LAFCO will provide important insight on this topic to further inform future discussions.

d. Ability to plan for and equitably pay for future growth.

Given the significant growth that is expected to occur in our unincorporated area, we need to collectively plan for a system that can feasibly expand in order to support our growing population and allow for economic development opportunities. The cost of expanding infrastructure to accommodate growth should be primarily borne by those development projects contributing to the expansion need, while minimizing any impacts to existing residents and ratepayers.

e. Operational ability.

The electric service provider needs to have, or reasonably be able to develop, the operational and organizational capacity and know-how to operate a complex electrical system, so that it can be responsive to the needs of the community while providing reliable and resilient electrical service.

### **Initial Comments on Service Options.**

We acknowledge and appreciate the commitments by LAFCO to provide the requested additional financial analysis, which will yield needed additional information to assess the alternatives against the collective priorities of all stakeholders. Based on County staff's review of the eight (8) alternatives identified in the Draft Study, in light of our guiding principles noted above, it is our assessment that Option 1.A (Maintain Status Quo), Option 2.A (Merge to Investor-Owned Utility) and Option 2.D (Form a Community Choice Aggregator) are the least likely to meet the County's objectives. This opinion is also shared by the Draft Study which identified those as the lowest ranked of the alternatives studied. As such, if there is a need or interest in narrowing down the alternatives as part of the next steps of the analysis, those three alternatives would warrant less consideration.

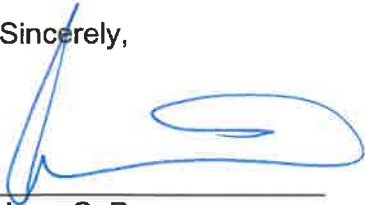
### **Financial Analysis**

The County requests that certain information be included and considered as part of the fiscal analysis, to the practicable extent possible, as part of the cost comparison of alternatives:

- Overall number and mix (residential, commercial, etc.) of ratepayers, by jurisdiction.
- Rate revenue collected over a reasonably available period of time, by jurisdiction.
- Available information on the inventory of transmission and other assets, by jurisdiction.
- Summary information of what may be currently programmed through IID's approved Capital Improvement Program, by jurisdiction.

The County extends our thanks to all of the stakeholders that have come together, using CVEC as a forum, and the work being done by LAFCO and its consultants as we work to plan the best electrical energy future possible for the Coachella Valley. We appreciate the ability to submit our initial comments now and look forward to commenting further as the additional fiscal analysis becomes available, and to continuing to work in collaboration with all stakeholders through CVEC as this moves forward to the next stage of analysis and discussion

Sincerely,

A handwritten signature in blue ink, appearing to read 'Juan C. Perez', with a large, stylized loop at the end.

---

Juan C. Perez  
Chief Operating Officer

August 30, 2023

Gary Thompson, Executive Officer  
Riverside County Local Agency Formation Commission (LAFCO)  
6216 Brockton Avenue Suite 111 B  
Riverside, CA 92506  
[gthompson@lafco.org](mailto:gthompson@lafco.org) or [info@lafco.org](mailto:info@lafco.org)

**Re: Alternative Governance and Electricity Services Study - Imperial Irrigation District**

Dear Mr. Thompson,

The La Quinta City Council is submitting this comment letter in response to the March 2023 DRAFT Alternative Governance and Electricity Services Study – Imperial Irrigation District (Study), prepared by Dopudja & Wells Consulting (Consultant).

In February 1934, the Coachella Valley Water District (CVWD) and Imperial Irrigation District (IID) entered into a 99-year Agreement of Compromise, granting IID to be the electrical service provider for parts of the Coachella Valley located in Riverside County, California. Since this agreement expires on December 31, 2032, and the La Quinta residents and businesses receive electrical service from IID, we have a vested interest in the governance and delivery of services post 2032.

We are aware that this Study was commissioned as a result of legislation (AB 1021) introduced by former-Assembly Member Chad Mayes that outlined a governance structure that provided for fair representation of the IID customers within Riverside and Imperial Counties. Currently, the IID Board is comprised of members elected by Imperial County residents within defined geographic districts located only within Imperial County. There is no representation or voting rights for stakeholders within IID's territory of Riverside County. While the legislation was vetoed, the Governor approved State funds to commission a study to evaluate "alternative governance and electrical services" post the IID/CVWD agreement.

In July 2021, also during and as a result of Mayes' proposed legislation, IID formed the Coachella Valley Energy Commission (CVEC). CVEC is comprised of elected officials and at-large representatives of Coachella Valley energy stakeholders and its purpose is to determine the energy needs of the greater Coachella Valley portion served by IID and develop a long-term strategic plan, including governance, for continued energy service beyond 2032.

On May 1, 2022, Riverside and Imperial County LAFCOs and the California State Water Resources Control Board (State Water Board) entered into a \$500,000 Study Grant Agreement to conduct a study to evaluate alternative governance structures and or alternative electricity services currently provided by IID.

Exhibit A of that Agreement contains the Scope of Work and Schedule (page 7 of 18).

In Exhibit A, A.2., 3. Study Report, 3.1 Prepare an Initial Draft Study that includes:



3.1.1 An executive summary that includes background information on the Project, the issues and options to be analyzed, and recommendations for implementation.

3.1.2 An analysis section that includes a detailed discussion for each of the options and scenarios developed for the two issues required to be studied.

3.1.3 A conclusion and recommendations section that synthesizes the analysis into an overall recommendation for the most cost effective and efficient implementation scenario for each required option.

In March 2023, LAFCO published the Consultant's 159-page draft Study for public comment, which outlines multiple options with variations available to stakeholders in moving forward with a new contract.

#### Our Findings:

The Study does not include cost analyses or an overall recommendation for the "most cost effective" scenario. It does not include transitional cost and time frames, how funding is covered, and what new rates for service are estimated to be going forward. It does not provide "recommendations" at all. Instead, it lists options and information that were largely derived from the work conducted by CVEC since its inception in July 2021.

La Quinta has been and remains strongly committed to its participation and collaboration with CVEC, and supports CVEC's continuous efforts for engagement to identify viable electrical service alternatives and ensure proper representation of the Coachella Valley ratepayers as this process progresses. And, while governance issues and models are discussed with CVEC, the IID Board is still the authority for decision-making.

CVEC members, upon inquiry, were informed by IID staff during the July 27, 2023 CVEC meeting that the financial reports from IID became available too late to include in the Draft Study. CVEC members recommended that IID submit the financial information requested for the Study so that the Scope of Work requirements of the State Water Board Agreement can be met. We do believe, however, that the Study should have included cost analyses based on research that should have been performed by the Consultant.

Without the required information and critical cost analysis, a municipality cannot make an informed decision about the future of electrical service for its residents/businesses.

We ask that LAFCO fulfill its contractual obligation to meet the requirements as outlined in the State Water Board agreement as noted in Exhibit A – Scope of Work and Schedule.

With receipt of financial data from IID, that will provide critical information needed to determine the best "cost effective" option for our residents/businesses, we understand the financial analysis performed will be available for review no later than September 30, 2023. We also have learned that both Imperial and Riverside LAFCOs have authorized to extend the comment period to October 15, 2023. Thank you for making adjustments to the timeline and comment period.

We support a governance structure for electrical/power service that is representative of and inclusive of the Coachella Valley stakeholders that is separate from the current IID board representing Imperial County stakeholders for both water and power. We prefer a Coachella Valley board that represents the area divided into districts, with board members elected by registered voters of each district.

We would also like to see a governance structure that plans for and prioritizes ongoing maintenance of equipment, upgrading of outdated equipment, and proactive addition of substations as needed to ensure capacity to better serve existing ratepayers and new development. IID needs to be transparent as to issues critical to power delivery in both the short term and long term. The cities and impacted agencies need to be included in planning, site location, future transmission requirements, and path of those lines through the cities.

Increasing population, system reliability, aging infrastructure, capacity limitations, new development, frequent service outages, stable costs for ratepayers, and questions regarding timely implementation of capital improvements are among our top concerns. These concerns have driven the Coachella Valley stakeholders to request representation and provide oversight on electrical service matters. Thank you.

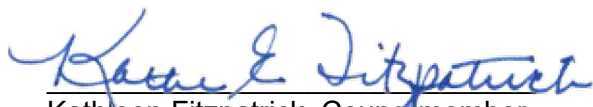
Sincerely,



Linda Evans, Mayor  
City of La Quinta



Steve Sanchez, Mayor Pro Tem  
City of La Quinta



Kathleen Fitzpatrick, Councilmember  
City of La Quinta



John Peña, Councilmember  
City of La Quinta



Deborah McGarrey, Councilmember  
City of La Quinta

Cc: Jon McMillen, City Manager, La Quinta



October 12, 2023

*Via Email*

Gary Thompson  
Executive Director  
Riverside County LAFCO  
6216 Brockton Ave., Suite 111B  
Riverside, CA 92506  
[gthompson@lafco.org](mailto:gthompson@lafco.org)

Dear Mr. Thompson,

The City of Coachella (“City”) provides the following comments on the joint Imperial County and Riverside County LAFCOs draft *Alternative Governance and Electricity Services Study – Imperial Irrigation District*,” dated March 2023 (“Study”). The City appreciates the joint LAFCOs issuing the draft Study and providing an opportunity for stakeholders to comment on alternative governance options to the existing electrical service provided by the Imperial Irrigation District (“IID”) in the Coachella Valley. The City is providing constructive feedback on the various governance options in hopes that the Study will provide the stakeholders with a tool to have a meaningful discussion on the path forward to long-term electrical service in the valley. The Coachella Valley is at a critical juncture to evaluate all the available options for energy and implement a long-term solution given the growing concerns with existing IID service.

The City does not believe that the Study should be finalized at this time and that more work is needed. While it provides useful information on the background of electrical service, the stakeholders, and issues of concern with current IID service, more clarification and legal analysis is needed on the various governance options and financial and other economic data is needed to provide a complete Study. The City provides the following comments on critical areas in the Study, and also includes more specific comments in the attached spreadsheet. We welcome setting up a meeting with the joint LAFCOS and its consultants to clarify these comments and answer questions.

**I. The Study Should Clarify That the CPUC Is Also Not a Governance Option, and That Coachella Valley Ratepayers Are Affected by the Lack of Representation**

The Study should clarify that the current lack of representation on electrical service affects the stakeholders by not having representation on the IID Board, but also affects ratepayers. There is no recourse or other mechanism to participate in IID policies and terms of service or address customer issues and grievances. Because IID is a publicly owned utility, the California Public Utilities Commission does not regulate it as investor-owned utilities (“IOU”) are like Southern California Edison. Customers of an IOU and other interested parties can participate in CPUC



rulemaking, rate setting, and adjudicatory processes, and address any grievances or disputes through the CPUC enforcement division and bring complaints against the IOUs. IID does not have any established processes in place to address grievances and complaints by Coachella Valley customers, other than general public comment at IID Board meetings in Imperial County. Because the Coachella Valley is served outside IID's political boundaries, there is a complete void of governance and representation. This impacts all of the Study stakeholders, and, more importantly, the ratepayers served by IID and those commercial and industrial customers that are in need of expanded IID infrastructure to serve growth in the valley. There is simply nowhere for a customer to go.

In its comment letter, dated August 30, 2023, IID states that there is considerable customer satisfaction, which has been tracked and evaluated through random sampling. The City is unaware of any reports IID has issued on customer satisfaction or other statistics demonstrate that customers in the Coachella Valley are receiving high levels of service. To the contrary, the City is aware of numerous examples throughout the Coachella Valley where prospective developments and current and future ratepayers are unable to obtain service for their projects, including a refusal by IID to provide service. This has not only affected commercial and industrial growth in the valley but also interferes with state and local policies on the development of affordable housing. This is untenable.

## **II. The Study Must Analyze the Financial and Economic Data Regarding IID's Service in the Coachella Valley in Order for the Stakeholders to Provide Meaningful Comments on the Study and Base a Governance Decision On**

The Study lacks the necessary financial, economic and cost data that is needed to conduct an informed discussion on the proposed governance options. Studies that have been done throughout California and other parts of the U.S. on alternative mechanisms to incumbent utility service include both a governance analysis and feasibility analysis setting forth the costs of the alternative service and the options to fund or finance it. While the City recognizes that the joint LAFCOs Study does not perform a full feasibility analysis of each option, and that such studies will need to be done prior to implementing the preferred governance option, the Study in its current draft does not contain any financial information whatsoever on IID's existing service to the Coachella Valley, what specific improvements are needed, and what will generally be needed to implement any of the options therein.

At the April 2023 CVEC meeting, it was stated by Riverside LAFCO that IID did not provide financial information requested by the Study's consultants and that financial analysis would not be included in the Study. This statement was alarming in that the requested data is crucial to finalizing the study, is required under the terms and conditions of the State Water Board



grant, and is, most assuredly, a public record under the California Public Records Act. At the July 2023 CVEC meeting, it was then stated that financial reports by IID were now available, but that it was too late to be included in the Study. We believe that this has since been corrected. While the City understands that obtaining this data is outside of the Joint LAFCOs control to some degree, IID should provide all publicly available data requested by the consultants. The LAFCOs should request, and Coachella Valley Energy Commission (“CVEC”) should ensure, that IID staff, which staff is supporting CVEC, provide the necessary data for the study.

There are numerous places throughout the Study where such financial and economic data is needed to fill in the analysis. For instance, and without limitation, IID has publicly identified \$500 million in necessary infrastructure upgrades and \$300 million in generation upgrades for the period between 2023-2029. This information, and a breakdown of this data, is not included in the Study. Other relevant data is also missing. Table 4-3 in the Study states that the Coachella Valley is 61 percent of IID customers. Table 4.3 shows IID's total energy department budget, which includes the Coachella Valley and Imperial County, and not budget numbers for the Coachella Valley. Additional tables should be added showing the 2022 Project Actual, 2023 Budget, and 2024 Budget for the 61 percent of Coachella Valley customers only. This is necessary so Coachella Valley stakeholders can determine how much revenue and funding is coming from Coachella Valley ratepayers as compared with Imperial County customers. Table 4.3 should also include Expenditures for Coachella Valley ratepayers, so the public can determine what the projected revenue and expenditures would be for the Coachella Valley.

Financial data is needed to make a sound business and governance decision as part of any study. Stakeholders must determine the costs of serving the Coachella Valley under each governance option and utilize such information in future feasibility determinations.

### **III. Municipalization Must Be Provided and Analyzed as a Standalone Governance Option**

Although there is a general reference to municipal utilities in Section 7 and possibly in Governance Option 2.C “special districts” run by stakeholders, the Study does not appear to include a city’s ability to form a municipal utility. One of the most common forms of governance in California for electric service is a city municipal utility. There are numerous examples of municipal electric utilities throughout the state, including several longstanding utilities in Riverside County and the surrounding counties, such as Banning, Colton and Riverside, and several that more recently formed in Western Riverside County in the Cities of Corona and Moreno Valley. There are also dozens of examples of municipal utilities in the water and wastewater areas. Formation of a municipal utility is a strong economic and legally viable option to IID service. A municipal utility option addresses the Study’s foundational objectives as well as the existing stakeholder concerns with IID. In the June 2023 presentation to CVEC by the Joint LAFCOs’





consultant, the consultant stated that municipalization was an option identified in Options 2.B and 2.C (Special District, Municipal Utility District); however, it is not really discussed in these options. Furthermore, a city municipal utility is not a “special district” or “municipal utility district” under the law and should not be labeled as such. Doing so only confuses reviewers of the Study on the various legal structures.

Under the California Constitution and applicable law, cities have the right to form an electric utility and can do so within the territory served of an IOU, and in this case, IID. In fact, in November 2019, the Coachella City Council adopted a resolution forming a municipal utility with a proposed service territory of all undeveloped and under-served areas within the City’s territorial limits. Likewise, cities within Western Riverside County have formed so-called municipal utilities within their territorial limits.

The City requests that municipal utilities be added to the Study as a standalone governance option along with discussion and analysis of the legal and governance basis for them and how such formation occurred in Western Riverside County. The addition of a municipal utility option would provide all the stakeholders with a more complete understanding of their options.

#### **IV. The Study Over-Emphasizes the 1934 Compromise Agreement as the Basis for IID’s Service in the Coachella Valley**

The 1934 Compromise Agreement between IID, CVWD and the federal government is a 99-year contract settling water rights. As a condition to prioritizing certain rights to the All American Canal, the agreement also addresses energy rights along the canal. The agreement does not necessarily establish IID’s right to provide electricity to the Coachella Valley and does not preclude the stakeholders from establishing alternative electric service options prior to its expiration in 2033. In fact, and is indicated in part in the Study, IID acquired the California Electric Power Company in the 1940s, which acquisition is the primary basis for its service. IID service is being provided outside IID’s territorial jurisdiction with no other approval or agreement. Therefore, the municipalities in this region have the right to form other electric service options now. The Study should eliminate the frequent reference to the 1934 Compromise Agreement as the basis for IID service, acknowledge that cities can provide service in lieu of IID, and not suggest that the timing on implementing an alternative governance structure is tied to the 1934 Compromise Agreement.

#### **V. The Study Needs Additional Review of the Governance Options**

The City reiterates that the Study provides invaluable information on the background of IID’s service to the Coachella Valley. There are numerous places, however, where certain conclusions are inaccurate or there are errors in the governance options. This suggests that there is



a lack of experience in California energy and public agency governance. The City believes that many of the governance options should be re-reviewed for completeness and legal accuracy in the statements and conclusions, particularly the laws regarding governance options and interpretations of the 1934 Compromise Agreement. In addition, specific examples should be provided to inform the stakeholders of the relevant options that can be modeled. For instance, the Metropolitan Water District is provided as an example, but MWD is a water agency, and there are numerous examples of municipal utilities, public utility districts and JPAs specific to California electricity.

## **VI. City Comments on Governance Options**

The City provides the following comments on the specific governance options discussed in the Study.

### *A. Governance Option 1.A – Maintain Status Quo*

The City appreciates the Study providing the pros and cons of IID continuing to provide service and keeping the current governance as status quo. This is useful. We agree with other commenters, though, that this option should ultimately be rejected, as it does not address the concerns of the stakeholders or the foundational objectives of the Study. This option will only lead to more uncertainty in electric service and concerns by stakeholders due to the lack of representation and the current provision of IID service. CVEC would remain in place under this option, but the commission is only an advisory body to the IID Board with no independent staff or decisionary role in Coachella Valley electric service. Cities would still need to finance all the improvements in their respective jurisdictions, as would be the case under any of the standalone governance options. This is also contrary to an IOU service model. Therefore, the City does not support this option.

### *B. Governance Option 1.B – Annex the Coachella Valley into IID*

There has been significant discussion regarding annexing the Coachella Valley into IID and it has been largely rejected by IID and Coachella Valley stakeholders. As the Study notes, new legislation would be needed for IID to have exclusive jurisdiction over water rights while IID would continue to have management over Coachella Valley electric concerns. Given the significant hurdles of this option and the fact that it has been proposed previously, the City does not believe this is a viable or realistic option. It is also not supported by IID.

### *C. Governance Option 1.C – Creation of Sub-Board of Directors*

The creation of a sub-board of directors to IID on energy issues would address the lack of representation in some respects. Given the administrative and governance complexities, however,





this is also not a viable option. A sub-board would still be beholden to the IID board and would result in unclear roles and responsibilities, including jurisdiction, funding, and staffing. It is also unclear how a sub-board would address the concerns raised by the stakeholders as to rates, infrastructure needed to fund future development, and other issues. The City is also unaware of an example of a sub-board in California public agencies. If one exists, the Study should identify it and provide more analysis.

D. *Governance Option 1.D – Joint Powers Authority with IID*

This section of the Study needs the greatest review and revision. Joint powers authorities are agencies formed to exercise a common power of the members. They are commonly formed to issue debt or provide a service that a member would not provide itself, while minimizing liability to the member agency's general fund. The JPA is a contract between the members specifying the purpose of the JPA and the powers it is exercising. The Study places great emphasis on use of a JPA as a governance option in that it would have "direct control and obtain representation on electrical service provisions for Coachella Valley." A JPA would not necessarily do this, however, because it is entirely dependent on what the JPA is established for and how the governing body is comprised. The Study needs to clarify how a JPA would provide for representation on electrical service provisions and cite examples the stakeholders can review.

The only example provided is the IID-Indio JPA, which was finalized by those agencies in July 2023. The JPA allows the City of Indio to finance new electrical infrastructure within and upgrades to IID's current service to the city. Under this model, the Indio City Council sits as the JPA board of directors and establishes a surcharge that will be collected by IID and used to pay for the upgrades requested by the JPA on behalf of the city. IID is not obligated to verify the legality of the surcharge or if the calculation is correct. Indio and IID then enter into an installment agreement for the construction of the improvement, and installment payments are paid for by the surcharge. The financing proceeds are fully collected and used to pay for the IID improvements, with such payments assigned to a trustee to secure financing. IID ratepayers outside of Indio's city limits do not pay for the surcharge or any of the improvements. Projects are owned by the JPA and given to IID if the JPA is terminated or the debt service paid off, assuming IID is still providing service at the time of termination.

If further analyzed in the Study, this example is strictly a financing JPA. While it allows the member some self-determination over infrastructure upgrades, it does not provide a full governance option. There is no additional authority given to the JPA over and above the surcharge determination. *Importantly, the JPA agreement expressly states that the JPA cannot be used to provide electricity.* Also, in theory, IID will continue to own and operate improvements, which would extend beyond the term of the 1934 Compromise Agreement (assuming that it controls IID service), and the JPA would have no other "governance" authority beyond the construction of the



improvements. There is no scope of authority over service to the region, budget, capital improvement plan prioritization, net metering, distributed generation, power supply composition, and customer service, among other issues of concern. This option may be fine for some stakeholders, but the stakeholders should understand the totality of this option as it is referenced throughout the Study.

Not surprisingly, this is the only option supported by IID because it ensures the Coachella Valley stakeholders finance and pay for the much needed improvements to the system without any existing funding support from IID, and presumably, the ratepayers that have been funding the system. In addition, due the financing and funding, that is needed given the current growth, and the timelines for development and construction, this option preserves the status quo by ensuring that IID remains the sole provider of electrical service in the Coachella Valley forever.

E. *Governance Option 2.A – Dissolution and Merger with an IOU*

The Study outlines a governance option for the “dissolution and merger” with an IOU for service in the Coachella Valley where an electrical corporation like SCE would take over IID service. Such an option would contemplate a transaction between IID and the IOU as a willing buyer and seller and include negotiation of a purchase price for those portions of the IID system within the Coachella Valley. The governance option is really a sale of the IID system or acquisition and should be renamed as such since IID would not be dissolving as an entity or merging with the seller. The acquisition would need to be approved by the CPUC since it has jurisdiction over IOU acquisitions.

This option does not provide an adequate level of governance to the stakeholders since the system would be owned and operated by an IOU. It would, however, allow the stakeholders to participate in IOU general rate cases and other proceedings and ratepayers would have an ability to directly petition the CPUC with grievances or disputes. The City does not see this as a realistic option, though, since, again, it involves a willing buyer and seller to negotiate an extensive purchase of the system and IID would be unlikely to do so given that the Coachella Valley is 61 percent of revenues into its system.

F. *Governance Options 2.B and 2.C – Form Public Utility District or Special District*

Sections 7 and 9 of the Study are unclear on the types of districts that are being analyzed and recommended. Section 7 is labeled “municipal utilities” and “public utility districts” (and electrical cooperatives). Section 7.2 and 7.3 briefly outlines public utility districts and makes some reference to special districts with no discussion about municipal utilities. Section 9.2 then conflates the various special district and public utility district options that may be available, and again, does not discuss municipal utilities. Special districts can be created under a number of



California statutes with a public utilities district serving as one type of special district. If the Study is analyzing or recommending other types of special districts, then it should clarify what they are. Alternatively, to keep it simple, the Study should analyze public utilities districts and municipal utilities and dispense with using special district (which term is more used with water districts).

It is also unclear what the difference is between Option 2.B and 2.C. Option 2.B appears to address formation of a public utilities district or special district. Option 2.C then states that a “public utilities district” or “special district” would be formed by each stakeholder, suggesting that option is discussing municipal utilities. Option 2.C notes that the public agency would have oversight over generation, distribution, and transmission, which a public utilities district would also oversee under Option 2.B. In addition, there are very distinct formation differences between a public utilities district and a municipal utility that should be broken out in the Study.

G. *Governance Option 2.D – Community Choice Aggregator*

The Study contains some inaccuracies regarding formation of a community choice aggregator (“CCA”) that should be reviewed and corrected. It states that a CCA can only form in the territory of an IOU and that service in the Coachella Valley would need to be transferred from IID. This statement does not recognize that IID provides service outside of its political boundaries and that Public Utilities Code section 331.1 may allow a CCA to form. In addition, other agencies have obtained special legislation to allow formation, such as a water district and conservation district and a stakeholder may be able to form in the same manner. There are also statements regarding the challenge in obtaining financing for start-up costs and that the long-term financial impact is uncertain. There is no financial information in the Study, though, and nothing that supports these conclusions. For instance, a number of banks have lent considerable funding to CCAs at start-up and offered revolving credit lines. A number of CCAs have achieved investment credit ratings in a few short years and have \$50 million or more in reserves in that same time period. There is also a considerable amount of local control over programs, rates, rate stabilization and other issues important to the stakeholders. This option needs to be significantly reworked.

## VII. IID Comments on Study

Although the City stresses the need for the Study to improve its analysis on the municipal utility option, it recognizes that each of the options may be legally viable or that legislation may be needed to make them so. IID’s comments, however, suggest that only the JPA option is viable and the rest of the options are not supported. IID goes so far as to state that it and CVWD may have “claims” against any city or group of stakeholders that seeks to implement any of the options on the grounds that the 1934 Compromise Agreement exclusively controls service in the Coachella Valley. The City fails to see how a contract between two entities controls all service in the region where there is no such construct anywhere in the law in any other part of the state. Not only is this



## CITY OF COACHELLA

53-990 ENTERPRISE WAY, COACHELLA, CALIFORNIA 92236

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legally unsupportable, but more importantly, it shows an unwillingness to engage in a truly collaborative, stakeholder-driven process to obtain the best governance information for the governing bodies, residents and businesses of the Coachella Valley.

In conclusion, the City appreciates the opportunity to provide comments on the Study and respectfully requests the joint LAFCOs make the changes we discuss herein. If you have any questions or desire to setup a meeting to discuss these comments, please do not hesitate to reach out to the undersigned at any time.

Sincerely yours,

Dr. Gabriel Martin  
City Manager  
City of Coachella

## Gary Thompson

---

**From:** Brad Anderson <ba4612442@gmail.com>  
**Sent:** Sunday, October 15, 2023 10:30 PM  
**To:** LAFCO Information  
**Cc:** Gary Thompson  
**Subject:** Public Comment - Alternative Governance Structure(s) and Alternative Electricity Service (Draft Study - March 2023) IID

October 15, 2023

Riverside County Local Agency Formation Commission (LAFCO)  
6216 Brockton Ave. Suite: 111-B  
Riverside, CA. 92506  
Attn: Mr. G. Thompson (Executive Officer)

-----  
Dopudja and Wells Consulting  
6789 Quail Hills Parkway, #421  
Irvine, CA. 92603  
Attn: S. Dopudja (President)

Re: Written response to the Alternative Governance Structure(s) and Alternative Electricity Service (Draft Study)  
Imperial Irrigation District (IID)

Dear Riverside County LAFCO,

As a concern citizen of the Coachella Valley region (Riverside County) and having the ability to attend and participate in many of the newly constructed Coachella Valley Energy Commission (CVEC) open Public meetings. It has been observed that certain Cities have been able to subvert the CVEC mission (goals) by establishing an independent working relationships with the Imperial Irrigation District (IID) while having City officials actively serving on the CVEC Board of Directors.

Coachella Valley Cities along with many other Governmental agencies in the region have been demanding unrealistic growth of local communities. Those overreaching demands from local City Councils do not align with the economics of local communities and the wishes of their population.

I'm ONLY one of very few members of the general Public that have NO financial interests from attending and participating with CVEC open Public meetings.

Please consider allowing citizens within the IID service boundaries the opportunity to continue enjoying high quality service and predictable reliable sources of energy provided from IID.  
(Any overhead power distribution lines will be at increased risk of interruption)

Option 1-A (Maintain Status-quo IID operations) would be the sensible and reasonable choice for current Coachella Valley Residents and Businesses. Having Coachella Valley Cities (Coachella/Indio/La Quinta/Cove communities plus unincorporated Riverside County communities) attempt to subvert Coachella Valley Citizens from a service provider that has been a great partner and a well operated entity. Departure from that "status quo operation" would be devastating and extremely expensive to the current population of the Coachella Valley.

Joint ventures such as (JPA's - Option 1-D) have the ability to create unnecessary harmful effects from local governmental political representatives involvement with special Interests and the uncertainty of increasing taxes/fees/surcharges to local Resident's.

Please consider the concept of "Great Customer Service" and cost-effective services. Chose Option 1-A (current operations of IID)

Sincerely,

Brad Anderson | Rancho Mirage, CA. | [ba4612442@gmail.com](mailto:ba4612442@gmail.com)

Cc:





# **TWENTY-NINE PALMS BAND OF MISSION INDIANS**

46-200 Harrison Place . Coachella, California . 92236 . Ph. 760.863.2444 . Fax: 760.863.2449

October 13, 2023

Stephen Dopudja, P.E., President  
Dopudja & Wells Consulting  
6789 Qual Hill Parkway, #421  
Irvine, California 92603

**RE: Twenty-Nine Palms Band of Mission Indians' Comment Letter on  
Alternative Governance and Electricity Services Study**

Dear Mr. Dopudja,

On behalf of the Twenty-Nine Palms Band of Mission Indians ("Tribe"), I thank the Riverside and Imperial County Local Agency Formation Commissions ("LAFCO") for their efforts to prepare the Alternative Governance and Electricity Services Study, dated March 2023 and as supplemented on September 19, 2023 (collectively "LAFCO Study"). Moreover, we thank you for LAFCO's willingness to extend the comment period to October 15, 2023, and for supplementing the Study with responses to the initial round of comment letters. The Tribe submits these comments as both a major stakeholder and as a sovereign government with a critical need to supply reliable and affordable electricity services to support its economic development activities and government operations. As a result, the Tribe is committed to ensuring that the future of electric utility services to the Coachella Valley reflects these values.

## **BACKGROUND OF THE TRIBE**

To understand the Tribe's comments, it is important to understand at least some of our history. The Twenty-Nine Palms Band of Mission Indians is a federally recognized Native American tribe headquartered on its Reservation lands in the Coachella Valley. We are descendants of the Chemehuevi people, a peaceful and nomadic Tribe whose territory once covered parts of California, Utah, Arizona, and Southern Nevada. Our Reservation lands were first established by the Executive Order of 1895 in Twentynine Palms, San Bernardino County, and an additional Reservation was patented in 1910 in Coachella, Riverside County, where our current governmental operations are located. However, our ties to this and the surrounding land go back much further.

The Tribe began as hunter and gatherers, initially inhabiting a vast region, whose territory once spanned four states. As experienced by most Indian tribes, eventually the Tribe was forced to cease their hunting and gathering and forced away from our lands and traditional practices. Small groups of the Chemehuevi lived throughout the Mojave Desert between the Colorado River and



the contemporary town of Twentynine Palms before settling at the Oasis of Mara in Twentynine Palms in the 1860s. However, in 1875, the State of California filed a claim on the entire Oasis, ignoring the aboriginal rights of the Chemehuevi to their homelands. Shortly afterward, the State of California sold the Oasis of Mara to the Southern Pacific Railroad, all without the permission or knowledge of our people.

While the government permitted the Tribe to stay near the Oasis for a number of years, in approximately 1909, the Tribe moved to the Coachella Valley, where we had a close association with the area and people of the area. Indeed, members of the Tribe had worked on ranches in the eastern side of the Coachella Valley for many years prior as a source of income for the Tribe.

Following this move to Coachella, the United States issued a trust patent jointly to the Tribe and the Cabazon Band of Mission Indians for this Reservation. In the 1970s, the Reservation was divided between the Tribe and the Cabazon Band, with Twenty-Nine Palms Band of Mission Indians taking control of approximately 210 acres. The Tribe petitioned Congress to create the Twenty-Nine Palms Reservation from the 210 acres, which was completed in 1975.

Today, the Tribe has established business enterprises and governmental operations on its sovereign lands, with Spotlight 29 Casino and the Tribal Government Offices headquartered in the city of Coachella, and Tortoise Rock Casino near the town of Twentynine Palms. The Tribe provides employment to over 700 people, contributes to the community through charitable contributions, and maintains a strong government-to-government relationship with neighboring cities, counties, the State of California and the federal government.

## **COMMENTS TO LAFCO STUDY**

### **I. Consider Additional Information on Tribal Participation in Energy Provision**

The Tribe submits the following general comments to the LAFCO Study and its need to include the participation of Indian tribes as a critical component of governance and energy provision:

#### **A. Incorporate additional analysis and recommendations related to the ability of a tribal government to participate in the proposed governance structures.**

The LAFCO Study takes an unnecessary and limited view of the ability of Indian tribes to participate in a governing body. For instance, Option 1.D – “Coachella Valley Parties Establish a Joint Powers Authority with IID” – states that “California Indian Tribal governments can join JPA’s with legislative permission” but does not provide any information regarding what type of legislative permission is required or the likelihood of receiving such permission, among other things.

#### **B. Incorporate additional analysis and recommendations related to the benefits and impacts that each governance structure would have on tribes.**

There is little to no information in the study that addresses how Indian tribes would or could be impacted. Indian tribes are major community stakeholders and energy users. Tribes maintain

strong government-to-government relationship with neighboring cities, counties, the State of California and the federal government and, in many cases, consultation with Indian tribes is a requirement of state and federal law.

**C. Consider tribal participation in energy generation and delivery.**

Indian Tribes are valuable partners, not only on governance matters, but on opportunities for energy generation to service the Coachella Valley. Tribes benefit from unique opportunities, including dedicated lending from the Department of Energy, as well as permitting and regulatory opportunities that are not available to non-tribal entities.

**II. Comments to Each Governance Alternative**

The Tribe submits the following comments specific to each governance alternative identified in the LAFCO Study:

**A. Governance Option 1.A (at p. 46) – “Maintain status quo”**

Without question, the Tribe opposes any path forward that puts the Imperial Irrigation District (“IID”) in direct and predominant charge of delivering power to the Coachella Valley. As you know, IID has historically opposed any form of local representation on its Board of Directors and, as a result, the Coachella Valley and Indian tribes remain its lowest priority. This option maintains the existing service and governing structure controlled by IID. It relegates Coachella Valley stakeholders to a limited advisement capacity to the IID Board, without actual representation or governance input. Moreover, funding for upgrades to the Coachella Valley service area would be provided directly by the stakeholders, including Tribes, without addressing their lack of representation.

As a major Coachella Valley stakeholder, under the status quo, the Tribe would continue to be excluded from direct governance in, or representation on, or participation in the provision of electrical service. In short, Option 1. A does not respect tribal sovereignty and does not ensure adequate representation of tribal governments nor open the door to possible tribal participation. The Coachella Valley would be better served by a locally represented cooperative utility and the Tribe can and should be a critical partner on long-term planning for how power is delivered to the eastern Coachella Valley.

The Tribe strongly submits that this is not a viable option.

**B. Governance Option 1.B – “Annex Coachella Valley service territory into IID”**

Although this option has the potential to address representation of Coachella Valley stakeholders, it has been aggressively opposed by IID historically and currently in response to the LAFCO Study. Expanding IID’s influence and territory under this option would likely continue the adversarial nature between IID and the Coachella Valley stakeholders. Moreover, it does not create sufficient room for tribal representation or involvement, as the Tribe would likely be subsumed within the redistricting allowed under this option.

**C. Governance Option 1.C – “Create IID sub-Board of Directors to provide oversight on all electrical service provisions related to Coachella Valley, and establish an electrical service jurisdictional boundary for IID’s Coachella Valley service territory”**

This option raises the same concerns as Options 1.A and 1.B. The Tribe would still lack direct governance control, or representation in, or participation in the provision of electrical service to its lands, particularly because the sub-Board would still answer to IID, who has opposed any local input in its governance.

**D. Governance Option 1.D – “Coachella Valley Parties Establish a Joint Powers Authority with IID”**

Although this option presents certain aspects that would ensure local representation, IID and the Coachella Valley Parties’ interests remain largely at odds, which could severely curtail the opportunities for consensus on decision-making and accountability to ratepayers.

**E. Governance Option 2.A – “Dissolution and merger with an Investor-Owned Utility”**

The Tribe strongly opposes consideration of merger with an Investor-Owned Utility, as it would exclude local participation in utility elections. Critically, this option would substantially increase utility rates and fees, and capital investments to improve electrical facilities would be uncertain and within the Investor-Owned Utility’s control.

**F. Governance Options 2.B, 2.C, and 2.D. – New Public Utility District, Vertically Integrated Public Utility District, Community Choice Aggregation**

For purpose of this comment letter, the Tribe generally supports further exploration of these options, as they each provide stakeholder representation and independence from IID. As discussed below, the Tribe requests that LAFCO incorporate additional information and analysis on these options, as they create substantial financial considerations and long-term planning. Additionally, the Tribe requests that each of these options explicitly include participation by shareholder Tribes.

**III. Comment Regarding the Lack of Financial Analysis**

The lack of financial information as it relates to IID’s assets and capital improvements to the Coachella Valley service territory disheartens the Tribe. Such information is critical to evaluate each stakeholder’s analysis and comment on the available alternatives. Withholding such information and analysis will only support a status quo approach and undermine further exploration of alternative Governance Options. The Tribe requests LAFCO to continue to pursue and develop such information without further delay.

## CONCLUSION

On behalf of my Tribe, I thank you for your consideration of our comments on the LAFCO Study, and once again, thank you for your efforts thus far. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Darrell Mike". The signature is fluid and cursive, with the first name "Darrell" and the last name "Mike" clearly distinguishable.

Darrell Mike, Tribal Chairman  
Twenty-Nine Palms Band of Mission Indians



October 13, 2023

Stephen Dopudja, P.E.  
President  
Dopudja & Wells Consulting  
6789 Quail Hill Parkway, #421  
Irvine, California 92603

RE: Coachella Valley Energy Commission's Comment Letter on the Draft Alternative Governance and Electrical Service Study

Dear Mr. Dopudja,

The Coachella Valley Energy Commission (CVEC) appreciates the opportunity to provide comments on the governance alternatives analyzed in the joint Imperial County and Riverside County LAFCOs draft "Alternative Governance and Electricity Service Study" (Study) published in March of this year. This letter contains the Commission's collective observations and preferences related to each alternative provided in the Study, and builds upon CVEC's comments in our February 10, 2023 letter (February Letter).

### **Option 1.A — "Maintain Status Quo"**

The February Letter identified five governance principles developed through consensus by CVEC membership. The first of these principles states, "*The status quo is not a sustainable long-term option.*" It is the consensus of CVEC that there is a need for an alternative governance structure that is adaptable and that recognizes the unique needs of the Coachella Valley, which is not best achieved by maintaining the status quo in the long-term.

### **Option 1.B — "Annex Coachella Valley service territory into IID and adjust jurisdictional boundary"**

Principles 2 and 5 contained in the February Letter state that "*[n]o option can alter the IID Board of Directors' governance or governance structure related to water and energy service in Imperial Valley and should be focused on establishing appropriate governance by and for Coachella Valley energy ratepayers*" and that "*[t]he most effective manner of achieving the greatest benefit to ratepayers and affected stakeholders is through consensus-based solutions.*" While the annexation of the Coachella Valley portion of the IID jurisdictional boundaries may appear, on its face, a simple way to afford representation to Coachella Valley ratepayers, this approach would both alter the IID Board's governance over water and energy service in the Imperial Valley and is an



approach that IID has made clear it could not support — and thus would not constitute a consensus-based solution.

Over 60 percent of IID’s energy customers reside in the Coachella Valley. By annexing the Coachella Valley into the IID jurisdictional boundary, Coachella Valley energy ratepayers would have a majority vote on all IID matters, notably including water issues. Coachella Valley stakeholders have expressly stated their disinterest in water related matters and that the interest of the Coachella Valley stakeholders is solely related to electrical services, not water. Annexing the Coachella Valley service territory into the IID jurisdictional boundary does not align with the views of Coachella Valley stakeholders and would lead to undesirable outcomes for IID and its Imperial Valley water and energy stakeholders.

#### **Option 1.C — “Create IID sub-Board of Directors for Coachella Valley electrical service oversight”**

Although the creation of a sub-Board of Directors for the Coachella Valley would alleviate concerns related to Coachella Valley governance over IID water related matters, the structure creates complex reorganization and falls short of being the most effective alternative for true, effective representation and governance. A sub-Board may lack the necessary autonomy to make or influence meaningful decisions should the sub-Board make decisions that conflict with the views of the IID Board which could lead to confusion, inefficiencies, and political tensions in effectively implementing the oversight recommendations of the sub-Board. A sub-Board would likely make IID’s governance structure more complex and potentially lead to unclear roles and responsibilities, while at the same time would fail to adequately address Coachella Valley stakeholder desires to achieve greater levels of autonomy over various decisions where a sub-Board, innately, would be subordinate to the IID Board. Ultimately, this option may not be well-integrated into the overall governance framework, leading to fragmented approaches to decision-making and oversight while frustrating, rather than alleviating, concerns regarding appropriate Coachella Valley representation.

#### **Option 2.A — “Dissolution and Merger with Investor-Owned Utility”;**

Principle 2 of the February Letter states, “*Any governance option in the future must maintain publicly owned and operated energy service.*” Merging with an investor-owned utility (IOU) is counter to one of the key principles agreed upon by CVEC, which is to ensure that the preferred governance option maintains publicly owned and operated energy service. There are significant disadvantages associated with merging with an IOU, including, but not limited to, loss of local control over policies, rates, and overall service quality. Moreover, IOUs are profit-driven entities, which can negatively impact affordability



for the many low-income and disadvantaged communities in IID's electrical service area. CVEC priorities include local control over policies, programs, and rates, to be able to tailor electrical services to meet the unique needs of the electrical service customers in the Coachella Valley and Imperial Valley.

**Option 1.D — “Establish a Joint Powers Authority”**

**Option 2.B — “Form a New Public Utility District with specific roles”**

**Option 2.C — “Form Vertically Integrated Public Utility District”**

**Option 2.D — “Form a Community Choice Aggregation”**

For options, 1.D and 2.B – 2.D, our comments are merged here as they largely echo those in our February Letter.

Many CVEC discussions to date have centered around the suitability of a Community Choice Aggregation (CCA) style model for the Coachella Valley. In Investor-Owned Utilities (IOUs) across California, local not-for-profit CCAs have been established by local governments to pool together electricity load to purchase energy and develop local projects and programs for residents and businesses. In this model, the locally governed CCAs work in partnership with the region's existing IOU, which continues to deliver power and maintain the grid. Similarly, regional energy networks (RENs) have been established in the footprint of IOUs to allow for local governance over the spending of public benefits charge funding which is collected as required by state law primarily for energy efficiency and low-income programs. At a high level and in the abstract, CVEC has found both examples instructive in concept as they allow for greater levels of local and regional governance over areas of customer and community interest within the footprint of an existing energy utility.

CVEC supports alternative governance structures that most strongly align with the foundational objectives outlined in the study. As identified in the study, a JPA and a Municipal Utility District (MUD) meet the most foundational objectives, making these governance options top priorities for consideration. As such, CVEC recommends that further due diligence efforts focus on determining which of these two governance options are most viable, to address representation and governance of the Coachella Valley.

CVEC has contemplated that an independently formed JPA entity may be a suitable governance structure. Membership of a JPA board could be similar in nature to the composition of CVEC in that it would include cities, tribes, and counties in the greater Coachella Valley portion of the IID energy service area. A JPA formation agreement approved between willing, contracting local agencies would define the membership and the powers to be exercised, which could be amended and expanded from time to time as the JPA more fully develops over the years.





Once a JPA agreement is developed between participating cities, Tribal Nations, counties, and IID, the JPA would be formed. As a locally controlled governing board, the JPA would entail public board meetings and decision-making and be accountable and responsive to the community and local public agency needs specific to the greater Coachella Valley area. A JPA formed as a new entity with independent legal rights and responsibilities, including the ability to enter into contracts, hold property, and other purposes would allow for shared resources and expertise, economies of scale, flexibility and adaptability related to partnerships, reduced duplication of efforts, risk sharing, effective regional planning, enhanced accountability, and long-term sustained collaboration. Overall, a JPA can be an effective tool for regional cooperation, leveraged resources, and achievement of shared objectives.

CVEC sees the benefits of this structure as providing significant flexibility to member agencies to shape and mold the purpose and role of the JPA over time while building upon the collaborative framework and relationships established through the transitional CVEC process. As a positive example, the City of Indio and IID have formed a JPA to enable the financing of distribution infrastructure required for new growth and development and achieve associated benefits, such as reliability and redundancy. While this JPA is limited to the purpose of financing infrastructure necessary for new developments, CVEC believes the operational experience gained from the process of forming and operating this JPA can and will be useful for the formation and operation of a JPA for local governance purposes in the greater Coachella Valley.

CVEC has also discussed the formation of a MUD as another alternative. The Municipal Utility District Act, as codified in California Public Utilities Code section 11500, governs MUDs. Under the Act, MUDs are public agencies authorized to provide electrical service, formed by a public vote, and are governed by a publicly elected board of directors. Two MUDs providing public power service in California include the Sacramento Municipal Utility District (SMUD) and the Lassen Municipal Utility District (LMUD). We would note that only an MUD can be formed to cover the greater Coachella Valley portion of the IID energy service area, and not a Public Utility District (PUD) as MUDs are authorized to serve cities and unincorporated areas whereas PUDs may only serve unincorporated areas.

Political representation has long been a theme in the Coachella Valley regarding the electrical service provided by IID. The popular election of the formation of an MUD and the election of directors to an MUD's board provide opportunities for the most direct representation of ratepayers. However, CVEC also acknowledges potential challenges associated with an MUD as an alternative. First, current elected officials (namely city council members) would likely be unable to sit on the MUD board of directors due to



incompatibility of offices. CVEC views the participation of current and future elected council members as valuable to decision-making processes regarding electrical service in the region, and some current elected officials have expressed interest in also serving under a successor governance structure. We also acknowledge that a JPA would provide greater opportunities for tribal inclusion compared to an MUD. A JPA allows flexibility in its membership composition whereas an MUD is limited to a popularly elected board in which Tribal Nations, limited in population, are at a disadvantage to have access to a seat at the table.

After reviewing options 1.D, 2.B – 2.D, CVEC established a consensus that an independently formed JPA option may likely offer optimal outcomes as a governance structure of all the alternatives considered, but that an MUD should also be considered and similarly studied moving forward.

CVEC requests that the final study incorporates recommendations pertinent to financial considerations and variables that may be associated with the JPA and MUD options as the two most feasible and viable options. We also request additional analysis and recommendations related to policies and procedures that should be considered for implementing a JPA and MUD. This should also include, but not limited to, the need for enacting legislation to provide the ability of a county to participate in a JPA structure, and the procedural steps that would be necessary to form an MUD. Additionally, CVEC requests the final study include recommendations for next steps, such as a process and criteria to determine cost-effectiveness and efficient implementation of governance options. Through these recommendations, CVEC can have guided direction to weigh benefits, risks, and rate impacts when determining the preferred governance option that is most appropriate and beneficial to address representation on IID electrical matters for Coachella Valley customers.

In closing, CVEC appreciates your acknowledgement of our efforts in Section 9.5 of your report, and we look forward to using the final study to aid our ongoing discussions and engagements. We appreciate the opportunity to work with your team, the Imperial County and Riverside County LAFCOs, and affected stakeholders throughout this process. If you have any questions, please contact Susie Carrillo at [SCarrillo@IID.com](mailto:SCarrillo@IID.com) or (760) 604-1029, or Emmanuel Martinez at [emartinez@cvaq.org](mailto:emartinez@cvaq.org) or (760) 346-1127.

Sincerely,

A handwritten signature in black ink, appearing to read "J.B. Hamby".

J.B. Hamby  
Chairman

A handwritten signature in black ink, appearing to read "Joseph Mirelez".

Joseph Mirelez  
Vice Chair

A handwritten signature in blue ink, appearing to read "Linda Evans".

Linda Evans  
Vice Chair



cc: Augustine Band of Cahuilla Indians  
Cabazon Band of Cahuilla Indians  
City of Coachella  
City of Indio  
City of La Quinta  
Coachella Valley Association of Governments  
Coachella Valley Water District  
County of Imperial  
County of Riverside  
Cove Communities Services Commission  
Imperial Irrigation District Board of Directors  
Torres Martinez Desert Cahuilla Indians  
Twenty-Nine Palms Band of Mission Indians  
Imperial County LAFCO  
Riverside County LAFCO

## Gary Thompson

---

**From:** Ed Luna <leo9hrt@gmail.com>  
**Sent:** Sunday, October 15, 2023 8:37 PM  
**To:** LAFCO Information; Gary Thompson  
**Subject:** Fwd: Alternative Governance & Electricity Services Study - Imperial Irrigation District

Ed Luna  
Mecca California

Begin forwarded message:

**From:** Ed Luna <leo9hrt@gmail.com>  
**Date:** October 15, 2023 at 7:15:14 PM PDT  
**To:** lafco.riverside@gmail.com  
**Subject:** **Alternative Governance & Electricity Services Study - Imperial Irrigation District**

Dear Sir;

It is with gratitude for the opportunity that I submit my comments on the matter referenced above.

Comments will respectfully attempt to adhere to that part of LAFCO, which states it's purpose and authority to assure "the financial ability of agencies to provide services, opportunities for shared facilities, and [sustainable] efficiency, and governance structure alternatives."

A. I would urge LAFCO to suggest to the Coachella Valley's electrical customers, other IID stakeholders \_as well as the supervisor of District Four\_, to read, analyze carefully, and consider the text and summary of IID's letter of August 30, 2023, to the firm Dopudja & Wells Consulting.

Specifically, the context and potential impact of Item 'II' regarding clarification of the 1934 Compromise Agreement between IID and CVWD.

B. Essentially, a review of the other already submitted comment letters (CVEC, The City of La Quinta, 'ERA', and the County of Riverside), suggests the following:

Said stakeholders appear to have overlooked, or choose to ignore the factual realities should a "termination" of IID's leadership and governance be transferred to insufficiently trained, ill-prepared, and / or financially incapable municipalities, or enterprises.

Indeed, the overall issue of energy production, delivery, service and governance is one of great complexity.

It is my opinion that as regards to growth and development within the Coachella Valley, an energy governance system should not be founded nor confined to the sole principle of expediency for both.

Most importantly, the public's interest must not at any time, nor in any way become subordinate to municipal or county's energy governance ambitions which appear to be focused principally on a vision of same as source for increased revenue.

May I request of your office and officers, to recommend and vote in favor of preserving the IID's role as continued principal energy governance structure for the future and beyond the year 2033?

Respectfully submitted,

Ed Luna  
Resident, 91-306 3rd Street  
Mecca California

Telephone: (760) 702-7876  
Gmail: leo9hrt@gmail.com

Mail: Edward G Luna  
P. O. Box 13063  
Palm Desert, California 92255



take center stage

October 5, 2023

Gary Thompson, Executive Officer  
Riverside County Local Agency Formation Commission (LAFCO)  
6216 Brockton Avenue Suite 111 B  
Riverside, CA 92506  
[gthompson@lafco.org](mailto:gthompson@lafco.org)  
[info@lafco.org](mailto:info@lafco.org)

**RE: ALTERNATIVE GOVERNANCE AND ELECTRICITY SERVICES STUDY - IID**

Dear Mr. Thompson,

Thank you in advance for the thoughtful consideration of this comment letter sent by the Indio City Council in response to the Draft Alternative Governance and Electricity Services Study (the Draft Study) – Imperial Irrigation District (IID), prepared by Dopudja & Wells Consulting (Consultant).

As you know, as IID's largest customer base in the Coachella Valley, the City of Indio is very much interested in the governance and delivery of electric services after the 99-year Agreement of Compromise that granted IID the authority to be the electrical service provider for much of the Coachella Valley.

The City of Indio and IID have formed a joint powers authority, the Indio Electric Finance Authority (IEFA), that exemplifies the City's desire to collaborate with IID and to provide a "proof of concept" for how some critical electric infrastructure can be financed. However, the IEFA is not intended to be an entity that manages and operates the current IID electrical system within Indio.

With that said, the City has been involved and interested in the discussions held by the Coachella Valley Energy Commission (CVEC) regarding governance, particularly as it relates to what the governance and operational arrangement will be post 2032. CVEC's recent discussions have centered on two viable options mentioned in the Draft Study for governance and operations of the Coachella Valley area currently served by IID. These two options are: 1) the formation of a municipal services district (MUD); and 2) the formation of a joint powers authority (JPA).

The City of Indio concurs that these are the two most viable options to consider and respectfully requests that the Consultant be directed to incorporate into the final study a detailed review of financial considerations and operational variables that may be associated with the MUD and JPA options. The financial information already provided by IID should prove helpful to the Consultant in the review of financial considerations, including transitional costs and time frames for each option. Without a more thorough financial analysis, it is difficult to completely evaluate these governance options.

In closing, we thank you, the Consultant, and all others that have been researching this very critical issue for our communities here in the eastern Coachella Valley. We support a governance structure specifically for electrical/power service that is representative of and inclusive of the eastern Coachella Valley stakeholders and separate from the current IID board representing Imperial County stakeholders for both water and power. We would also like to see a governance structure that plans for and prioritizes ongoing maintenance of equipment, upgrading of outdated infrastructure, and proactive addition of substations as needed to ensure capacity to better serve existing ratepayers and new development.

Any questions regarding this letter and the discussions at CVEC, please contact Councilmember Waymond Fermon at [wfermon@indio.org](mailto:wfermon@indio.org). Councilmember Fermon represents the City of Indio on the Coachella Valley Energy Commission.

Respectfully submitted,



Oscar Ortiz  
Mayor





October 3, 2023

[Sent Via Email]

Stephen Dopudja, P.E.  
President / C.E.O.  
Dopudja & Wells Consulting  
6789 Quail Hill Parkway, #421  
Irvine, California 92603

**RE: Eastern Coachella Valley Input for the Alternative Governance and Electricity Services Study: Imperial Irrigation District**

Dear Mr. Dopudja,

On behalf of Leadership Counsel for Justice and Accountability and in partnership with community residents in the Eastern Coachella Valley (ECV), we respectfully submit the following comments in response to the March 2023 version of the “*Alternative Governance & Electricity Services Study – Imperial Irrigation District*” (the study).<sup>1</sup>

Our advocacy has been centered around uplifting the interest of the unincorporated communities of the Eastern Coachella Valley, including Thermal, Oasis, Mecca, and North Shore, to ensure that the objectives and priorities of these underserved communities are incorporated, particularly in matters that directly impact community well-being and development. We ask that the following recommendations be fully incorporated into the expected November 2023 amended final study (final study).

1. The final study must include recommendations for ongoing residential customer engagement throughout the development of the alternative energy service and governance structure.
2. The final study must comprehensively outline and address the unique priorities of ECV customers.
  - a. The study must address ECV customers' vision for clean, reliable, and affordable energy service.
  - b. The study must address ECV customers' vision of a transparent and publicly accessible governance system with tailored representation.

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<sup>1</sup> [Dopudja & Wells Consulting. \*Alternative Governance and Electricity Service Study - Imperial Irrigation District\*. \(2023, March\).](#)

3. The study does not adequately discuss potential barriers to the formation of a Joint Powers Authority. The final study's recommendations must adequately reflect the priorities and visions of residential customers.

\* \* \* \* \*

***1. The final study must include recommendations for ongoing residential customer engagement throughout the development of the alternative energy service and governance structure.***

As stated in the study, a clear understanding of the needs of the entire electrical service territory is vital to properly identifying alternative services and governance options.<sup>2</sup> Therefore, the lack of accessible engagement and outreach to residential customers in the development of the study, particularly with regard to ECV residential customers, is a matter of significant concern.

We made multiple requests, both verbally and in writing, for the consultants to establish direct communication with the ECV community. Unfortunately, these requests were not given the appropriate attention, resulting in methods of input collection that were insufficient in capturing a comprehensive understanding of the lived experiences and priorities throughout the ECV. Consequently, the study is not based on a clear understanding of the region's needs and falls short in identifying potential alternative service and governance options that align with these needs.

The October 2022 Stakeholder Questionnaire was available only in English for 16 business days, limited to 55 stakeholders, and resulted in only 12 responses.<sup>3</sup> To enhance transparency and engagement from residential customers, a shorter, more accessible version available in Spanish and Purepecha should be sent to all homes in the form of a comprehensive customer survey. Additionally, direct stakeholder outreach should include consultation with the Mecca/North Shore Community Council and the Thermal/Oasis Community Council, along with more community-centered and accessible discussions.

To ensure continued residential customer engagement, the study should explicitly outline additional engagement opportunities, processes, and strategies to be implemented throughout the development of a new governance and energy service structure. The outlined recommendations must be based on previously received comments and reflect lessons learned to date.

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<sup>2</sup>[Dopudja & Wells Consulting. \*Alternative Governance and Electricity Service Study - Imperial Irrigation District\*. \(2023, March\) Pg 40.](#)

<sup>3</sup>[Dopudja & Wells Consulting. Distributed stakeholder questionnaire template. "IID Energy Questionnaire". \(2022, October 7\).](#)

**2. *The final study must comprehensively outline and address the unique priorities of ECV customers.***

The final study must, “assess each alternative option against criteria that has been established by local stakeholders.”<sup>4</sup> While the study does present a range of alternative options with a general discussion of governance and service structures for each, it falls short of incorporating local stakeholder priorities and objectives, and of presenting subsequent recommendations. The failure to incorporate the priorities of ECV residential customers, coupled with insufficient efforts to directly engage with these residents, raises significant concerns about the omission of essential community input. This issue is particularly worrisome because the ECV’s experience with energy service and governance is unique compared to the rest of the region. The ECV is comprised of unincorporated disadvantaged communities impacted by various social and environmental challenges, including increased vulnerability to power outages during extreme weather events and energy affordability insecurity.

Given the unique needs of ECV communities, it is imperative that the final study comprehensively address these disparities in order to ensure equitable and sustainable energy solutions for the whole region. The following is a summary of the priorities of ECV residents and customers whom we work alongside on the topic of energy service and governance. These priorities must be reflected in the final study.

**a. *The study must address ECV customers' vision for clean, reliable, and affordable energy service.***

A top priority for ECV residents is to ensure the region’s future energy service and governance structure is capable of providing clean, reliable, and affordable energy. As California increases its renewable energy portfolio, ECV residents require an energy service with the capability to keep up with the state’s clean energy goals and regulations while ensuring that energy remains affordable and avoiding harm to disadvantaged communities. Projects of interest include public lighting powered by solar energy, localized clean energy sources like microgrids, and home weatherization. Moreover, residents want to see the IID transition entirely away from polluting energy sources such as the Desert View Power Plant, which was recently issued a Notice of Violation from the U.S. Environmental Protection Agency Region 9 for violating the Federal Clean Air Act.<sup>5</sup>

In recent years, the region has experienced both short-term and prolonged power outages due to deteriorating energy infrastructure that cannot withstand increasingly frequent and extreme

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<sup>4</sup> [Dopudja & Wells Consulting. \*Alternative Governance and Electricity Service Study - Imperial Irrigation District\*. \(2023, March\) Pg 2.](#)

<sup>5</sup> [Janet Wilson. Article published in Desert Sun regarding the EPA Notice of Violation received by Desert View Power Plant. "Illegal levels of mercury and more emitted from east valley power plant, feds say". \(2023, August 8\).](#)

weather conditions. As these weather patterns are expected to intensify in the coming years, residents are in need of an energy service that not only aligns with their environmental goals, but that also provides the necessary infrastructure upgrades and dependable energy service in the face of extreme weather conditions.

Further, in August 2023, IID energy customers saw their energy bills double and triple due to volatile market conditions and extreme weather events that drastically impacted energy rates. ECV energy customers have long experienced a lack of transparency and unsettling fluctuations in monthly billing statements that cause severe financial strain. There must be a billing system that clearly communicates bill formatting and calculation in a transparent and accessible manner. In keeping with billing transparency and service affordability, it is imperative that the LAFCO study incorporate residential customer cost estimates for all governance options along with recommendations on cost-effective consumer billing structures, rate regulation, and oversight information.

***b. The study must address ECV customers' vision of a transparent and publicly accessible governance system with tailored representation.***

Future governance structures must prioritize key principles such as equity, public accessibility, and transparency. ECV residents have consistently emphasized the pressing need for tailored representation, as described in previous comments to the Coachella Valley Energy Commission<sup>6</sup> and IID.<sup>7</sup> To this end, governance structures based on public elections by district are preferred. It is vital that we implement a voting system with eligibility based on IID customer accounts rather than exclusively registered voters. This approach ensures that no customer is unrepresented due to their citizenship or renter status. Additionally, we strongly encourage a recommendation that all members of any future committee or governing board make a concerted effort to visit the ECV in order to gain a comprehensive understanding of the unique needs of the community, regardless of whether they directly represent the ECV.

For the sake of improved public engagement and accessibility, future governance structures must emphasize the significance of community workshops and engagement initiatives. At a minimum, options should offer public engagement opportunities such as community workshops, the employment of Community Outreach Liaisons, and the establishment of a Disadvantaged Communities Advisory Group, among other opportunities for the public to engage with and shape energy governance. Community members should also have the chance to provide public

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<sup>6</sup> [Eastern Coachella Valley Residents. Letter to the Coachella Valley Energy Commission supporting the appointment of two ECV representatives. "CVEC Comment". \(2021, October\).](#)

<sup>7</sup> [Janet Wilson. "Illegal levels of mercury and more emitted from East Valley power plant, feds say". \(2023, August 8\). Leadership Counsel for Justice and Accountability and Eastern Coachella Valley Residents. Letter to Imperial Irrigation District's Board of Directors. "RE: Community concerns regarding representation on Imperial Irrigation District's Board of Directors and energy in the Eastern Coachella Valley". \(2021, July 13\).](#)

comments, with a robust follow-up mechanism in place to ensure meaningful incorporation of comments received. Furthermore, there is interest in a long-term commitment to a system that allows for periodic re-evaluation and potential alterations to ensure that our community's evolving needs are met.

***3. The study does not adequately discuss potential barriers to the formation of a Joint Powers Authority. The final study's recommendations must adequately reflect the priorities and visions of residential customers.***

Under Governance Option 1.D, the study evaluates the establishment of a Joint Powers of Authority (JPA). While this alternative may have merit, the study fails to adequately consider potential barriers to the formation of a JPA in this circumstance and to a JPA's ability to govern electricity generation, transmission, and distribution in the Coachella Valley. Specifically, the study lacks analysis of the applicability of the "common powers rule," which restricts the authority of a JPA to a "power common to the contracting parties."<sup>8</sup> The study should be revised to evaluate which public agencies in the Coachella Valley (if any) have active or latent powers related to the generation, transmission, and distribution of electricity.

The final study must include a comprehensive and detailed discussion on each alternative option's impact on stakeholders, its alignment with community objectives, and recommendations on the most effective ways to align with community goals. This will enable Imperial Irrigation District (IID) service customers to make more informed assessments and actively participate in the development of an alternative energy service and governance structure.

\* \* \* \* \*

ECV residents we work with support the establishment of an energy governance and service system that is democratic, accessible, representative of their needs, and resilient to worsening regional weather conditions. This system must ensure affordable, clean, and dependable energy for the region's future while addressing the increasing energy demands driven by population and industrial growth, worsening weather patterns, and the shift to clean energy sources.

We look forward to further engagement and collaboration. Please reach out to Krystal Otworth at [kotworth@leadershipcounsel.org](mailto:kotworth@leadershipcounsel.org) with any follow-up inquiries.

Sincerely,

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<sup>8</sup> Gov. Code, § 6502; *see also* *Crawley v. Alameda County Waste Management Authority* (2015) 243 Cal.App.4th 396, 412.

Krystal Otworth  
Policy Advocate  
Leadership Counsel for Justice and Accountability

CITY OF COACHELLA COMMENTS ON JOINT LAFCOS IID STUDY			
STATEMENT IN STUDY	PAGE NUMBER/TABLE	CITY COMMENT	IID Energy Study Response/Action
"To facilitate the acquisition of CEPC facilities in Coachella Valley, CVWD agreed to deliver 80 percent of all electricity customers in Coachella Valley to IID."	Section 4.3, pg 9	It is not clear what the citation is to this statement and why the Study connects the 1934 Compromise Agreement to CEPC acquisition.	Study has been updated to reflect the the correct citation. The eighty percent service agreements is a condition per the 1934 Agreement of Compromise.
"Authorized IID to sell electricity in CVWD's territory."	Section 4.3.2, pg. 10	This conclusion is not supported by the agreement.	Section 17 indicated that when IID is ready to serve power in Coachella Valley. Study was updated to reflect IID ability to service vs. providing authorization.
IID Budget Summary by Category	Table 4.3	<p>Table 4.3 is not helpful. If the Coachella Valley is 61% of IID electric service, more specific information re that service needs to be provided. Table 4.3 only shows IID's total ED budget, which includes CV and IC. Additional tables should be added showing the 2022 Project Actual, 2023 Budget, and 2024 Budget for the 61% of CV customers only. This is necessary so CV officials can see how much revenue and funding is coming from CV customers are compared with IC customers.</p> <p>Table should include Expenditures for CV customers, so public can determine what the projected revenue and expenditures would be for CV s that any decisions to form separate governance structures are based on sound financial inputs and business decision.</p>	Limited to no information specific to IIDs Coachella Valley was available as IID assessments are performed as a "integrated-whole" and not disaggregated by jurisdiction. Additional data was provided by IID in Sept 2023 and included as part of the final study.
2018 IRP data	Section 4.4	The numbers from the IRP and a detailed list of infrastructure should be broken out. IID has provided rough numbers for what is needed for infrastructure and generating projects, but those numbers should be distilled down into specific MWs, projects and sub-regions within the valley.	Limited to no information specific to IIDs Coachella Valley was available as IID assessments are performed as a "integrated-whole" and not disaggregated by jurisdiction. Additional data was provided by IID in Sept 2023 and included as part of the final study.
Discussion re CVWD not providing electric service	Section 5.1 and 5.1.1	The discussion could clarify that CVWD is a county water district and does not have legal authority to provide electricity.	Clarification was provided.
"No other entity can provide can provide electric distribution services in the IOU's service territory."	Section 7.1	This statement is incorrect. Cites have constitional rights to provide electric service and can form within an IOU's territory. Municipal utilities throughout Riverside County have formed as spot utilities. In addition, franchises provided to IOUs are competitive franchises under the Public Utilities Code and can be competitively bid like was recently done by the City of San Diego.	Study was updated to reflect competitive franchise bids within IOU territory.
"These entities tend to be large organizations that take advantage of economies of scale."	Section 7.1	The size of the three IOUs is unique to California. Also, reference to Arizona Public Service should be removed.	Acknowledged and no edits made to study as these are provided for reference only.
Discussion of municipal utilities and PUDs	Section 7.2	Discussion re municipal utilities and public utility districts should be broken out. The discussion conflates the three entities and their requirements	The study was revised to overview the various public ownership models.
Definition of "public utility"	Section 7.3	The definition of "public utility" is incorrect. A public utility is an IOU and has a distinct legal definition. Study intends to mean "publicly owned utility" or "municipal utility."	Correct and the study was clarified to reflect publicly owned models.
Statutory authority of a PUD	Section 7.3.1	This section conflates water districts with special districts with PUDs, all of which depending on the type of district has different statutory authority.	The various legal forms of each publicly operated ownership model all share the same attributes. Section 7 provides an overview of the general characteristics of publicly owned utilities. Depending on the alternative option desired by Coachella Valley, the specific statutory requirement can then be identified.
Special taxes	Section 7.3.2	CFD is a Community "Facilities" District.	Acknowledged and updated.
	Section 7.3.5	Discussion of PUDs should be accompanied by examples or a chart and discussing when formed and how it's comprised.	Formation procedures were included in the study for the various public ownership models.
Electrical Cooperatives	Section 7.4.1	Electric cooperatives are private entities formed and operated by the customers of the service. We do not understand how this furthers the Study. If left in, Study should be clear that this isn't an option.	All of the alternatives identified in the study attempt to encompass all possible options available to Coachella Valley. Depending on the desire of the various members, any of the proposed alternatives could be considered. As for this option not being an option will be dependent by the parties as they further discussion on key considerations in roles and responsibilities.



CCA	Section 7.5	CCAs are clearly defined as cities, counties or cities and counties that form a Joint Powers Authority, among others that have obtained special legislation.	Acknowledged and example CCA have been provided in the study for reference.
"Specific geographical area"	Section 7.5	This statement is incorrect. While CCAs serve a particular area, their service is non-contiguous and is the territory of whatever member joins a CCA JPA, for instance.	Acknowledged and clarification was provided to not be specific to a city or county territory.
Cities and counties served by a POU cannot be served by a CCA	Section 7.5	This is not necessarily a correct interpretation. IID provides service to the Coachella Valley outside its service territory. A CCA could likely form in this area. Also, special legislation could be obtained as has been done by other entities like water and conservation districts.	Clarification was provided as for the possibility of an CCA being formed for customers serviced outside of the underlying electrical service jurisdiction, with the need to seek legal advisement on legal authority.
"Most municipal utilities and PUDs often partner together to form a JPA."	Section 7.5	The only two examples of this is SCPPA and NCPA.	Acknowledged and example structures were identified in the study.
"The agencies are legally distinct municipal corporations . . ."	Section 7.5	Joint powers authorities are not "municipal corporations."	Study has been updated to reflect that members of a JPA are legally distinct.
JPA exercise of powers	Section 7.6.1	Paragraph should clarify that JPAs are formed to issue debt, reduce liability to the member agencies and general funds, and/or exercise a common power of the members to provide a regional service.	Acknowledged and additional clarification has been provided.
JPA	Section 7.6	There is no discussion about the legal requirement that JPAs can only be formed if they exercise a common power of the member. A JPA cannot in and of itself provide electric service, for instance. Also, a JPA must state the purposes for which it is forming and the powers it will exercise. All JPAs in that respect can be different, and since they are formed by contract, the governance and powers will depend on the contract the members agree to. It is not enough to simply analyze a JPA without discussing the type of JPA that is proposed to be formed. For instance, the IID-Indio JPA is purely a financing mechanism. The JPA agreement expressly states that it cannot be used to provide power. Therefore, it may or may not be an alternative governance option.	Acknowledged. The Study has presented this alternative structure for further consideration. To date, its unknown what the desired roles and responsibilities are for each of the members. Therefore, the study offers considerations that allow for the members to continue collaboration as key considerations are determined, such as level of control/risk associated with electricity service. Clarification of the types of JPAs is included in the study and this alternative could potentially be combined with a CCA alternative or other. Parties should seek legal advisement on "common powers" for circumstances when service is provided outside of the underlying utilities jurisdiction.
Coachella Valley Upgrade Costs	Section 9.1	Statement is that \$500M is need for infrastructure and \$300M is needed for generation. There is no citation for these figures and more of a breakdown is needed.	Limited to no information specific to IIDs Coachella Valley was available as IID assessments are performed as a "integrated-whole" and not disaggregated by jurisdiction. Additional data was provided by IID in Sept 2023 and included as part of the final study.
IID did not provide data	Section 9.1	Statement that limited data received from IID should be explained. What was requested specifically? What was denied and why?	Limited to no information specific to IIDs Coachella Valley was available as IID assessments are performed as a "integrated-whole" and not disaggregated by jurisdiction. Additional data was provided by IID in Sept 2023 and included as part of the final study. As stated in the study, parties will need to understand how best to approach data needs for future financial evaluations and the need to pursue independent studies/evaluations to determine estimates for Coachella Valley assets and costs. A section was added to the Study outlining the items requested from IID and each stakeholder.
Governance Option 1.A	Section 9.2.1	Sentence regarding CVEC should clarify in governance terms that it is an advisory body to the IID Board the same as any city committee. It has no other authority or weight in its decisions or recommendations.	Acknowledged and clarification was provided explaining CVEC's current role.
Governance Option 1.B	Section 9.2.1	Clarification is needed why this option would result in the termination of the Compromise Agreement. Some history or background on the prior discussions on this option should also be provided so there is context provided.	The study has been updated to reflect that that only condition of the Agreement of Compromise to terminate is the Lease of Power rights per Section 17 and independent of any considerations Coachella Valley parties pursue regarding alternative electricity service and/or governance options. All other aspects of the agreements would remain.
Governance Option 1.C	Section 9.2.1	Some history or background on the prior discussions in the Coachella Valley should be provided. Statement that this option would reduce the legal complexity of the 1934 Compromise Agreement, but there is no analysis what this means	The study has been updated and statement was removed as no supporting information has been provided. The statement was initially included as this alternative would eliminate the need to negotiate provision under the agreement.

Governance Option 1.D (JPA)		<p>Statements that JPA has the most flexibility on governance. The study needs to explain that the JPA option is entirely dependent on what the JPA is set up for and what purposes and powers are given it by the members in the joint powers agreement.</p> <p>A JPA cannot in and of itself provide electricity unless it is exercising the common powers of its members and there is a legal basis to do so. For instance, the IID-Indio JPA is strictly a debt financing JPA. The JPA agreement states that the JPA itself cannot provide electricity. The JPA establishes the projects that will be financed within the City and is strictly a financing mechanism with no other governance over IID service to the Coachella Valley.</p> <p>The Study states that a JPA could enter into a power supply agreement with IID. This is not necessarily the case, the Indio-IID JPA expressly disallows the power to provided electricity, and therefore, power supply is not an option. We believe the Study is referring to model such as SCPPA or NCPA, which are JPA entities that finance projects and PPAs for member municipal utilities. Thus, any JPA allowing for power supply with IID presumes that the members or the JPA itself is providing electricity to the Coachella Valley.</p>	Acknowledged and clarification has been provided explaining the different JPA arrangements. This alternative option leaves the final JPA arrangement open as its certain what role Coachella Valley parties desire in electrical service, of it the JPA would be a standalone or combined with another alternative option, such as a MUD or similar publicly owned structure.
Governance Option 2.A (IID Sale of System)		<p>This option should be relabeled as it would not be a "dissolution" or "merger." It is a sale of the system to an IOU.</p> <p>This option is unrealistic. It involves a willing buyer and seller to negotiate a purchase of IID's system in the Coachella Valley and when 61% of the system serves the valley. The Study should elaborate that the CPUC would need to approve the sale.</p> <p>Also, potential benefits include stakeholder participation in general rate case and other proceedings and ability for ratepayers to directly petition the CPUC for grievances and disputes. Study should clarify what reorganization, proceedings or special elections that would be required. It is likely that the only approval needed would be a vote by the IID Board and CPUC approval of the IOU purchasing the system.</p>	Acknowledged and clarification has been provided outlining the need of the CPUC approval and general process.
Governance Option 2.B (PUD or Special District)		<p>This option should specifically state the type of district being established since they can be formed in different ways and a PUD is one type of district.</p> <p>This option should clarify that the district would have oversight over generation and distribution (and possibly transmission, if owned or built).</p> <p>Eminent domain of IID's system should be added as one consideration.</p> <p>While a PUD could execute a power supply agreement with IID, it can also procure generation through PPAs.</p> <p>Option states that start-up costs could require higher rates than IID, but there is no financial information in the Study or other data to support this conclusion.</p>	Acknowledged and clarification has been provided on the various publicly owned utility structures available for consideration. This alternative has been updated providing potential considerations when deciding the final structure for further evaluation.
Governance Option 2.C (PUD or Special District Formed by a Stakeholder)		<p>Same comments as Option 2.B, plus the following:</p> <p>Formation of a PUD would not necessarily modify IID's service territory. First, a spot utility could be formed. Second, IID does not have an established service territory in the Coachella Valley.</p> <p>It is unclear under this option why parties would need to secure hydroelectric rights from CVWD</p>	Acknowledged and additional clarification has been provide regarding the potential of formation of a spot utility. Regarding hydroelectric, the parties could have the opportunity to secure CVWDs proportionate share depending on outcome of negotiations and termination of Lease of Power rights under the agreement. Can be via power purchase agreement or similar arrangement.
Governance Option 2.D (Community Choice Aggregator)		<p>A CCA may be able to form where IID serves.</p> <p>There is no Declaration to Pursue. A CCA files an Implementation Plan and Statement of Intent that is then certified by the CPUC.</p> <p>The CCA is allowed by law to provide the retail generation service while the incumbent utility continues to provide distribution and transmission services.</p> <p>The CCA has considerable control over programs and other funding.</p> <p>Financing is not limited and many banks have loaned considerable start-up funds in this space.</p> <p>There is not a "limited" amount of control.</p> <p>There are numerous statements on start-up costs and financing but there is no financial information in the Study to support these conclusions.</p>	Acknowledged and clarification has been provided in the study as potential to form a CCA if outside of jurisdiction. Clarification will be added regarding limited control as only being for generation and procurement of power.
	Section 9.4	<p>Study presents a lot of nationwide data but does not provide specific examples of or data from California. For instance, the vast majority of pubic agencies providing electric service is through a municipal utility. Also, the data in Table 9.2 would not be relevant for the JPA discussion.</p>	Acknowledged. The intent of including the reference american power governance survey was to provide a general understanding of how various sized electrical utilities are governed and corresponding authorities to assist with defining each parties desired level of governance and/or service control.

## APPENDIX E: FINANCIAL DATA FOR THE COACHELLA VALLEY

**From:** Asbury, Jamie <jlasbury@IID.com>  
**Sent:** Thursday, August 3, 2023 9:52 AM  
**To:** Jason Pivovarov <jason.p@dopudjawells.com>; Hamby, JB <jbhamby@IID.com>  
**Cc:** Jurg Heuberger <jurgh@iclafco.com>; Crystal Craig <ccraig@lafco.org>; Paula Graf <pg@iclafco.com>; Stephen Dopudja <Stephen.Dopudja@dopudjawells.com>; Gary Thompson <gthompson@lafco.org>; Quiroz, Sergio M <smquiroz@IID.com>; Holbrook, Geoffrey <gpholbrook@IID.com>  
**Subject:** RE: CVEC Meeting Yesterday - financial data request

Good morning, Jason,

We are happy to provide information; it would be helpful to understand specifically what information would be beneficial for review.

If helpful, IID is now working on a new cost of service assessment. Attached is a presentation given by the consultant to the IID board on the retail component (other components are currently in process, including wholesale transmission access). If it is helpful we are happy to schedule a discussion with the consultant, Tony Georgis, to provide additional information and insight with regard to his assessment. In addition, data provided for his assessment may be helpful for purposes of your analysis. I have copied IID's CFO, Belen Valenzuela, for situational awareness and input as well. Past cost of service studies were commissioned by IID. As we previously discussed, IID did not take action on those assessments; one was never finalized beyond draft form (and we have not been able to locate the actual study, merely references to it), and the second was commissioned by counsel, making it attorney work product. Both of those assessments are now stale and do not reflect current system conditions. Further, my recollection is that we determined the purpose of the NDA was so that confidentiality of the study data was preserved, so it would not have been available for the LAFCO study in any event. The ongoing assessment will provide much better data as it accurately reflects current conditions and is publicly available for use.

Please let me know if you would like us to schedule a discussion with IID's consultant after your review of the attached. If there is data or information we can provide in the interim, please let me know and we will make it a priority.

Best regards,



**Jamie Asbury**  
**Attorney at Law**  
**Manager, Energy Department**  
**IMPERIAL IRRIGATION DISTRICT**  
333 E. Barioni Boulevard, Imperial CA 92251  
(760) 482-3379 | email: [jlasbury@iid.com](mailto:jlasbury@iid.com)  
Mobile (760) 791-7471

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April 24, 2023

# IMPERIAL IRRIGATION DISTRICT ELECTRIC UTILITY FINANCIAL FORECAST RESULTS



# AGENDA

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- Financial Forecast Overview and Results
  - Role of Power Supply Costs
  - Base Rates and Energy Cost Adjustment (ECA)
- Cost of Service
  - Revenue Requirement
  - Functionalized Revenue Requirement
  - Classified Revenue Requirement and Fixed Cost Recovery
  - COS results by class
- Potential Rate Making Strategy and Results
- Steps in public rate making



## KEY FINANCIAL METRICS DRIVING THE RESULTS AND THEIR IMPORTANCE TO IID

---

- Debt Service Coverage Ratio (DSCR):
  - Measures utility's ability to pay for annual debt service expenses (Principal and Interest)
  - Typically requires 1.0X the total annual debt service
  - Required by bond covenants (IID covenants require 1.3, target of 2.0)
- Days Cash on Hand (Cash Reserves):
  - Measures utility's amount of working capital or days of operating expenses (typical targets of 150 to 174 days cash on hand)
  - Acts as cash flow management for utility
  - At times can offset short-term rate increases or reduce the need to frequently change specific cost recovery rates (e.g., Energy Cost Adjustments)

***Cash reserves and DSCR will directly impact IID's credit rating.***

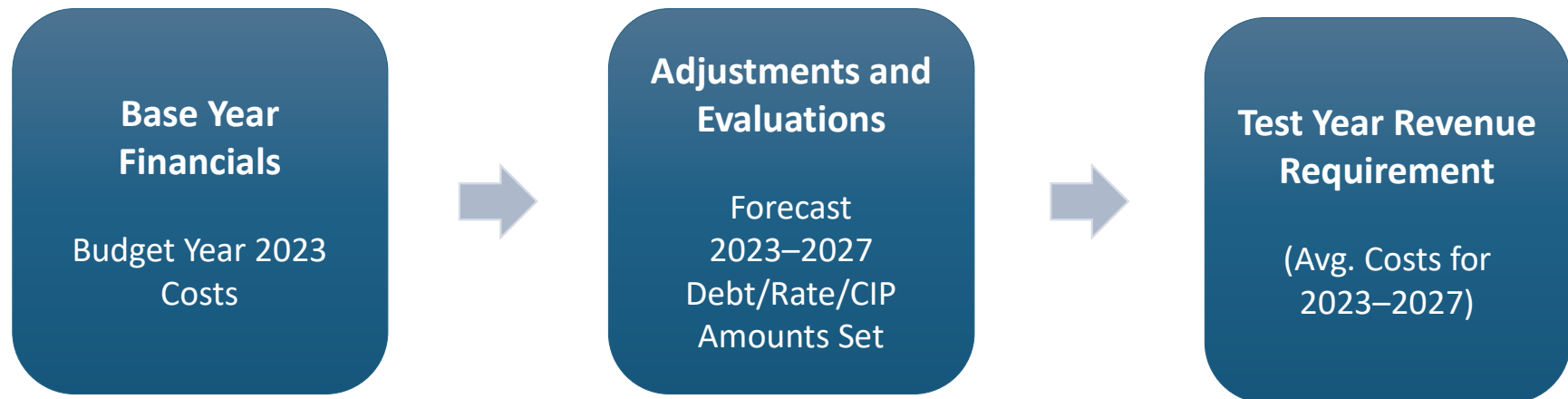
- Declining or lower levels of DSCR and cash reserves likely lead to lower credit ratings and increased costs of debt.
- Higher levels of reserves and DSCR will increase credit ratings and reduce costs of debt.

# FINANCIAL FORECAST AND REVENUE REQUIREMENT

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## ***Test Year Revenue Requirement:***

Total costs to provide electric services to customers over the study period (2023–2027). Foundation of the COSA and based on forecast



# KEY INPUTS AND DATA FOR REVENUE REQUIREMENT

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## Capital plan

- Capital plan through 2030 totals \$1.5 billion
- Five-year (2023-2027) COS planning horizon capital plan totals \$1.1 billion

	2023-2027
<b>Capital Plan</b>	
Customer Funded	\$332,082,796
Rate Funded	\$279,999,451
Debt Funded	\$510,000,000
<b>Total</b>	<b>\$1,122,082,247</b>

## KEY INPUTS AND DATA FOR REVENUE REQUIREMENT

---

- Used IID 2023 budget as the starting point, escalated accounts from there to 2027
- O&M expenses are stable, forecast aligns with historic levels
- Capital plan for 2023–2027
- Set debt financing of CIP at 60% of the total for the forecast period
  - Allows room for increased debt if capital costs increase above budgeted amount (e.g., continued inflationary pressure and supply chain issues).
  - Debt funding allows for flexibility if projects are delayed / supply chain impacts
- Rate increases would contribute to remaining CIP and maintaining financial KPIs (cash reserves and DSCR)

## KEY CAPITAL COST DRIVERS

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- Aging Infrastructure:
  - Many existing IID assets are at or nearing the end of their depreciable life
  - Need to replace old unreliable assets with new and more efficient ones to ensure reliability
- Generation capital replacement needs:
  - Yucca and Unit 4 (138 MW, date in service 1959) ~ 64 years in service
  - Coachella Gas Turbines (date in service 1973) ~ 50 years in service
  - Rockwood Gas Turbines (date in service 1979) ~ 44 years in service
- Growth:
  - Microgrid Project
  - 15 substations needed in the Coachella Valley as well as 10 additional banks
  - Growth of number of customers in service territory is not equivalent to growth in load
    - Offset by Distributed Energy Resources (DER) and energy efficiencies

## KEY CAPITAL COST DRIVERS – CONTINUED

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- Transmission Needs:
  - R-Line consist of 33.8 miles of upgrades required for storm outage prevention and OATT projects
  - S-Line consist of 18.1 miles of upgrades as a result of contract between CAISO and IID
  - K-Line consist of storm hardening 28 miles of transmission line
  - Grapefruit Switching Station, CN and CL Line reconstruction of approximately 7 miles
    - ***Remedial Action Plan under IID's Transmission Planning TPL Standard***
  - North Gila to Imperial Valley 500kV
- Reliability:
  - Substation upgrades to increase load capacity in IV and LQ
  - Restore battery storage to its original 20MW capacity
- Regulatory and Operational
  - El Centro Generation Station Wastewater Mitigation
  - Energy Imbalance Market (EIM) Upgrades to enable the participation in the ISO's WEIM

# INCREASING MARKET DRIVERS AND CUSTOMER DEMANDS

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Customers' needs are evolving due to regulatory and competitive forces, resulting in the need for new infrastructure investments and updated COS and rate options.

Rate redesign and introduction of new rates are necessary to meet evolving market drivers

- Public EV Charging:
  - Fast Chargers
    - Low load factor
    - High infrastructure costs
- Fleet Charging
- Microgrids



## FORECAST RESULTS – STATUS QUO, NO RATE INCREASE OR DEBT ISSUE

	2023	2024	2025	2026	2027
<b>Status Quo</b>					
Revenues	\$563,915,252	\$564,946,509	\$567,805,436	\$568,344,518	\$572,712,179
Revenue Requirement	\$608,228,730	\$705,471,912	\$748,799,003	\$780,633,941	\$708,974,506
Over (under) Collection	(\$44,313,479)	(\$140,525,403)	(\$180,993,566)	(\$212,289,424)	(\$136,262,328)
DCOH	83	(16)	(140)	(284)	(374)
DSCR	2.0	1.6	1.7	1.6	1.6

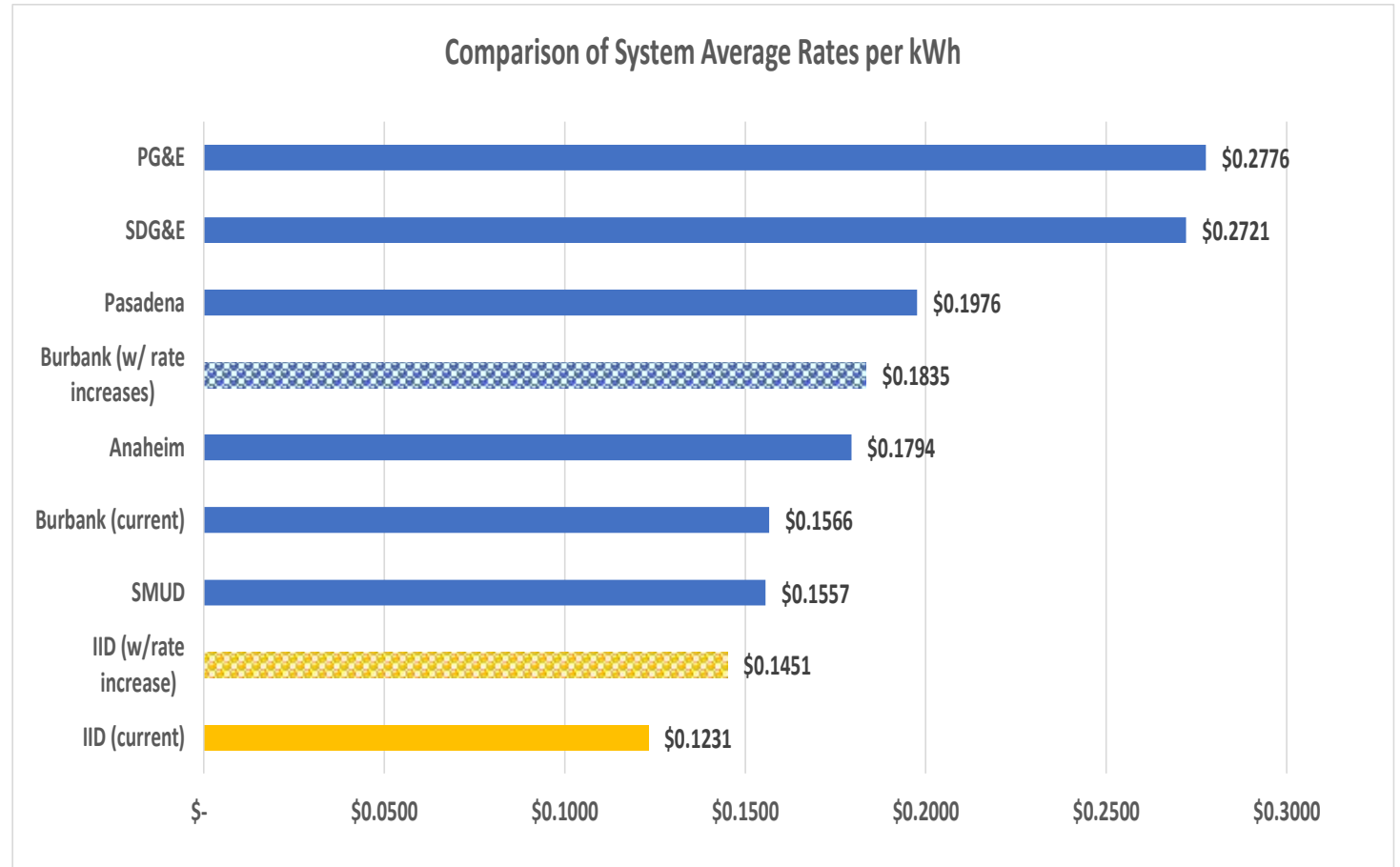
To address the diminishing Days Cash on Hand (DCOH) and Debt Service Coverage Ratio (DSCR), it is recommended that IID issue debt and increase rates

## FORECAST RESULTS – INCLUDING RATE RECOMMENDATIONS

	2023	2024	2025	2026	2027
Revenues	563,915,252	610,876,452	664,926,354	665,732,818	670,368,532
Revenue Requirement	528,828,438	549,766,056	552,456,782	752,134,661	733,282,750
Over (Under) Collection	35,086,814	61,110,396	112,469,572	-86,401,843	-62,914,219
DCOH	138	177	254	193	149
DSCR	1.8	2.1	2.8	2.4	2.4
<b>Recommendations</b>					
Total Rate Increase Needed for Financial Stability	0.0%	8.3%	8.8%	0.0%	0.0%
Approximate increase to System Base Rate (\$/kWh)	\$0.00000	\$0.01295	\$0.01425	\$0.00000	\$0.00000
Debt Issued	\$250,000,000		\$260,000,000		

# SYSTEM AVERAGE RATES COMPARISON

California Utilities  
Years 2021-2023



# BASE RATE AND ECA/ECAR

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## ***Base Rates:***

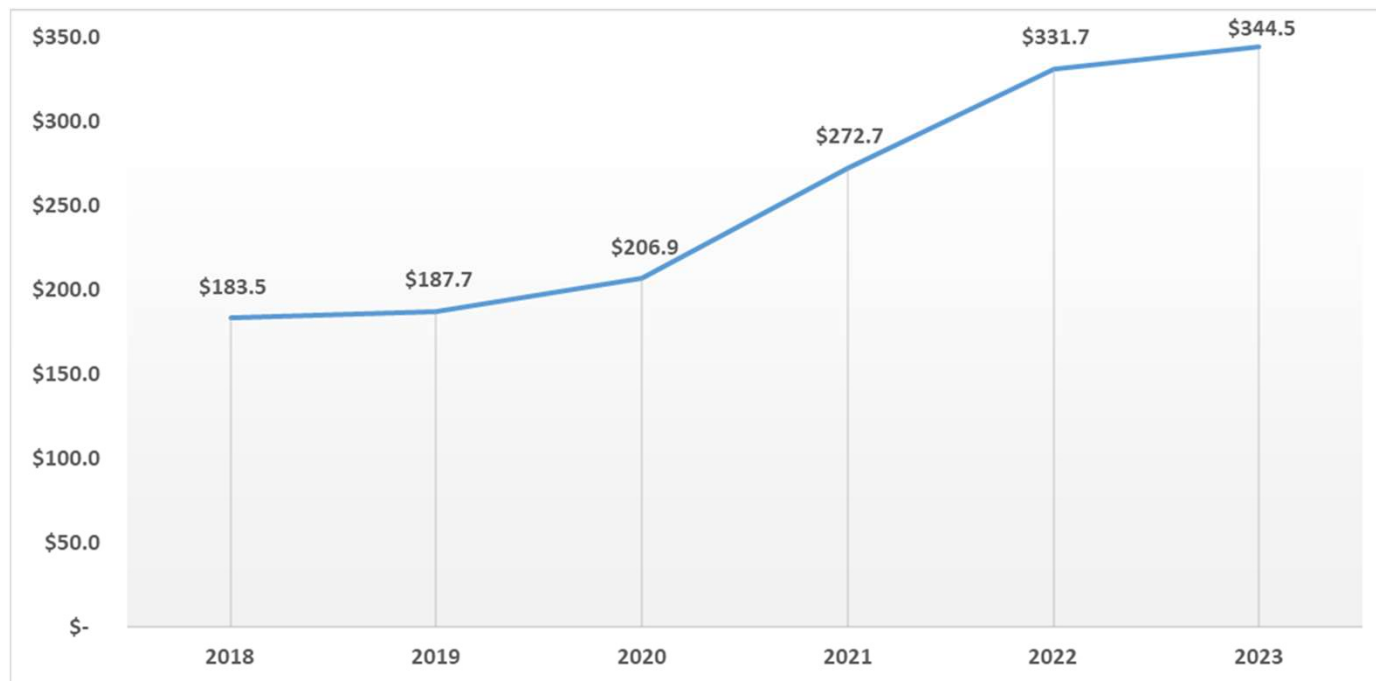
- Rates and Charges to recover the core costs of operating the utility
- Costs primarily managed and controlled by the utility (IID)
- May include a portion of power supply/market costs
  - ECA: \$0.0562/kWh included in Base Rate

## ***Pass Throughs/Energy Cost Adjustments:***

- Rates to recover costs not under full control of the utility (IID)
- Pass through all or a portion of market costs, market volatility to customers
- Best practice to provide transparency and calculation for adjustment; typically, the entire power supply costs or the difference in budgeted (base rate) vs. actual costs
- Common practice for utilities to charge Energy Cost Adjustments Factors
  - Turlock Irrigation District
  - Los Angeles Department of Water and Power
  - Salt River Project

## ECA FACTORS

Fuel and  
purchased power  
costs have  
increased by 88%  
since 2018



The ECA recovers the costs of fuel, energy, capacity, transmission, purchased power and transmission costs, net revenues from wholesale sales not recovered in the base energy charge of the District.

## Slide 14

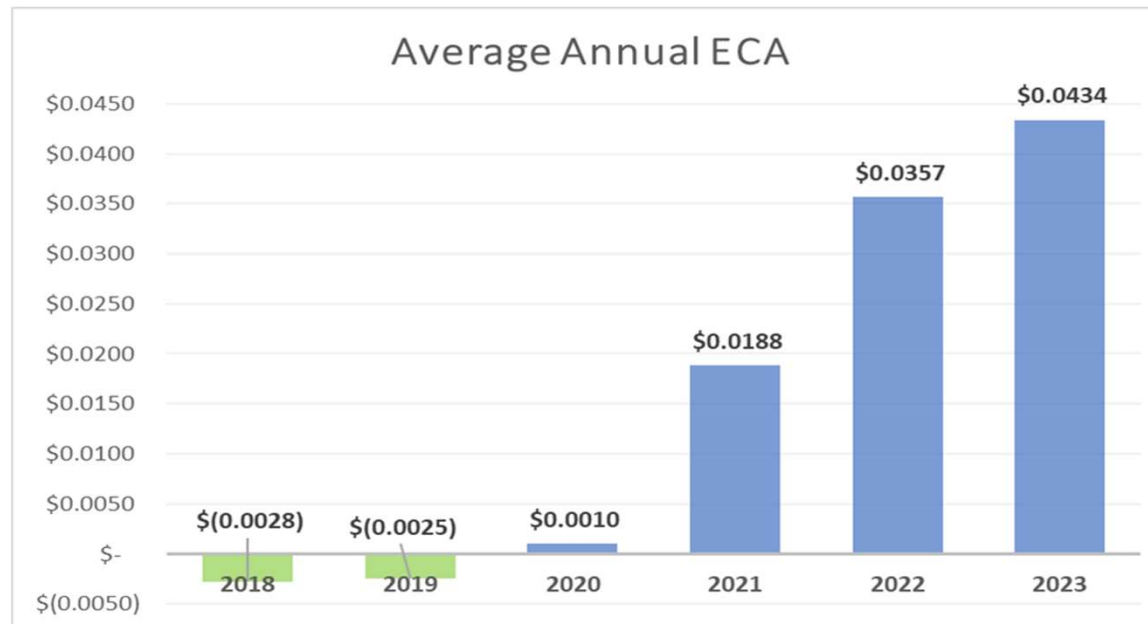
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**MH0**

IID to Update this graph

Meghan Helper, 2023-04-19T19:31:20.905

## HISTORY OF THE ECA CHARGES – 2018–2023



- As purchase power and fuel costs have increased so has the ECA billing factors in order to recover costs
- In the years 2018 and 2019 there was \$9.1M credit back given to customers via ECA factors



## Slide 15

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**MH0**

IID to update graph

Meghan Helper, 2023-04-19T19:31:55.321

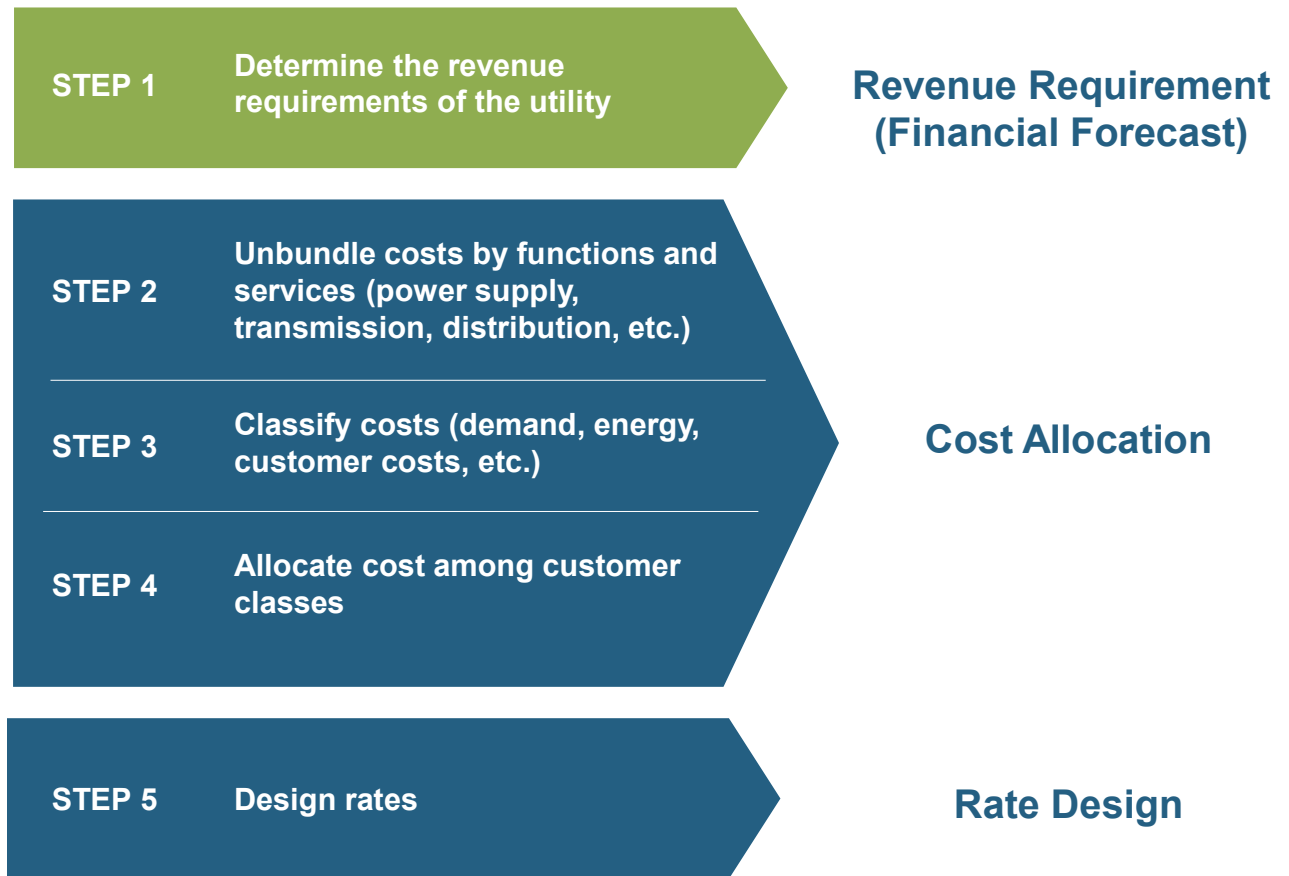
## CURRENT ELECTRIC RATES

	Customer Charge	Demand Charge	Energy Charge Including ECA Base	Energy Rate Excluding ECA Base
<b>Rate Class</b>				
Residential	\$9.60	N/A	\$0.1169	\$0.0607
Large Commercial Rate	\$140.00	\$6.75	\$0.930	\$0.0368
Small Commercial Rate	\$12.00	N/A		
Tier 1 (<1,000 kWh)			\$0.1231	\$0.0669
Tier 2 (Next 6,000 kWh)			\$0.1205	\$0.0643
Tier 3 (Over 7,000 kWh)			\$0.1169	\$0.0607



# COST OF SERVICE PROCESS AND RESULTS

## Rate Study Process



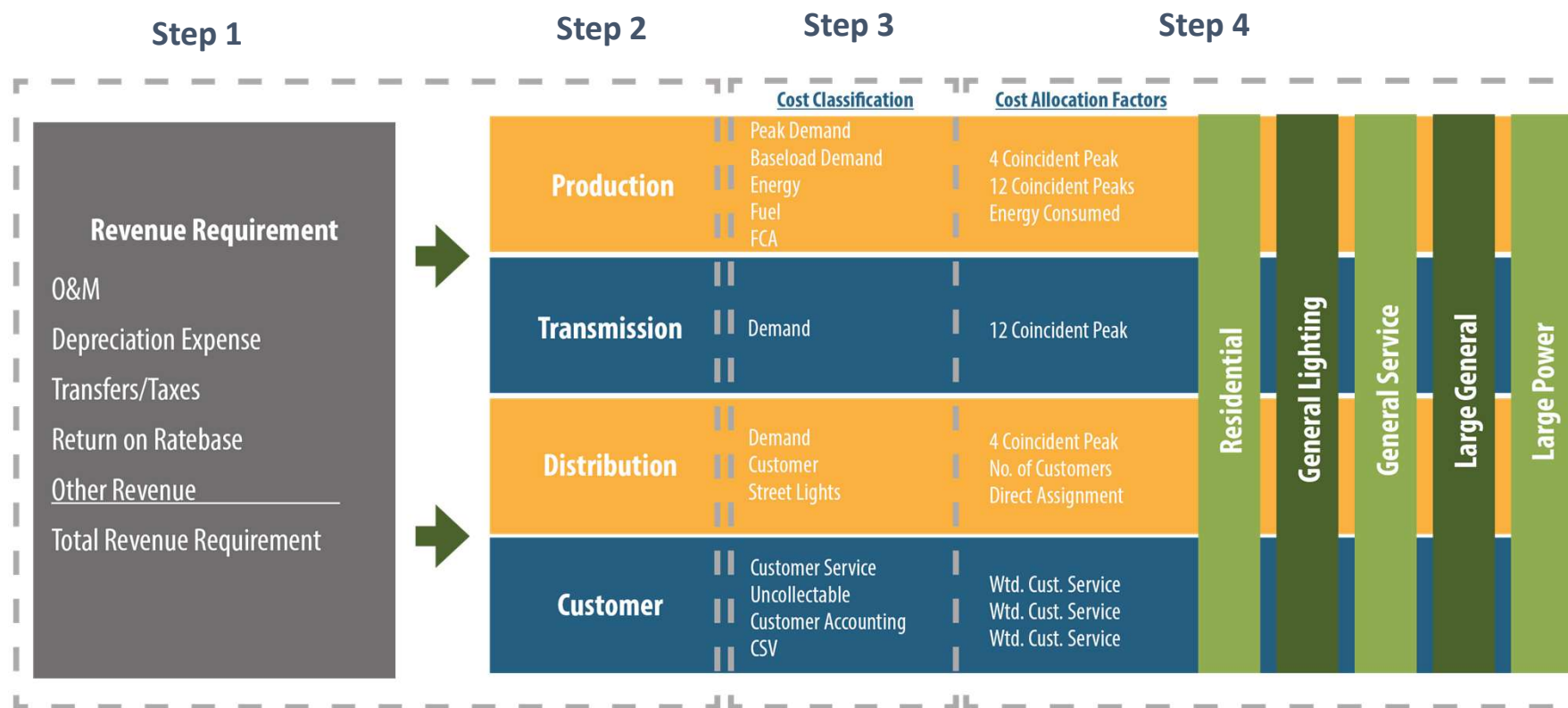
## REVENUE REQUIREMENT

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Based on the Financial Forecast, a 5-year average Test Year is developed to eventually calculate the COS by each customer class

Revenue Requirement	Amount	Percentage
Power Supply	\$329,801,570	52%
O&M	\$201,840,309	32%
Debt Service	\$61,823,230	10%
Cash Funded Capital	\$69,427,186	11%
Less Other Income	(\$39,598,558)	-6%
Contributions to Reserves	\$11,870,144	2%
Total	\$635,163,881	
Current Revenues	\$569,552,312	
Total Rate Increase Needed		12%

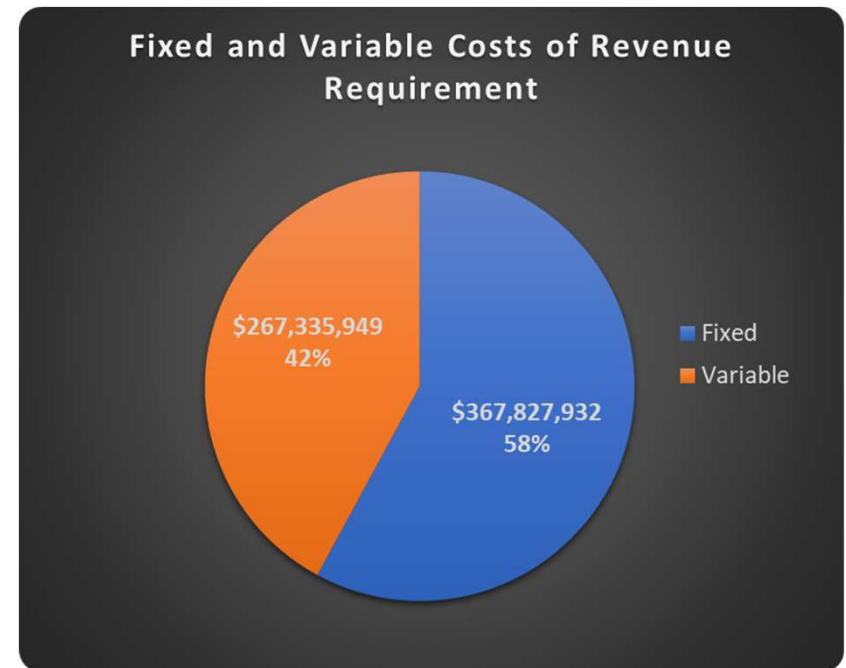
# KEY COS STEPS AND PROCESS



## COST OF SERVICE RESULTS

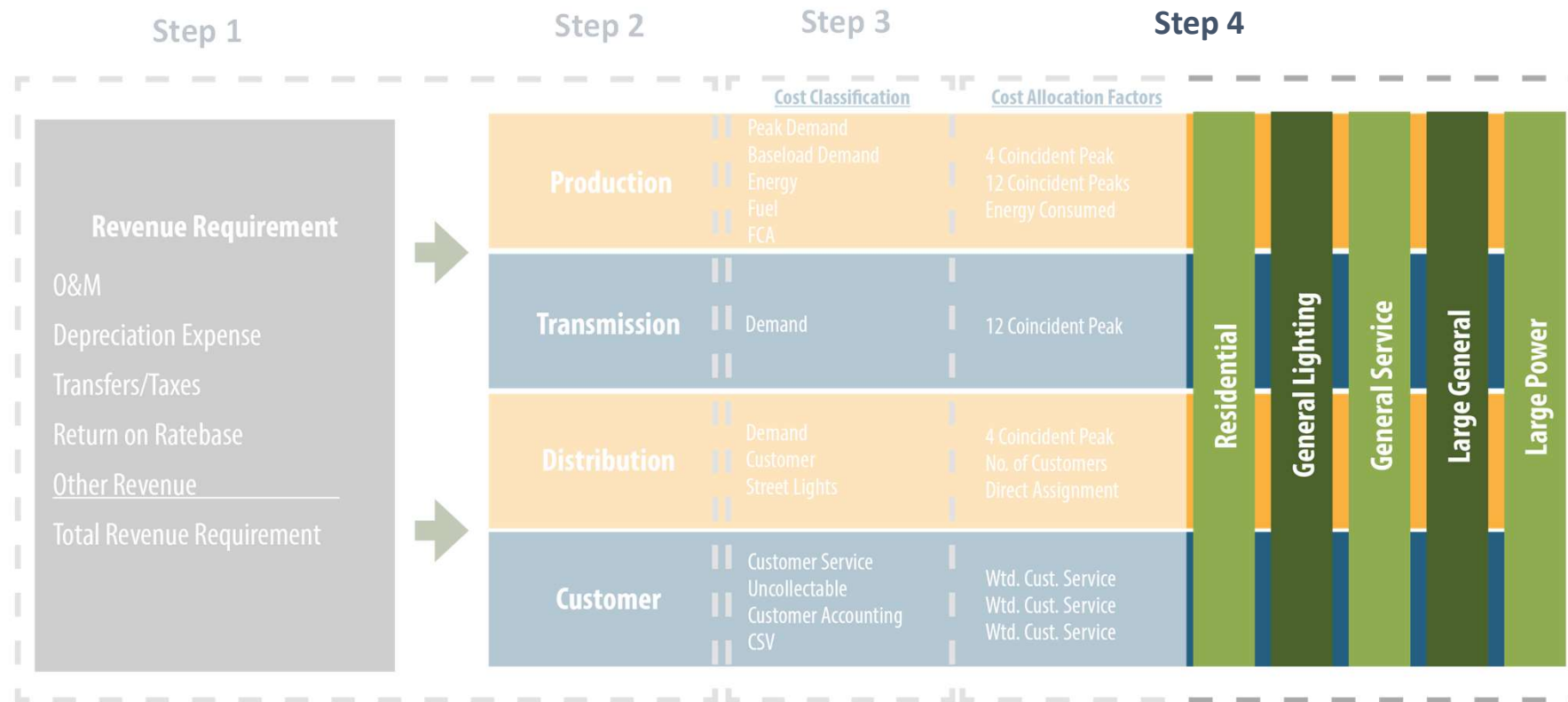
Function	Amount
Power Supply	\$444,802,728
Transmission	\$76,001,613
Distribution	\$83,995,600
Customer	\$30,363,940
Total	\$635,163,881

Classification	Amount	Percent
Customer	\$39,818,121	6%
Demand	\$328,009,811	52%
Energy	\$267,335,949	42%
Total	\$635,163,881	

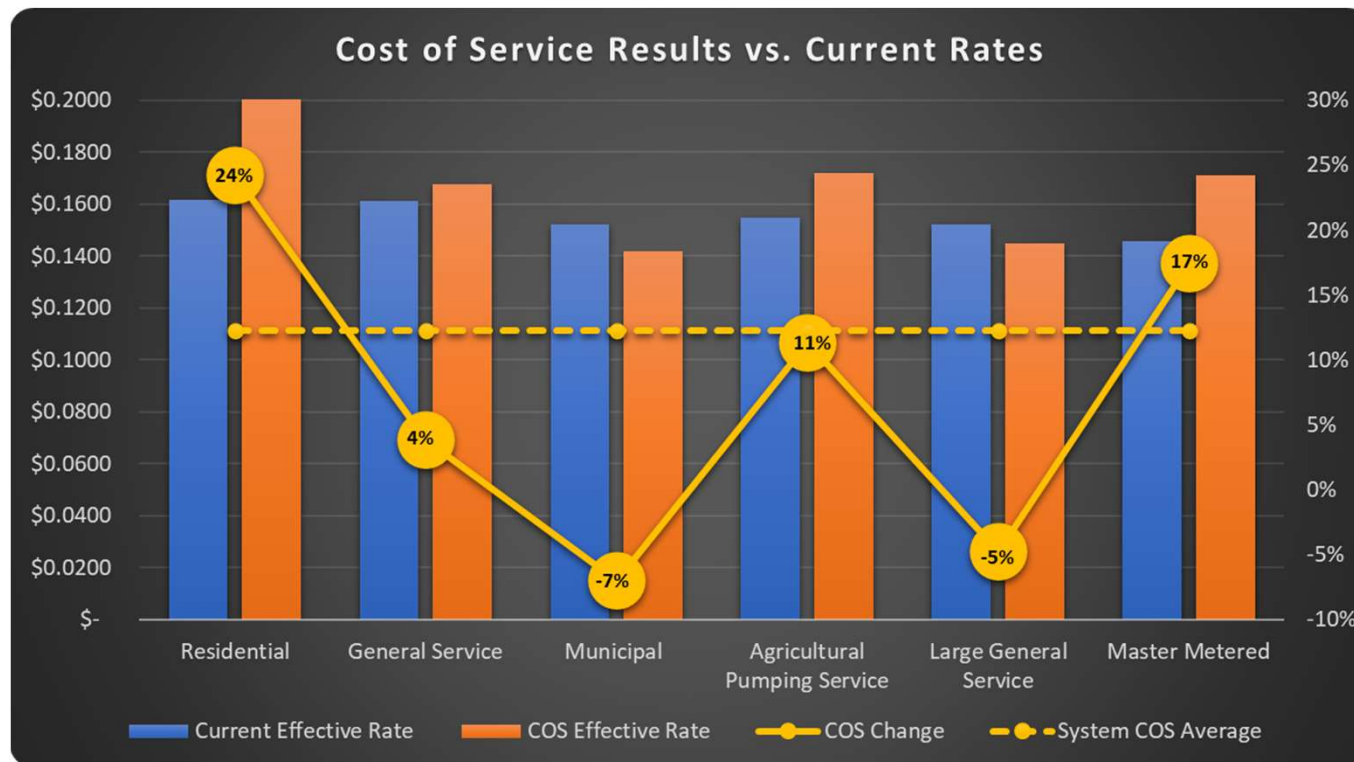




# COST OF SERVICE – CUSTOMER CLASS IMPACTS



# COST OF SERVICE RESULTS BY CUSTOMER CLASS



## RATE STRATEGY BASED ON COST OF SERVICE RESULTS

---

- COS is one step in rate making, rate making considers the COS, policy, and rate designs available
- As COS results show significant rate increases in some classes, we would propose gradualism or a “phased-in” approach to work towards the COS, but may not reach the final COS results
- Limit rate decreases, thus limiting rate increases

## PROPOSED RATE STRATEGY

---

- No class receives a rate decrease
- No class receives more than 1.5 times the system average per phase, reallocate to all classes as needed
- System wide Rate increase is \$0.01295 per kWh increase
  - No class will receive more than a \$0.0194 per kWh increase

## NEXT STEPS IN COS

---

- Guidance on rate increases, follow recommendation of two years with rate increases
- The COS provides the foundation to design all class's rates
- Provides foundation to finalize NEM, TOU, and Microgrid rates
- Design rates for all classes to generate the required revenues in 2024 and 2025 to fund IID costs and capital
- Typical next steps in in proposing rate changes for a public utility

# QUESTIONS



## Slide 27

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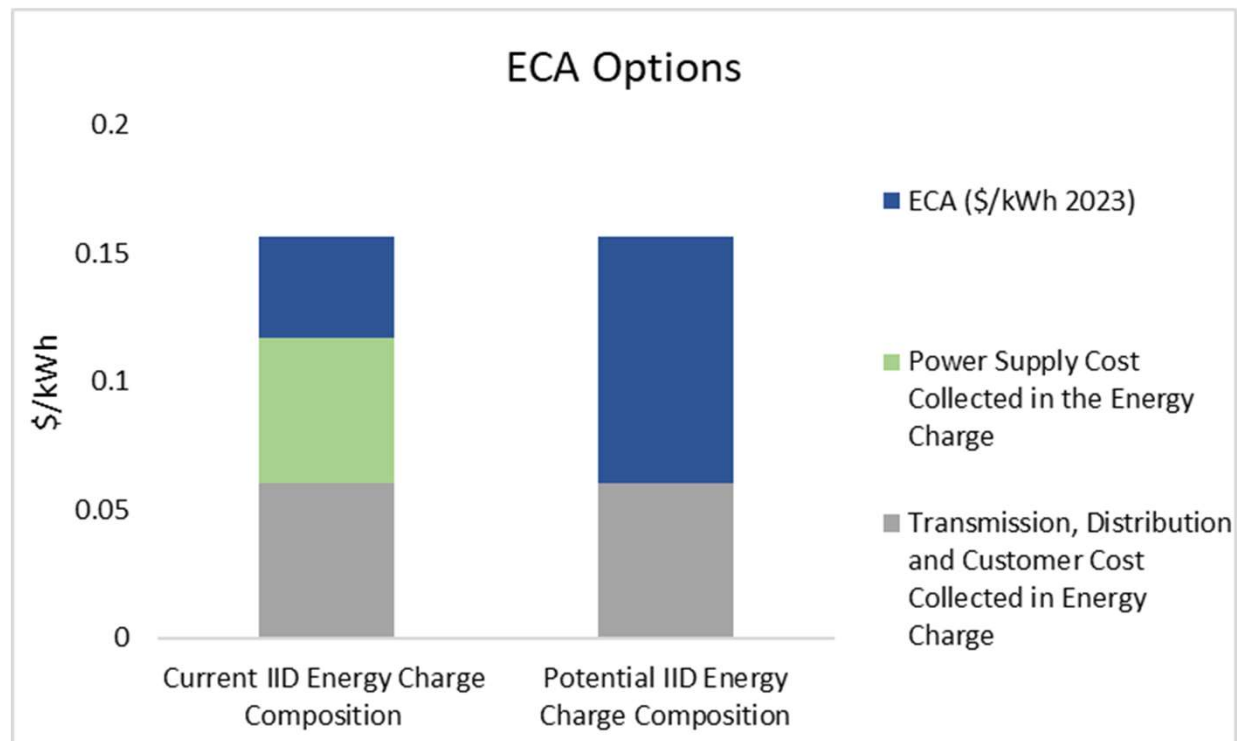
**MH0**

Add Picture

Meghan Helper, 2023-04-19T19:35:16.460



# CURRENT ENERGY RATE COMPOSITION OPTIONS



**From:** Asbury, Jamie <jlasbury@IID.com>

**Sent:** Friday, September 8, 2023 11:23 AM

**To:** Jason Pivovarov <jason.p@dopudjawells.com>

**Cc:** Quiroz, Sergio M <smquiroz@IID.com>; Smelser, Matthew H <mhsmelser@IID.com>; Holbrook, Geoffrey <gpholbrook@IID.com>; David Osisas <dosias@allenmatkins.com>; Hartney, Mark <mhartney@allenmatkins.com>

**Subject:** RE: Initial Comments to Alternative Governance and Electricity Services Study

Good morning,

I am advised that in the current cost of service the total substation costs of \$194,555,700 are proposed to be funded as follows:

- A. Rate Funded of \$36,512,000
- B. Debt Funded of \$10,901,000
- C. Developer Funded of \$147,142,700

Please see below the detail per substation. Please note some of these substation CODs extend beyond the COS horizon so no allocations were provided for that infrastructure. The rate funded portion was allocated conceptually based on overall benefit to all rate payers of the District as a result of increased reliability, resiliency, etc. Please note that these values may change over time based upon system conditions, but were included in the cost of service study. IID has not implemented the findings of that COS.

Sum of 2023-2027 Substations Included in						
#	Description	COS	Sum of Rate	Sum of Debt	Sum of Customer	
1	Cannabis AWZ Coachella (48%)	\$ 14,000,000	\$ -	\$ -	\$ 14,000,000	
2	Jefferson 3rd Bank (45%)	\$ 2,300,000	\$ 800,000	\$ -	\$ 1,500,000	
3	Avenue 58 3rd Bank	\$ 17,000,000	\$ 4,000,000	\$ -	\$ 13,000,000	
4	Ave 52 2nd Bank (70%)	\$ 8,500,000	\$ -	\$ -	\$ 8,500,000	
5	Classic Club Sub 1 (65%)	\$ 27,270,300	\$ -	\$ -	\$ 27,270,300	
6	Carreon 2nd Bank	\$ 11,000,000	\$ 204,000	\$ -	\$ 10,796,000	
7	New Thermal/Airport	\$ 500,000	\$ -	\$ -	\$ 500,000	
8	Coachella Switching 3rd Bank	\$ 14,000,000	\$ 7,700,000	\$ -	\$ 6,300,000	
9	New Jackson 4th Bank	\$ 7,300,000	\$ 200,000	\$ -	\$ 7,100,000	
10	Indio Downtown New Substation (75%)	\$ 10,804,000	\$ 204,000	\$ -	\$ 10,600,000	
11	Avenue 40 Substation (40%)	\$ 7,204,000	\$ 204,000	\$ -	\$ 7,000,000	
12	New North Indio Substation	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	
13	Marshall 3rd Bank	\$ 11,800,400	\$ -	\$ 10,901,000	\$ 899,400	
14	Northgate Substation / Magestic Project	\$ 18,107,000	\$ 9,000,000	\$ -	\$ 9,107,000	
15	Rio Del Sol Substation	\$ 17,770,000	\$ 1,200,000	\$ -	\$ 16,570,000	
16	Frances Way 2nd Bank	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000	
17	Mecca 2nd Bank (64%)	\$ -	\$ -	\$ -	\$ -	
18	Heber Distribution Substation 2nd Bank	\$ 6,500,000	\$ 6,500,000	\$ -	\$ -	
19	Gateway Distribution Substation 2nd Bank	\$ 6,500,000	\$ 6,500,000	\$ -	\$ -	
20	Lavinge Distribution Substation	\$ -	\$ -	\$ -	\$ -	
21	Victoria Ranch Distribution Substation	\$ -	\$ -	\$ -	\$ -	
<b>Grand Total</b>		<b>\$ 194,555,700</b>	<b>\$ 36,512,000</b>	<b>\$ 10,901,000</b>	<b>\$ 147,142,700</b>	

We are working on determining the breakdown of meters provided by customer class and will provide it as soon as possible; this is a bit more challenging because some jurisdictions share zip codes, etc. and

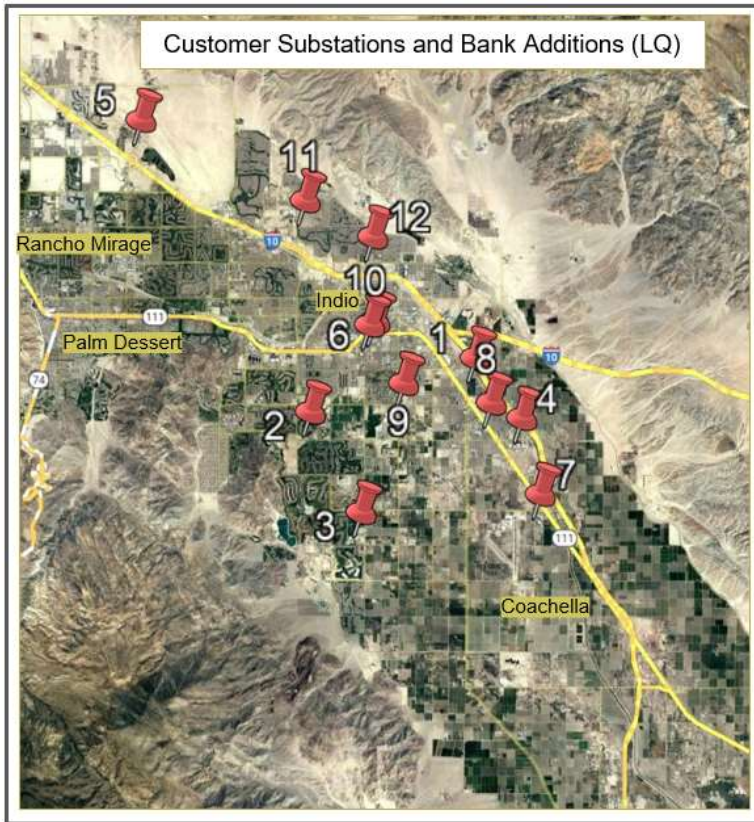
require some tracing in GIS. Our billing system also maintains customers as an integrated whole and not jurisdictionally.

Please let me know if you need additional information.



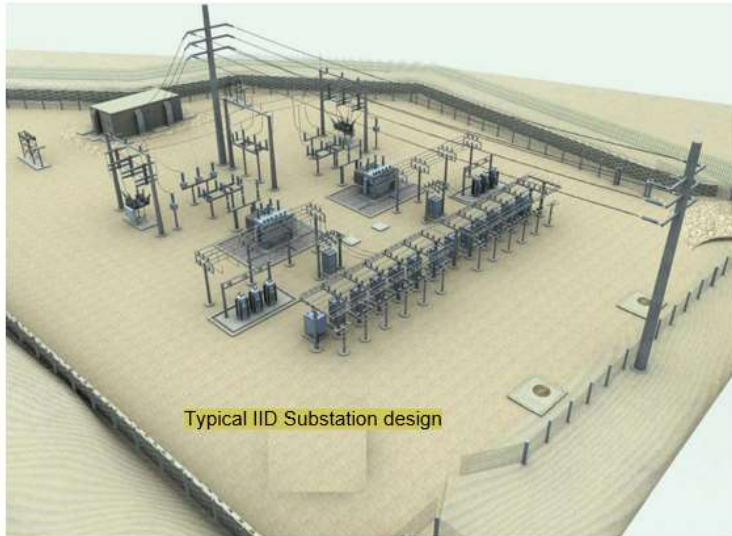
**Jamie L. Asbury**  
**General Manager**  
**IMPERIAL IRRIGATION DISTRICT**  
333 E. Barioni Boulevard, Imperial CA 92251  
(760) 339-9477 | email: [ilasbury@iid.com](mailto:ilasbury@iid.com)  
Mobile (760) 791-7471

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	2023	2024	2025	2026	2027
1. Cannabis AWZ Coachella (New Sub LQ, \$14 MM)					\$14 MM
2. Jefferson 3 <sup>rd</sup> Bank (New Bank LQ, \$5.3 MM)				\$1 MM	\$4.3 MM
3. Avenue 58 3 <sup>rd</sup> Bank (New Bank LQ, \$17 MM)		\$3 MM	\$6.5 MM	\$7.5 MM	
4. Ave. 52 2 <sup>nd</sup> Bank (New Bank LQ, \$8.5 MM)				\$5 MM	\$3.5 MM
5. Classic Club Sub 1 (New Sub LQ, \$27.2 MM)	\$8 MM		\$5 MM	\$7 MM	\$7 MM
6. Carreon 2 <sup>nd</sup> Bank (New Bank LQ, \$11 MM)	\$0.2 MM	\$5 MM	\$5.5 MM		
7. New Thermal/Airport (New Sub LQ, \$18.6 MM)				\$9.6 MM	\$9 MM
8. Coachella Switch. 3 <sup>rd</sup> Bank (New Bank LQ, \$14 MM)		\$2 MM	\$6.3 MM	\$5.7 MM	
9. New Jackson 4 <sup>th</sup> Bank (New Bank LQ, \$11.8 MM)		\$1.5 MM	\$4.5 MM	\$5.7 MM	
10. Indio Downtown New Subst. (New Sub LQ, \$14.6 MM)	\$0.2 MM		\$3.8 MM	\$5.6 MM	\$5 MM
11. Avenue 40 Substation (New Sub LQ, \$7.2 MM)	\$0.2 MM			\$2 MM	\$5 MM
12. New North Indio Substation (New Sub LQ, \$18.6 MM)				\$9.6 MM	\$9 MM

### IID Substations and Bank Additions



Typical IID Substation design

	2023	2024	2025	2026	2027
13. Marshall 3 <sup>rd</sup> Bank (New Bank LQ, \$11.8 MM)	\$3.2 MM	\$8.5 MM			
14. Northgate Subst. / <u>Majestic</u> (New Sub LQ, \$18.1 MM)	\$5.9 MM	\$2.3 MM	\$9.8 MM		
15. Rio del Sol Substation (New Sub LQ, \$22.5 MM)		\$6.8 MM	\$7.5 MM	\$4 MM	\$4 MM
16. Frances Way 2 <sup>nd</sup> Bank (New Bank LQ, \$11 MM)		\$3 MM	\$3 MM	\$5 MM	
17. Mecca 2 <sup>nd</sup> Bank (New Bank LQ, \$7 MM)				\$1.5 MM	\$5.5 MM
18. Heber Distr. Subst. 2 <sup>nd</sup> Bank (New Sub IV, \$6.5 MM)		\$5 MM	\$1.5 MM		
19. Gateway Distr. Subst 2 <sup>nd</sup> Bank (New Sub IV, \$6.5 MM)		\$5 MM	\$1.5 MM		
20. <u>Lavinge</u> Substation (New Sub IV, \$12 MM)				\$12 MM	
21. Victoria Ranch Distr. Subst. (New Sub IV, \$12 MM)					\$12 MM



**From:** Asbury, Jamie <jlasbury@IID.com>

**Sent:** Thursday, September 7, 2023 5:48 PM

**To:** Jason Pivovarov <jason.p@dopudjawells.com>

**Cc:** Quiroz, Sergio M <smquiroz@IID.com>; Smelser, Matthew H <mhsmelser@IID.com>; Holbrook, Geoffrey <gpholbrook@IID.com>; David Osisas <dosias@allenmatkins.com>; Hartney, Mark <mhartney@allenmatkins.com>

**Subject:** RE: Initial Comments to Alternative Governance and Electricity Services Study

**Importance:** High

Attached is the customer information requested by the County of Riverside in its comment letter. The customer count is based on the best estimated geographic area grouping of meters using IID's our GIS database. Please note that the billing information is inclusive of the entirety of IID's bundled rate.

With regard to the questions (excerpted below) from Riverside, as I indicated today, IID does not track or maintain an inventory of its transmission and/or other assets by jurisdiction; it is maintained as an integrated whole. Similarly, we do not track our capital improvement plan by jurisdiction. Further, we discussed today that the ultimate disposition of the infrastructure at the termination of the lease between IID and CVWD is yet to be determined.

- Available information on the inventory of transmission and other assets, by jurisdiction.
- Summary information of what may be currently programmed through IID's approved Capital Improvement Program, by jurisdiction.

To the extent you can identify information that may assist you in responding to the above questions, we will assist in providing the data.

I hope this information is helpful. Please let me know if you have any questions or require additional assistance.



**Jamie L. Asbury**  
**General Manager**

**IMPERIAL IRRIGATION DISTRICT**

333 E. Barioni Boulevard, Imperial CA 92251

(760) 339-9477 | email: [jlasbury@iid.com](mailto:jlasbury@iid.com)

Mobile (760) 791-7471

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	City	kWh	Billing	Customer Count
City	Indio	776,731,036	\$95,041,122	38,487
City	La Quinta	593,339,522	\$72,820,681	27,051
City	Coachella	246,096,192	\$57,135,787	11,559
City	Rancho Mirage	23,073,317	\$2,752,123	664
City	Palm Desert	111,623,651	\$13,865,070	6,533
City	Indian Wells	4,738,219	\$613,625	485
County	Indio Hills	2,834,818	\$379,920	69
County	Thousand Palms	85,609,739	\$10,701,651	4,163
County	Bermuda Dunes	37,875,372	\$4,694,143	2,011
County	Chiriaco Summit	2,390,277	\$276,963	18
County	Thermal	162,480,027	\$19,806,248	3,930
County	Mecca	46,781,268	\$5,957,663	2,168
County	North Shore	16,617,373	\$2,070,200	1,068

Totals:	2,110,190,812	\$286,115,196	98,206.00
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Sky Valley	no meters
Oasis	no meters