

# **COACHELLA VALLEY POWER AGENCY MEETING AGENDA**

*\*Updated Item 7D\**

**THURSDAY, JUNE 12, 2025  
12:00 p.m.**

**Coachella Valley Association of Governments' Conference Room  
73-710 Fred Waring Drive, Suite 104  
Palm Desert, CA 92260**

Members of the public may use the following link for listening access and ability to address the Coachella Valley Power Agency's Board of Directors when called upon:

<https://us02web.zoom.us/j/83562562318?pwd=nLUIDjcol0xFstOzyn0Udc5NpKci80.1>

**Dial In: +1 669 900 9128 US  
Webinar ID: 835 6256 2318  
Password: 618917**

**IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION,  
PLEASE CALL 760-346-1127.**

Members of the public are encouraged to submit comment in connection with the Coachella Valley Power Agency meeting by email to: [cvag@cvag.org](mailto:cvag@cvag.org) by 5:00 p.m. on the day prior to the Board meeting. Members of the public joining the meeting by Zoom can provide comment by using the “raise hand” feature or hitting \*9 on the phone keypad.

As a convenience to the public, CVPA provides a call-in and internet-based option for members of the public to virtually observe and provide public comments at its meetings. Please note that, in the event of a technical issue disrupting the call-in or internet-based options, the meeting will continue unless otherwise required by law.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.  
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. **CALL TO ORDER**

2. **ROLL CALL**

A. **Member Roster**

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3. **AGENDA MODIFICATIONS (IF ANY)**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the first of two opportunities to address the Board. Any person wishing to address the Coachella Valley Power Agency on items appearing on this agenda may do so at this time. Please limit comments to 3 minutes. At the discretion of the chair, additional public comment time and/or opportunities during the meeting may be granted.

5. **BOARD MEMBER / EXECUTIVE DIRECTOR COMMENTS**

A. **Update on progress to date**

6. **CONSENT CALENDAR**

A. **Authorize the Board Chair and/or Executive Director to execute an engagement letter with Best Best & Krieger LLP to provide legal services to CVPA**

P5

6.1 **ITEMS HELD OVER FROM CONSENT CALENDAR**

7. **DISCUSSION / ACTION**

A. **Election of CVPA Officers – Tom Kirk**

P12

**Recommendation:** Elect a Chair and Vice Chair for the Coachella Valley Power Agency’s Board for Fiscal Year 2025-26

**B. CVPA Budget for Fiscal Year 2025-26 – Emmanuel Martinez** **P13**

**Recommendation:** Approve Resolution No. 2025-001, adopting the CVPA’s 2025-26 Fiscal Year Budget, and authorize the Executive Director to initiate planning and coordination with the Imperial Irrigation District for the establishment and collection of a surcharge to cover the administrative and operational costs

**C. Establishing Bylaws for the Coachella Valley Power Agency – Emmanuel Martinez** **P18**

**Recommendation:** Adopt the Bylaws for the Coachella Valley Power Agency

**D. CVAG staffing agreement – Emmanuel Martinez** **P24**

**Recommendation:** Authorize the Chair to finalize and execute a staffing agreement for Coachella Valley Association of Governments (CVAG) to administer the CVPA

**E. Administrative and Financial Policies – Emmanuel Martinez** **P29**

**Recommendation:** Adopt the following foundational administrative and financial policies to support the effective, transparent, and accountable operation of the CVPA:

- Policy 25-01: Process for Amending and Adopting Policies
- Policy 25-02: Records Retention Policy
- Policy 25-03: Electronic Signature Policy
- Policy 25-04: Procurement Policy
- Policy 25-05: Investment Policy

**F. Establishing a meeting schedule– Tom Kirk**

**Recommendation:** Provide direction to staff and establish a regular meeting schedule

**8. PUBLIC COMMENTS ON NON-AGENDA ITEMS**

This is the second of two opportunities to address the Board. Any person wishing to address the Board on items not appearing on this agenda may do so at this time. Please limit comments to 2 minutes. At the discretion of the Chair, additional public comment time and/or opportunities during the meeting may be granted.

**9. ANNOUNCEMENTS**

The next CVPA Board meeting will be held at a time and place that is to be announced. Agenda and additional meeting information can be found at <https://cvaq.org/agendas/category/meetings/>

**10. ADJOURNMENT**

# **COACHELLA VALLEY POWER AGENCY BOARD MEMBER ROSTER**

<b>Voting Members</b>	<b>Seat on Board</b>	<b>Representative</b>
City of Indio		<b>Waymond Fermon</b> Councilmember
City of La Quinta		<b>Linda Evans</b> Mayor
County of Riverside		<b>V. Manuel Perez</b> Supervisor
<b>Staff Support</b>		
Tom Kirk, CVAG Executive Director		
Emmanuel Martinez, CVAG Program Manager		

## **ITEM 6A**

Coachella Valley Power Agency  
June 12, 2025

### **STAFF REPORT**

**Subject:** Letter of Engagement with Best Best & Krieger for Legal Services

**Contact:** Emmanuel Martinez, External Affairs Program Manager ([emartinez@cvag.org](mailto:emartinez@cvag.org))

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**Recommendation: Authorize the Board Chair and/or Executive Director to execute an engagement letter with Best Best & Krieger LLP to provide legal services to CVPA**

**Background:** The CVPA was formed to address the electrical service needs of the communities served by the Imperial Irrigation District. As a newly formed entity, and one focused on energy related matters, specialized legal services will be needed to assist in drafting, reviewing, and providing legal counsel on administrative, procurement, and electrical service matters.

Best Best & Krieger (BB&K) is a reputable firm that provides services to various cities and agencies in the region and has a wealth of experience with energy-related issues. BBK is the legal counsel for the Coachella Valley Association of Governments, which is being recommended for administrative support under a separate action for a staffing agreement. BBK has been providing legal advice to CVAG staff as it helped the Imperial Irrigation District's Coachella Valley Energy Commission (CVEC) navigate the formation of a new joint powers agency.

Moving forward, CVPA needs specialized legal services for energy related agreements entered into between the CVPA and IID, and any other collaborative relationship with public power entities and other organizations and companies to help achieve the goals of the CVPA. As such, legal services will be needed for contractual, regulatory and procurement matters that are unique to CVPA and any other energy projects or programs.

Under the recommended letter of engagement, CVPA matters will primarily be handled by Ryan M.F. Baron, a BB&K Partner. Mr. Baron is the legal counsel for a number of Community Choice Aggregation programs, including Desert Community Energy (DCE), and performs legal services for the City of Coachella's electric municipal efforts.

Considering the extensive legal work that BB&K has performed on energy-related matters, staff recommends the CVPA now have a direct engagement with BB&K by authorizing the letter of engagement, which is attached to this staff report. With approval of this engagement letter, matters will be handled by Mr. Baron and other attorneys at BB&K under his coordination, providing legal oversight of the necessary contractual relationships for CVPA, and related legal services for any administrative, procurement, project, program or regulatory matters that may arise. This approach is similar to the one maintained by CVAG, DCE and the Coachella Valley Conservation Commission (CVCC), which also contracts with CVAG for staffing. BBK has surveyed its client list for potential conflicts and it came back clear.

**Fiscal Analysis:** The letter of engagement authorizes legal expenses on an as-needed, time and materials basis. The hourly rates range from \$195 to \$380, depending on the BBK staff involved. These rates are consistent with the rates charged to CVAG and DCE.

In addition to CVPA direct agreement with BB&K, some legal costs may be incurred for general counsel services through CVPA's agreement with CVAG. CVPA's proposed Fiscal Year 2025-26 budget anticipates an amount of \$100,000 for legal services. As the CVPA begins its operations and procurement to identify and fund projects and programs and other legal matters this year, it is possible that legal costs may exceed the budgeted amount. Staff would return to the Board for direction should these costs cause the contract to exceed the budget.

**Attachment:** Letter of Engagement with Best Best & Krieger



Ryan M. F. Baron  
Partner  
(949) 263-6568  
ryan.baron@bbklaw.com

May 29, 2025

**VIA E-MAIL**

Tom Kirk  
Coachella Valley Power Authority  
Palm Desert, CA 92260

Dear Board of Directors and Executive Director:

ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to represent Coachella Valley Power Authority ("CVPA") as a continuation of our representation of the Coachella Valley Association of Governments and Desert Community Energy. This letter constitutes our agreement setting the terms of our representation. If you want us to represent you and agree to the terms set forth in this letter, after you review the letter please sign it and return the signed copy to us.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing you. Similarly, you will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to you.

We have checked the following names against our client index: Coachella Valley Power Authority, County of Riverside, City of Indio, City of La Quinta, and Imperial Irrigation District. Based on that check, we can represent you. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

YOUR OBLIGATIONS ABOUT FEES AND INDIVIDUAL RATES

Our rates are as follows:

Partners and Of Counsel	\$380
Associates:	\$307
Paralegals, Clerks & Analysts	\$195

Best Best & Krieger LLP | 18101 Von Karman Avenue, Suite 1000, Irvine, California 92612  
Phone: (949) 263-2600 | Fax: (949) 260-0972 | bbklaw.com

The rates set forth herein shall be adjusted on July 1st, of each calendar year for cost of living as shown by the U.S. Department of Labor in its All Urban Consumers Index as set forth for the Riverside-San Bernardino-Ontario Area.

The billing policies are described in the memorandum attached to this letter, entitled “Best Best & Krieger LLP’s Billing Policies.” Considering our past representation of DCE through CVPA, to the extent of any conflict with the Billing Policies attached herein and the Billing Policies in our CVPA engagement, the CVPA Billing Policies will prevail (with the exception of any fees or costs that may change from time-to-time). You should consider the Billing Policies memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

#### INSURANCE

We understand that you are not now insured or have any insurance that may cover potential liability or attorneys’ fees in this case. If you think you may have such insurance, please notify me immediately.

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd’s of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

#### NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

#### CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients’ time and money. By signing this letter you will be confirming your approval of this practice in your case.

#### HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached Billing Policies memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

THANK YOU

On a personal note, we are pleased that you have selected Best Best & Krieger LLP to represent CVAG. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us to represent you in this case. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us by June 2, 2025.

Sincerely,



Ryan M. F. Baron  
of BEST BEST & KRIEGER LLP

RMB:pa

AGREED AND ACCEPTED:

By: \_\_\_\_\_

Dated: \_\_\_\_\_

## BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

### INVOICE AND PAYMENT OPTIONS

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

### FEES FOR PROFESSIONAL SERVICES

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Our attorneys are currently billed at rates from \$260 to \$1085 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from \$145 to \$350 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney

personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

### FEES FOR ELECTRONICALLY STORED INFORMATION ("ESI") SUPPORT AND STORAGE

BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support, which are matters with a document population over 1GB – typically litigation or threatened litigation matters. BBK provides services for basic ESI processing and storage at the following rates per month based on the number of gigabytes of data ("GB") processed and stored:

1GB -250GB:	\$10 per GB
251GB - 550GB:	\$8 per GB
551GB - 750GB:	\$6 per GB
751GB - 1TB:	\$4 per GB

The amount BBK charges for basic processing and storage of ESI allows BBK to recover the costs of providing such services, plus a net profit for BBK. BBK believes that the rates it charges for processing and storage are lower than comparable services available from third party vendors in the market. If you wish to contract separately with a third party vendor for processing and storage costs, please notify PracticeSupportServices@bbklaw.com in writing. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for such services will be provided on request.

### FEES FOR OTHER SERVICES, COSTS AND EXPENSES

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

#### ADVANCE DEPOSIT TOWARD FEES AND COSTS

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

#### MONTHLY INVOICES AND PAYMENT

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

#### CHANGES IN FEE ARRANGEMENTS AND BUDGETS

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

#### BEST BEST & KRIEGER LLP

## **ITEM 7A**

Coachella Valley Power Agency  
June 12, 2025

### **STAFF REPORT**

**Subject:** Election of CVPA Officers

**Contact:** Tom Kirk, Executive Director ([tkirk@cvag.org](mailto:tkirk@cvag.org))

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#### **Recommendation: Elect a Chair and Vice Chair for the Coachella Valley Power Agency's Board for Fiscal Year 2025-26**

**Background:** In May 2025, the Coachella Valley Power Agency (CVPA) Joint Powers Authority (JPA) was established as a new entity to address electrical service issues in Coachella Valley area served by Imperial Irrigation District. The City of La Quinta was the first entity to approve the CVPA JPA agreement back in March 2025. The JPA agreement was subsequently approved by the County of Riverside and the City of Indio on May 6 and 7, respectively. Approval of the JPA agreement by three agencies reached the minimum threshold to formally initiate the operation of the CVPA JPA.

The June 12 meeting will be the inaugural meeting of the CVPA Board. As part of the governance process of the CVPA JPA, its members must elect a Chair and Vice Chair, who shall serve in the absence of the Chair, to preside over the CVPA Board meetings. Under the draft bylaws, which are being presented to the Board under a separate agenda item, there is no term limits or rotation for CVPA officers.

Staff recommends that the CVPA Board provide nominations and elect its officers for Fiscal Year 2025-26.

**Fiscal Analysis:** There is no cost to the budget for the election of officers for the CVPA JPA.

## **ITEM 7B**

Coachella Valley Power Agency  
June 12, 2025

### **STAFF REPORT**

**Subject:** CVPA Budget for Fiscal Year 2025-26

**Contact:** Emmanuel Martinez, External Affairs Programs Manager ([emartinez@cvag.org](mailto:emartinez@cvag.org))

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**Recommendation:** Approve Resolution No. 2025-001, adopting the CVPA's 2025-26 Fiscal Year Budget, and authorize the Executive Director to initiate planning and coordination with the Imperial Irrigation District for the establishment and collection of a surcharge to cover the administrative and operational costs

**Background:** In May, the CVPA Joint Powers Authority (JPA) was officially established. Its founding members include the City of La Quinta, the City of Indio, and the County of Riverside. The CVPA JPA was created to build on efforts to address representation and implement projects to help address the electrical service needs in the Coachella Valley area served by the Imperial Irrigation District (IID).

As outlined in Section 3.12.5 of the CVPA JPA agreement, Board approval is required to adopt an annual budget or resolution. For its first year, CVPA staff is recommending a high-level, foundational budget of \$1.07 million to initiate operations and support administrative and planning efforts. The proposed budget includes administrative and operational costs such as staff time, legal services, and consulting services to assist in setting up CVPA's structure, funding mechanisms, and project planning processes.

The inaugural budget, totaling \$1.07 million, is intentionally high-level, reflecting the CVPA's early development stage. It is designed to provide flexibility and support the foundational work necessary to operationalize the agency and begin delivering its mission. As the CVPA matures and new initiatives are introduced, future budgets will be adjusted accordingly to reflect expanded scopes of work and strategic priorities.

Most notably, the budget focuses on securing specialized consulting services that will conduct system wide assessments and identify capital improvement needs. This helps CVPA achieve one of its primary objectives: addressing the immediate and long-standing electrical infrastructure needs within the Coachella Valley, including the potential developments of new substations, upgrades to existing infrastructure, and acquisition of critical equipment such as transformers.

Additionally, a substantial portion of the budget is dedicated to legal and consulting expertise required to analyze and structure sustainable revenue mechanisms. These may include, but are not limited to, surcharges, capacity charges, developer impact fees, and issuance of tax-exempt revenue bonds. Legal services will be critical to ensuring that all instruments are compliant with regulatory standards and are aligned with risk management protocols. This includes the preparation and review of contracts, agreements with the IID, and documentation necessary to facilitate financial transactions and project implementation.

### *Establishing a surcharge*

To cover the administrative and operational costs of the CVPA, staff is recommending that the Executive Director be authorized to initiate work with IID to establish a funding mechanism, via collection of a surcharge, to ensure a sustainable funding source and mechanism for the first year of work for the CVPA.

Funding for CVPA JPA operations, programs, and projects may be derived from multiple sources including but not limited to member assessments, borrowing and/or issuance of debt, grants, surcharges on retail electric rates in affected jurisdictions, development impact fees, or other sources which may be available to the CVPA JPA now or in the future. A surcharge would be socialized among ratepayers in CVPA member jurisdictional boundaries, collected by IID and be remitted to the CVPA.

The surcharge is anticipated to be de minimis and sufficient to get the CVPA off the ground. The surcharge process is similar to how IID works with other agencies to collect user utility taxes or similar surcharges. To determine the exact kilowatt per hour (kWh) surcharge amount to cover the costs of the CVPA's first year budget will require coordination and planning with the IID. This is a dynamic process given the variability in energy user consumption by the various customer classes within the Coachella Valley, changes in customer accounts due to move-ins and move-outs, to name a few. Additionally, given the members of the CVPA and its associated boundaries, IID will also need to assist in determining the number of meters and respective customer classes that reside within the CVPA jurisdictional boundaries. Based on the data collected through cooperation with IID, CVPA will then be required to determine the kWh surcharge amount and request IID to collect and remit to CVPA. At that point, agreements for the collection and remittance of the surcharge will be considered by CVPA and IID.

Staff is recommending the Board adopt the budget and provide authorization for the Executive Director to initiate planning and coordination for collection of the surcharge. Once data is collected and a surcharge is determined, staff will bring back an item at a later date to seek CVPA Board approval for the implementation of surcharge, including associated agreements. Preliminary discussions with IID indicate this process can take anywhere from three to six months.

**Fiscal Analysis:** The Fiscal Year 2025-26 Budget represents the inaugural financial plan for the CVPA and is foundational to establishing its operational capabilities. The estimated \$1.07 million would allow CVPA initiate operations and support administrative and planning efforts.

A total of \$500,000 is allocated to hire consultants with expertise in electrical infrastructure and local government finance and revenue strategies, including surcharges, developer impact fees, and mitigation funds. Staff anticipates key work under this line item would include preparation of a nexus study to project future infrastructure needs based on growth, identify facilities required, determined costs to new development, calculate and analyze fees and propose and adopt fees. This work is critical for laying the groundwork to fund and implement infrastructure improvements.

An additional \$120,000 is allocated for consultants specializing in planning and coordination with Imperial Irrigation District (IID), aimed at identifying and advancing key infrastructure needs.

The budget allocates \$100,000 for legal services to draft and review agreements, project documents, and instruments related to funding, compliance, and risk management, including tax-exempt revenue bonds. Under a separate agenda item, staff is recommending an engagement letter for Best Best & Krieger LLP.

To support administration and management functions, \$300,000 is allocated for staff time and overhead costs that would cover expenses incurred under the proposed staffing agreement with the Coachella Valley Association of Governments (CVAG). This resource-sharing model, if approved, would help minimize costs by leveraging existing CVAG staff, and only charging actual time and expense incurred by the CVPA. The budget also includes other operational costs total \$50,000 and include travel, training, and non-personnel expenses such as supplies and materials.

Staff is also recommending initiated work to establish a surcharge which will be approved by the CVPA Board at a later date. The surcharge would serve as a key funding mechanism to position the CVPA to do the work needed to address the electrical infrastructure needs in the Coachella Valley. To determine the exact amount of the surcharge to cover the Fiscal Year 2025-26 budget of \$1.07 million, CVPA staff will be required to work with IID to identify all the meters within the CVPA boundaries, as set by its member jurisdictional boundaries, as well as enter into any necessary agreements, which will be brought to the CVPA Board for consideration and approval.

**RESOLUTION NO. 2025-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
COACHELLA VALLEY POWER AGENCY  
APPROVING FISCAL YEAR 2025-26 ANNUAL BUDGET**

THE BOARD OF DIRECTORS OF COACHELLA VALLEY POWER AGENCY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

**Whereas** the Coachella Valley Power Agency (CVPA) is a joint powers authority established in May 2025 for the purpose of addressing representation and electrical service needs of the Coachella Valley communities served by the Imperial Irrigation District;

**Whereas** under Section 3.12.5 of the CVPA Joint Powers Agreement the Board of Directors is to approve an annual budget for the next following fiscal year;

**Whereas** this budget pertains to the fiscal year that runs from July 1, 2025, through June 30, 2026;

**Whereas** the CVPA Fiscal Year 2025-26 Budget was presented to the Board of Directors at a duly noticed public meeting for its consideration, approval and adoption; and

**Whereas** the CVPA Board of Directors desire to cooperate and collaborate with IID on the implementation of a surcharge to generate revenue to cover costs identified in annual budget.

**NOW THEREFORE BE IT RESOLVED AS FOLLOWS:**

1. The Board of Directors hereby adopts the CVPA Fiscal Year 2025-26 Budget.
2. The Board of Directors hereby authorizes the Executive Director to initiate coordination and planning with the Imperial Irrigation District for the collection of a surcharge to cover the expenses in the approved CVPA Fiscal Year 2025-26 Budget

**PASSED AND ADOPTED** at a meeting of the Board of Directors of the Coachella Valley Power Agency held on this June 12, 2025.

SIGNED:

ATTEST:

\_\_\_\_\_  
, Chair  
Coachella Valley Power Agency

\_\_\_\_\_  
, Secretary  
Coachella Valley Power Agency

AYES:

NAYS:

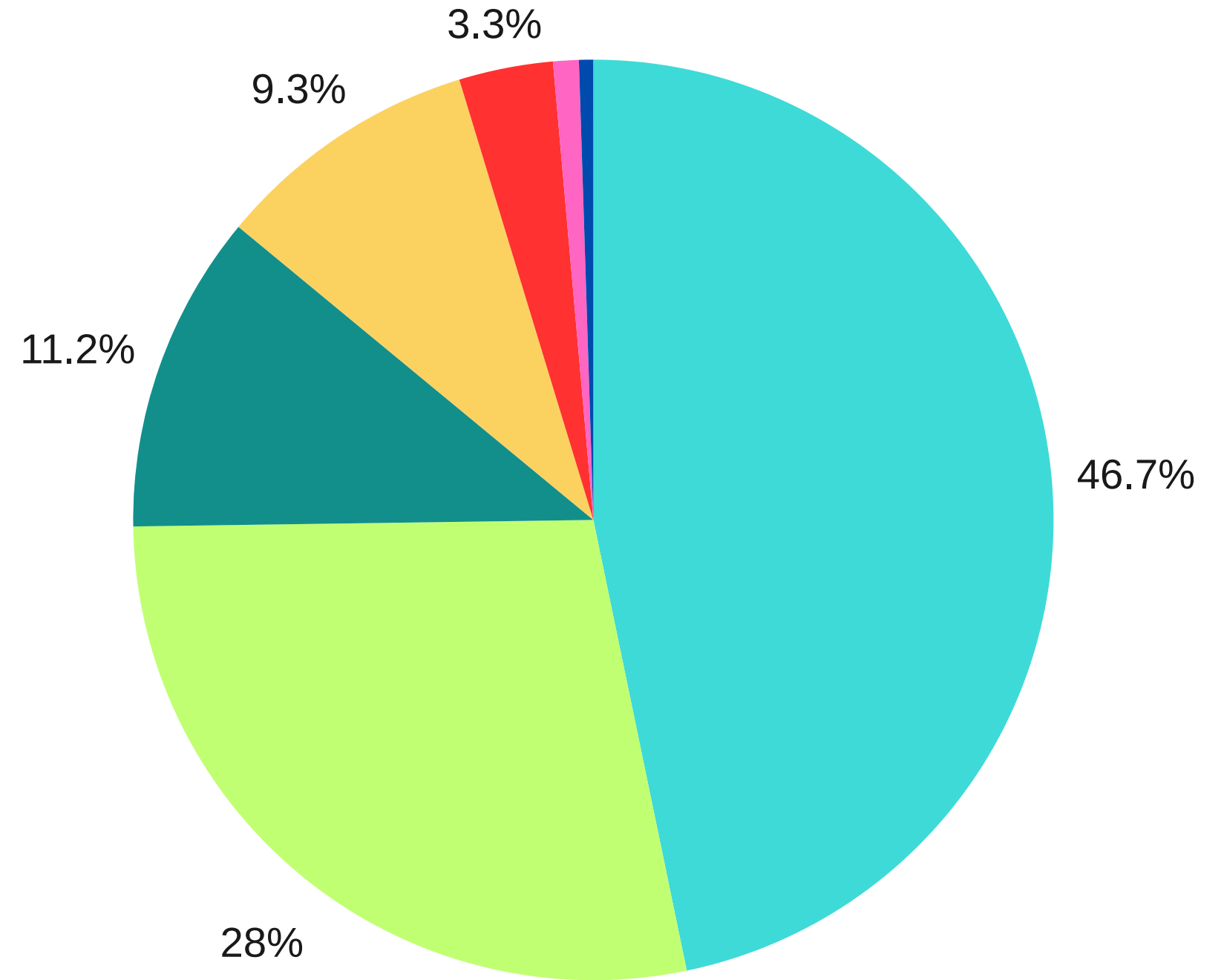
ABSENT:

ABSTAIN:

# COACHELLA VALLEY POWER AGENCY

## FY 2025/26 Proposed Budget

\$5,000	●	Staff Training and Travel
\$10,000	●	Local Meetings / Mileage
\$35,000	●	CVPA Non-personnel
\$100,000	●	Legal Services
\$120,000	●	Consultants - Planning / Administrative
\$300,000	●	CVAG Staff Time and Overhead
\$500,000	●	Consultants - Surcharge & Developer Impact
\$1,070,000		Budget Total



## **ITEM 7C**

### Coachella Valley Power Agency June 12, 2025

#### **STAFF REPORT**

**Subject:** Establishing Bylaws for the Coachella Valley Power Agency

**Contact:** Emmanuel Martinez, Program Manager- External Affairs ([emartinez@cvaq.org](mailto:emartinez@cvaq.org))

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#### **Recommendation: Adopt the Bylaws for the Coachella Valley Power Agency**

**Background:** The Coachella Valley Power Agency (CVPA) was created pursuant to a Joint Powers Agreement, dated May 1, 2025 (the JPA), by and between the City of Indio, the City of La Quinta and the County of Riverside. The purpose of the JPA is to provide and enhance electrical service within the territorial boundaries of CVPA, which is defined as the jurisdictional boundaries of its member agencies.

The Bylaws are intended to guide the governance, operations, and strategic direction of the CVPA, ensuring alignment with the JPA and the agency's mission to address the electrical service needs of the eastern Coachella Valley communities that are served by the Imperial Irrigation District (IID). The Bylaws were modeled after the ones adopted by the Coachella Valley Association of Governments and the Coachella Valley Conservation Commission, which are longstanding regional JPAs. The CVPA's Bylaws are also designed to be responsive to issues that CVPA's member agencies and community stakeholders raised during the formation of the JPA.

Staff is recommending the CVPA Board adopt the proposed Bylaws.

**Fiscal Analysis:** There are no additional costs to adopting the Bylaws.

**Attachment:** Draft CVPA Bylaws

# BYLAWS OF COACHELLA VALLEY POWER AGENCY

## ARTICLE I FORMATION

These Bylaws are provided for the organization and administration of the Coachella Valley Power Agency which has been established under a Joint Powers Agreement. These By-Laws supplement the Agreement.

## ARTICLE II GENERAL PROVISIONS

### Section 1. Purpose of CVPA

CVPA was established to create an independent public agency in order to exercise powers common to each Party, and to exercise additional powers granted to it under the Act and or other relevant legislative authorization(s), in order to provide direct, immediate and diverse representation for Coachella Valley energy stakeholders, to collectively address the unique needs of CVPA and each of its members concerning electric service, and study and evaluate pathways to a transition to a standalone provider of electrical services, in the eastern Coachella Valley. The purpose and intent further include long- and short-term investigation, planning, constructing, owning, operating and managing power generation and delivery facilities through collaborative arrangements with one or more power related organizations. In these efforts, CVPA shall prioritize affordability through cost-effective approaches to address electrical service needs addressed by the CVPA, including but not limited to, any projects, programs, and any electrical infrastructure capital improvements. The purpose and intent further include engagement, coordination, cooperation and collaboration with CVPA Members, energy stakeholders and community stakeholders to facilitate public and stakeholder input, transparency and accountability, and implementation of cost-effective policies, programs and projects thereby emphasizing community and stakeholder engagement, affordability and financial responsibility.

The core tenants of CVPA include:

1. Increased Coachella Valley representation through community and stakeholder engagement and direct CVPA decision-making on electrical service matters for the eastern Coachella Valley communities served by the Imperial Irrigation District.
2. Promoting a public power delivery model to ensure cost-effective and at-cost approaches to program and project delivery.
3. Increased resiliency of the electrical infrastructure in the eastern Coachella Valley to mitigate risk due to extreme weather events, as well as improve redundancy in the electrical system to ensure the reliable delivery of power.
4. Facilitate investments in the Coachella Valley that contribute to the economic development of the region by addressing load growth due to housing, commercial and

industrial developments that create jobs and improve the quality of life for residents and visitors.

Section 2. Purpose of Bylaws

The JPA Agreement authorizes the Board of Directors to adopt such bylaws, rules and regulations as are necessary or desirable to accomplish the purposes of the JPA Agreement; provided, however, that nothing in the bylaws, rules or regulations shall be inconsistent with the JPA Agreement. By approving these Bylaws, the Board intends to adopt additional procedures concerning basic governance, internal organization, Board committees, and other matters addressed in these Bylaws.

Section 3. Definitions

Unless specifically defined in these Bylaws, all defined terms shall have the same meaning as ascribed to them in the JPA Agreement.

Section 4. Precedence

In the event of any conflict between these Bylaws and the JPA Agreement, the JPA Agreement shall control and these Bylaws shall be amended or clarified to eliminate such conflict.

**ARTICLE III**  
**BOARD OF DIRECTORS**

Section 1. Membership

Having at least three (3) Members, the CVPA is governed by a Board of Directors (“**Board**”) composed of one representative from each of the Member governments or his/her alternate, or an officially designated representative who must be an elected official of each member agency. The Board shall have all the powers and functions set forth in Sections 2.5 and 2.6 of the JPA Agreement. The governing body of each Member Agency shall appoint and designate in writing one regular Director, who shall be an elected official of such Member Agency and authorized to act for and on behalf of such Member Agency.

The governing body of each Member Agency shall also appoint and designate in writing one alternate Director, who may vote on matters when the regular Director is absent from a meeting. Alternates shall be elected officials of the appointing Member Agency that is the signatory to this Agreement. The County of Riverside may designate an alternate that is an elected official from any Fourth District 4 public agency which is not a member of CVPA, given that such agency’s jurisdiction falls wholly or in part within the jurisdictional boundaries of CVPA. The alternate Director shall have all the rights and responsibilities of the regular Director when serving in his or her absence. When serving in the absence of the regular Director, alternate Directors may vote on matters in committee, chair committees, and fully participate in discussion and debate during meetings.

## Section 2. Officers

- A. The officers of the Board of Directors shall be the Chair and Vice-Chair.
- B. The Chair and the Vice-Chair shall serve at the pleasure of the Board and shall be elected annually before July of each year.
- C. The Chair and Vice-Chair shall not be representatives of the same member governments.
- D. Should an officer be unable to serve for any reason, he or she may be replaced by governing body of the member jurisdiction which he or she represented on the Board. The replacement, who shall be the officially designated representative of the member agency, shall serve out the remainder of the officer's term.
- E. The Chair of the Board shall preside at all meetings of the Board. In the absence of the Chair, the Vice-Chair shall perform all the duties of the Chair. In the absence of both the Chair and Vice-Chair, the Board shall choose one of its voting members to chair the meeting for that day only

## Section 3. Meetings

- A. The Board shall hold at least one regular quarterly meeting at times and places designated by the Board at the regular meeting preceding the next scheduled meeting.
  - 1. Notice shall be given to all member governments of the time and place of all regular meetings of the Board by mailing a written notice prior to the meeting; provided, however, that failure to receive such notice shall not invalidate any proceeding of such meeting.
  - 2. When changes are made to a Board agenda that has already been posted, the changes shall be noted on the official agenda displayed at the meeting location and at the Coachella Valley Association of Governments' offices for public notice.

## Section 4. Quorum

- A. A quorum for the transaction of business shall exist if a meeting is attended by at least three (3) Directors representing more than 50% of the Weighted Voting Shares of the Members.

## Section 5. Voting

- A. Each member agency shall have one vote on the Board of Directors.
- B. Only members present may vote.
- C. Upon request of one (1) or more Directors, a Weighted Vote will be conducted.

- D. The formula for a Weighted Vote shall be determined pursuant to Section 3.8 of the JPA Agreement.

#### Section 6. Powers and Functions

- A. The adoption of the Annual Budget or resolution.
- B. To administer, manage, contract for, and handle the financing of the studies, projects and programs approved and adopted by Board.
- C. The adoption of an ordinance.
- D. To report the findings and recommendations of all projects to the General Assembly for action.
- E. To submit policy and planning positions on projects, programs or other business matters before the Board.
- F. To select and employ an Executive Director who shall be the Chief Administrative Officer of the CVPA and who shall have administrative supervision over all other employees of the CVPA. The Board shall establish personnel rules and regulations and shall provide for compensation of CVPA Staff.
- G. To appoint regular and special committees within the Board.
- H. To establish and operate a permanent office for the CVPA.
- I. The Board may also appoint advisory committees on such projects as it determines advisable.
- J. Members of advisory committees may be named from any government service, from non-public groups, or organizations, or from the general public. Advisory committees shall meet and report as directed by the Board.
- K. The Board may appoint ex officio members of the Board. Ex officio directors shall receive all meeting notices, shall have the right to participate in Board meetings that are open to the public and, with the concurrence of the Chair, have the right to place items on the agenda. These members shall not be counted towards a quorum, shall not attend closed session and shall have no vote.

### **ARTICLE IV**

#### Rules or Procedures

#### Section 1. Order and Procedure at Meetings

All meetings of the Board shall be conducted in an orderly manner designed to expedite the business of the Board in accordance with applicable law, the JPA Agreement, and these Bylaws. Except as otherwise provided in these Bylaws, Robert's Rules of Order will be used as a guide to resolve questions of parliamentary procedures. The General Counsel shall serve as the Parliamentarian.

#### Section 2. Rules of Debate and Decorum

Debate upon all matters pending before the Board shall be under the supervision of the Chair and conducted in such a manner as to expedite the business of the Board. Every Board Member

desiring to speak shall so indicate by using the “request to speak” button, if available, or otherwise address the Chair. Upon recognition by the Chair, the Board Member shall confine remarks to the item under consideration. A Board Member, once recognized, shall not be interrupted when speaking unless it is to call the Board Member to order. If a Board Member while speaking is called to order, the Board Member shall cease speaking until the question of order is determined.

Section 3. Staff Support

The Executive Officer of CVPA shall be the secretary of CVPA, or as otherwise determined by the Board. Any officer, employee or agent of any Member of CVPA may also be an officer, employee, or agent of any of the Members. CVPA shall have the power to appoint such additional officers and to employ such employees and assistants as may be appropriate.

Pursuant to the JPA, the Director of Finance shall serve as a Treasurer and Auditor, or as otherwise determined by the Board. This position shall function as the combined offices of Treasurer and Auditor pursuant to Government Code Section 6505.6 and shall strictly comply with the statutes related to the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer for CVPA shall be the depository and have custody of all money of CVPA from whatever source and shall draw all warrants and pay demands against CVPA as approved by the Board. The Treasurer shall cause an independent audit(s) of the finances of CVPA to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

Section 4. Terms of Office

There shall be no limit on the number of terms held by the Chair or Vice Chair.

**ARTICLE V**  
CVPA Boundaries

Section 1. CVPA boundaries shall include all of the territory within unincorporated County of Riverside that lies within the Imperial Irrigation District’s Coachella Valley Service Area and the jurisdictional boundaries of its members that also lie within the Service Area.

## **ITEM 7D**

### Coachella Valley Power Agency June 12, 2025

#### **STAFF REPORT**

**Subject:** CVAG Staffing of the Coachella Valley Power Agency Joint Powers Authority

**Contact:** Emmanuel Martinez, Program Manager- External Affairs ([emartinez@cvaq.org](mailto:emartinez@cvaq.org))

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**Recommendation: Authorize the Chair to finalize and execute a staffing agreement for Coachella Valley Association of Governments (CVAG) to administer the CVPA**

**Background:** Three local agencies have now voted to form the Coachella Valley Power Agency (CVPA), which includes the Cities of Indio, La Quinta, and the County of Riverside. This is the culmination of years of collaboration among stakeholders in the eastern Coachella Valley who have collaborated with Imperial Irrigation District (IID) to help address representation and energy infrastructure needs.

This JPA is a starting point in establishing the CVPA, an independent public agency, in order to give stakeholders the authority they have long sought with regard to electrical service. Each member party would have the ability to exercise powers to promote, develop, conduct, operate, and manage energy generation and distribution in the eastern Coachella Valley toward achieving reliable, cost-effective public power.

Even before the formation of the JPA, the Coachella Valley Association of Governments has been providing staffing support. Since 2021, IID has worked with CVAG under an Memorandum of Understanding to help provide staffing for its Coachella Valley Energy Commission. This MOU was amended over the years, and most recently expanded to include direction to CVAG's Executive Director to develop a new joint powers authority and creating a staffing agreement with CVAG. In December 2024, when CVEC members moved ahead with the formation of the CVPA JPA, the resolution recognized CVAG as the entity with the capability to initially create, operate, administer and manage the CVPA JPA.

CVAG staff currently manage three JPAs: CVAG; the Coachella Valley Conservation Commission (CVCC), which manages the Coachella Valley Multiple Species Conservation Plan; and Desert Community Energy (DCE), a community choice aggregation that is the default electricity provider in the City of Palm Springs.

The administrative agreement between the CVPA JPA and CVAG is key to implementing the work of the CVPA. This staffing agreement, which is attached to this staff report, is similar to the staffing arrangement that CVAG already has for CVCC and DCE. Those staffing agreements allow CVAG to be reimbursed for staff time, administrative costs and overhead related to the specific agency. It has proven to be a successful model, as it eliminates the need for each JPA to have its own dedicated staff and benefit from economies of scale related to legal, auditing, and other support that are pooled across the agencies. The Agreement between CVAG and the

new CVPA JPA provides for CVAG to administer the program to get the CVPA off the ground, for a period of up to five years. Currently, staff time and administrative costs to initiate the CVPA JPA is covered by the MOU with IID as well as start-up revenue that was provided by IID and Coachella Valley Water District.

CVAG's Executive Committee, based on recommendations by the Administrative/ Personnel Committee and the Energy & Sustainability Committee, has authorized the agreement should it be authorized by CVPA. Staff is now recommending that the Board approve the agreement as well.

**Fiscal Analysis:** The Agreement allows CVAG to invoice CVPA JPA based upon actual staff time, spent plus allocated overhead rates not to exceed the rates paid by CVAG. These are charged at rates not to exceed rates incurred by CVAG and at the same rates that CVCC and DCE pay to CVAG.

The total amount authorized is determined by CVPA Board's annual adoption of a budget. The total costs allowed under the agreement will mirror the fiscal year budget that is approved by CVPA and CVAG as part of the annual budgeting process or under a separate authorization that is approved by both agencies. The proposed Fiscal Year 2025-26 budget, which is being presented to the Board under a separate agenda item, anticipates \$300,000 for staff time, overhead and administrative costs.

**Attachment:** Draft CVAG-CVPA JPA Implementation and Management Services Agreement

# **AGREEMENT**

**between**

**THE COACHELLA VALLEY POWER AGENCY  
and  
THE COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS**

**for  
ADMINISTRATION OF THE  
COACHELLA VALLEY POWER AGENCY JOINT POWERS AUTHORITY**

THIS AGREEMENT is made and effective as of (DATE), between the Coachella Valley Power Agency ("CVPA") and the Coachella Valley Association of Governments ("CVAG").

WHEREAS, the Coachella Valley Power Agency (CVPA) desires to contract with CVAG for the administration of the CVPA JPA and the parties now desire to continue with that arrangement;

WHEREAS, the Executive Director of CVAG serves as the Executive Director of CVPA and utilizes CVAG staff and facilities as necessary to administer the CVPA JPA consistent with the Duties and Responsibilities of the CVPA Executive Director as set by the CVPA Board of Directors;

NOW, THEREFORE, CVPA and CVAG agree to the following terms with respect to compensation to be paid by CVPA to CVAG for the administration of the CVPA JPA.

1. **TERM OF AGREEMENT**

This Agreement shall commence on June 12, 2025 and be effective for a five-year term through June 30, 2030, and only upon execution by both CVAG and CVPA. This Agreement shall continue thereafter for successive five-year terms without further action by either party. This Agreement may be terminated at any time by either party giving the other party six (6) months prior written notice.

2. **SERVICES**

CVAG shall perform the tasks described and set forth by the CVPA Board pursuant to the CVPA JPA Agreement.

The parties acknowledge that the costs incurred for any land acquisition, electrical infrastructure, and associated equipment, materials, and consulting services authorized by the CVPA Board are not included in the compensation to be paid to CVAG. Said services shall be secured by direct contract with CVPA or by subcontract, upon CVPA's written approval.

3. **PAYMENT**

(a) CVPA agrees to pay CVAG based upon actual staff time and benefits spent at rates not to exceed rates incurred by CVAG and at the same rates paid by other joint powers agencies staffed by CVAG. These costs shall include recovery of overhead costs based on a proportional share of actual payroll expenditures for CVAG staff involved in any of the CVPA's

programs; and shall include reimbursement to CVAG for non-employee costs incurred by CVAG while performing services hereunder, which may include, but not limited to, supplies, legal services, consultant services, equipment, Board meeting attendance stipends and staff expense reimbursements. In any fiscal year, the total to be paid hereunder shall not exceed the sum included in CVAG's adopted budget specific to CVPA and shall be determined prior to the start of each fiscal year and shall be approved by CVPA and CVAG as part of the annual budget process unless otherwise authorized by both agencies' governing bodies.

(b) CVAG shall invoice CVPA for payment no more frequently than monthly but at least quarterly for actual work performed.

(c) CVPA acknowledges that rates for CVAG staff are set, and may be adjusted, by the CVAG General Assembly.

(d) All direct costs billed must be specifically identified.

(e) Payment by CVPA to CVAG shall be made within thirty (30) days of receipt of each invoice.

#### 4. OWNERSHIP OF DOCUMENTS

Upon completion of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall be delivered to CVPA and may be used, reused, or otherwise disposed of by CVPA without the permission of CVAG. CVAG may retain a copy of any such materials for use by CVAG.

#### 5. INDEMNIFICATION FOR PROFESSIONAL LIABILITY

To the fullest extent permitted by law, CVAG shall indemnify, protect, defend and hold harmless CVPA and any and all of its officials, employees and agents from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CVAG.

#### 6. INSURANCE

CVAG shall maintain prior to the beginning of and for the duration of this Agreement general liability and motor vehicle coverage through the California Joint Powers Insurance Authority. CVAG shall at all times provide workers' compensation benefits for its employees.

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

COACHELLA VALLEY POWER AGENCY

By: \_\_\_\_\_  
Chair of the CVPA

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: \_\_\_\_\_  
Chair of CVAG

APPROVED AS TO FORM:

\_\_\_\_\_  
Nicholaus Norvell, CVAG General Counsel

## **ITEM 7E**

Coachella Valley Power Agency  
June 12, 2025

### **STAFF REPORT**

**Subject:** Administrative and Financial Policies

**Contact:** Emmanuel Martinez, External Affairs Program Manager ([emartinez@cvag.org](mailto:emartinez@cvag.org))

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**Recommendation:** Adopt the following foundational administrative and financial policies to support the effective, transparent, and accountable operation of the CVPA:

- **Policy 25-01: Process for Amending and Adopting Policies**
- **Policy 25-02: Records Retention Policy**
- **Policy 25-03: Electronic Signature Policy**
- **Policy 25-04: Procurement Policy**
- **Policy 25-05: Investment Policy**

**Background:** As CVPA establishes itself and begins to address electrical service matters, it is essential to establish a clear and consistent framework for governance and operations. The proposed policies reflect best practices commonly adopted by public agencies and are tailored to CVPA's current and anticipated needs. The proposed policies can be categorized into both administrative policies and financial policies.

*Policy 25-01: Process for Amending and Adopting Policies:*

This establishes procedures for creating, revising or repealing CVPA policies. This ensures that all policy changes are intentional, transparent, and subject to Board approval, supporting organizational flexibility while maintaining strong governance.

*Policy 25-02: Records Retention Policy*

This outlines guidelines for maintaining essential records for legally mandated periods. The policy supports public transparency, facilitates audits and public records requests, and improves data security and cost management through timely disposal of outdated documents.

*Policy 25-03: Electronic Signature Policy*

This authorizes the use of electronic signatures for official documents, aligning CVPA with current industry practices. This policy enhances operational efficiency, reduces paper use, and enables remote processing while complying with legal standards.

*Policy 25-04: Procurement Policy*

Adapted from the Coachella Valley Association of Governments (CVAG), this comprehensive policy governs the acquisition of goods and services. It promotes fair competition, cost-effectiveness, and ethical contracting practices. The policy establishes a spending authority for the Executive Director and anticipates a wide range of procurement scenarios, providing flexibility and clarity for staff and vendors alike.

*Policy 25-05: Investment Policy*

This provides guidelines for the prudent investment of idle funds in accordance with state law and best practices for public agencies. The policy prioritizes safety, liquidity, and yield to protect and optimize public funds.

Staff recommends the Board adopt all five policies. Additional policies will be forthcoming at future Board meetings, including establishing a financial reserve policy to ensure that CVPA maintains adequate reserves to manage cash flow, respond to emergencies, and strengthen creditworthiness. By adopting these policies, CVPA will equip its staff with the structure and guidance necessary to operate efficiently and ensure transparency and accountability in the use of public resources.

**Fiscal Analysis:** There is no additional cost to adopting the policies.

**Attachments:**

- Policy 25-01: Process for Amending and Adopting Policies
- Policy 25-02: Records Retention Policy
- Policy 25-03: Electronic Signature Policy
- Policy 25-04: Procurement Policy
- Policy 25-05: Investment Policy

## **CVPA Policy 25-01**

### **PROCESS FOR AMENDING AND ADOPTING POLICIES**

All newly proposed Coachella Valley Power Agency (CVPA) policies and or amendments to existing policies shall be developed and reviewed by CVPA staff pursuant to the request and direction of the CVPA Board. Such newly developed and or amended policies shall be reviewed by General Counsel and subsequently be presented to the Board for approval by motion.

A current copy of CVPA policies shall be posted on the CVPA website. On an annual basis CVPA policies shall be reviewed by staff and CVPA's Executive Director. Any ministerial updates shall be approved by Executive Director and General Counsel with an informational notice by staff report and or email conveyed to Board Members and any applicable CVPA Committees. Any material policies updates recommended by the Executive Director shall be presented to the Board for approval by motion.

## CVPA Policy 25-02

### RECORDS RETENTION POLICY

- A. Purpose:** Implement a records retention schedule in order to ensure that CVPA's records are kept as long as legally and operationally required and that obsolete records are disposed of in a systematic and controlled manner. The records retention schedule is intended to ensure that employees consistently adhere to approved recordkeeping requirements.
- B. Policy:** Records will be retained according to the following schedule. After the required retention date has passed, all documents or electronic files will be deleted or discarded.

Record Type	Required Retention	Sample Descriptions
Executed Contracts	5 years after completion of contract	Contracts with vendors or consultants
Invoices from Vendors	2 years after completion of contract	Vendor invoices for payment
Non-Disclosure Agreements	In perpetuity	NDA with vendor, employee, Board member or advisor
Board Approved Decisions	In perpetuity	Resolutions, meeting minutes, and other items approved at regular or special Board meetings
Board and Committee Meeting Materials	In perpetuity	Agendas, staff reports, and other materials provided to Board members in preparation for meetings
Board Approved Budgets	In perpetuity	Final approved budgets
Drafts of Documents	30 days after final version is approved	Draft contracts, programs, RFPs, etc.
General Electronic Correspondence	30 days	Relevant email correspondence at staff discretion
Marketing Materials	2 years after public distribution	Flyers, brochures, electronic advertisements
General Educational or Informational Materials	2 years	Brochures, reports, electronic information
Personnel Information	3 years after termination	Offer letter, resume, evaluations, personnel records, payroll records, and applicable forms
Accounting Records	7 years	Unaudited financials, bank statements, payables/receivables and controls back up documentation, etc.
Recruitment Materials	3 years after completion	Ads, responses

## CVPA Policy 25-03

### ELECTRONIC SIGNATURE POLICY

#### A. Purpose

CVPA'S Electronic Signature ("eSignature") Policy shall be used to increase productivity and ensure convenient, timely and appropriate access to information by using electronic signature technology to collect and preserve signatures on documents quickly, securely, and efficiently. This Policy establishes when electronic signature technology may replace a hand-written signature, with the goal of encouraging the use of paperless, electronic documents whenever appropriate and allowed by law. This Policy applies to all signatures used in processing various CVPA documents.

While the use of electronic signatures is suggested and encouraged, this Policy does not require any CVPA Board Member, official or staff person to use electronic signatures, nor can the CVPA mandate that any third party signing a document use electronic signature.

#### B. Background

Electronic Signature is the broad umbrella category under which all electronic signatures fall.

The legality and use of Electronic Signatures are governed by federal and state law. (See 15 U.S.C. §§ 7001, *et seq.* [U.S. Federal Electronic Signatures in Global and National Commerce Act]; California Government Code §16.5; California Civil Code §§ 1633.1, *et seq.*)

#### C. Intended Goals for eSignature

- **Security and Legal Compliance:** The use of electronic forms and eSignature provides a secure method of signing and transferring documents electronically. A document cannot be altered after the signer has completed the e-signature. Additionally, the history of any changes made to the document prior to the signature is kept with the document and cannot be changed or deleted. When electronic signatures are used, hash values are attached to the document to verify the authenticity of a document during any transfer for added security.
- **Integration into business processes:** The eSignature process may fit into pre-existing business practices, provide automated processes, retrieve documents, use standard Application Program Interfaces (API), generate reminders and expiration settings, and allow multiple people to view a document and track its progress.
- **Simplified workflow:** Esignatures eliminate resource-intensive processes that require agencies, the public, and staff to manually sign documents. Features of the esignature process include automation of simple forms, ability to track and review changes, vary the recipient roles, tag signatures, etc.

- **Cost benefits:** There are potential cost savings from not having to print, file, scan, and store paper copies. The CVPA may also save also on certified mail, postage, printing, ink, envelopes, paper and the like.

#### D. Policy

This Policy applies to documents requiring a signature of any person where the signature is intended to show authorship, approval, authorization, or certification, as allowed by law. It is the Policy of the CVPA to encourage the use of electronic signatures in all internal and external activities, documents, and transactions where it is operationally feasible to do so, where existing technology permits, and where it is otherwise appropriate based on Board or Executive Director preferences. In such situations, affixing an electronic signature to a document in a manner consistent with this Policy shall satisfy the CVPA's requirements for signing a document. As used in this Policy, the term "signature" includes using initials on a document instead of a signature.

#### E. Requirements of eSignature

The use of electronic signatures is permitted and shall have the same force and effect as the use of a "wet" or manual signature if all the following criteria are met:

1. The electronic signature is unique to the person using it.
2. The electronic signature is capable of verification.
3. The electronic signature is under the sole control of the person using it.
  - a) Email notifications requesting electronic signatures must not be forwarded.
  - b) These requirements prohibit the use of proxy signatures.
4. The electronic signature is linked to the data in such a manner that if the data is changed after the electronic signature is affixed, the electronic signature is invalidated.

#### F. Common Types of Documents

This Policy is intended to broadly permit the use of electronic signatures. Examples of common types of documents are listed in the following table, with notes on each type of document. Agency Board Members and staff should consult with CVPA Counsel to determine where applicable laws permit an electronic signature to be used.

Document Type Examples	Is Use of an Electronic Signature Acceptable?	Notes
Memos, Forms, Board Letters, and Other Correspondence	Yes	Electronic Signature is recommended.

Contracts	Yes	Electronic Signature is recommended.
Certificates, Permits	Yes, if allowed by law	Staff should work with CVPA Counsel to determine where applicable laws permit an electronic signature to be used.
Documents Requiring Notarization	No	
Document Requiring the Chair or Executive Director's Signature	Yes	
Contracts, Amendments, Agreements and MOUs	Yes	

**G. Documents Involving Other Parties**

In the case of contracts or transactions which must be signed by outside parties, each party to the agreement must agree in advance to the use of an electronic signature. No party to a contract or other document may be forced to accept an electronic signature; they must be permitted to decide either way. Such consent may be withdrawn by the other party at any time such that future documents must be signed in hardcopy format.

When a document is electronically signed by all parties, the CVPA will provide a copy of the electronically-signed document to the other parties in an electronic format that is capable of being retained and printed by the other parties.

**H. Setup and Use**

To setup employees authorized to send out documents for eSignature, CVPA personnel should contact their Information Technology (IT) Manager or other appropriate staff person.

**I. Storage and Archiving of Electronically-Signed Documents**

If a document exists only electronically, steps should be taken by CVPA staff to ensure that a fixed version of the final document is stored in a durable manner. It is up to the Executive Director to decide how to store these final electronic documents so long as it does so in a manner consistent with any applicable CVPA document retention policies and any applicable laws.

**J. eSignature Solution Providers**

The CVPA Executive Director, or his/her designee, will be responsible to determine acceptable technologies and eSignature providers consistent with current state legal

requirements and industry best practices to ensure the security and integrity of the data and the signature.

## K. Conclusion

The use of e-Signature is intended to make CVPA business practices more efficient. The process eliminates the need to print, file, and store paper copies of documents that can now be authenticated digitally and stored electronically.

## L. Definitions

**Application Program Interface (API)** is a set of clearly defined methods of communication between various software components. API's allow applications to interact with each other, allowing integration of one system with another.

**Digital Signature** is a specific signature technology implementation of electronic signature that uses cryptography to provide additional proof of the identity of a signer and integrity of a document. This cryptography uses Public Key Infrastructure (PKI) technology to issue digital certificates. PKI technology is accepted by the California Secretary of State for digital signatures created by a public entity.

**Electronic** relates to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

**Electronic Record** is a record created, generated, sent, communicated, received, or stored by electronic means.

**Electronic Signature, or eSignature**, means an electronic identifier, created by computer, attached or affixed to or logically associated with an electronic record, executed or adopted by a person with the intention of using it to have the same force and effect as the use of a manual signature.

**Electronic Transaction** is a transaction conducted or performed, in whole or in part, by electronic means or electronic records.

**eSignature Product** means a software or service that provides a means of affixing an Electronic Signature to an electronic record.

**Hash Value** is a unique numerical identifier that can be assigned to a file, a group of files, or a portion of a file, based on a standard mathematical algorithm applied to the characteristics of the data set. The numerical identifier is so distinctive that the chance that any two files will have the same hash value, no matter how similar they appear, is less than one in one billion. 'Hashing' is used to guarantee the authenticity of an original file.

**Permitted Transactions and Notices** means electronic transactions and notices for which the use of Electronic Signatures is not prohibited under applicable law. **Proxy Signatures** are when Person-A authorizes Person-B to sign Person-A's signature on his/her behalf. (This is prohibited for eSignatures by this Policy.) **Record** is information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. Documents or forms are records.

## CVPA Policy 25-04 PROCUREMENT POLICY

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## 1. Purpose and Scope

Coachella Valley Power Agency (CVPA) is committed to fair, open, and transparent procurement of goods and services. All staff conducting procurement processes will do so in a professional and ethical manner, without conflict of interest, to obtain maximum value for all public dollar expenditures. Except for contracts existing prior to the effective date of this Policy, all purchases of materials, equipment, supplies, and services procured and paid for by CVPA must adhere to the procedures, authority, and dollar limits set forth in this Policy, including subsequent versions of any cross-referenced policies and documents.

## 2. Definitions

**Addendum (sing.)/Addenda (pl.)** – A written change, addition, alteration, correction, or revision to a solicitation or contract document. Commonly, the name given to the document used to revise a solicitation.

**Amendment** – An agreed addition to, deletion from, correction, or modification of a document or contract.

**Architect or Engineer (A/E) Professional Services** - Services that require performance by a registered architect or engineer. Professional services of an architectural or engineering nature that are associated with research, planning, development, and design for construction, alteration, or repair.

**Awardee** – A person or firm who is awarded a contract.

**Board Chair (Chair)** – Serves as the head of the CVPA Board.

**Contractual Services** – means all services, other than professional services, including, but not limited to, janitorial, repairs, maintenance work, software subscriptions, catering, security, and rental equipment.

**Cooperative Procurement** – The action taken when two or more entities combine their requirements to obtain advantages of volume purchases, including administrative savings and other benefits. A variety of arrangements, whereby two or more public procurement entities purchase from the same supplier or multiple suppliers using a single Invitation for Bids (IFB) or Request for Proposals (RFP). Cooperative procurement efforts may result in contracts that other entities may “piggyback.”

**CVPA** – Coachella Valley Power Agency.

**Designee** – A duly authorized representative.

**Electronic Procurement (eProcurement)** – Conducting all or some of the procurement functions over the Internet.

**Ethical Procurement** – Prohibits the breach of the public’s trust by discouraging a public employee from attempting to realize personal gain through conduct inconsistent with the proper discharge of the employee’s duties.

**Executive Director** – The senior operating officer or manager of CVPA.

**Formal Solicitation** – A bid that must be submitted in a sealed envelope (or through an eProcurement site) and in conformance with a prescribed format to be opened in public at a specified date and time.

**Informal Solicitation** – A competitive bid, price quotation, or proposal for supplies or services that is conveyed by a letter, fax, email, or other manner that does not require a formal sealed bid or proposal, public opening, or other formalities. Generally relegated to requirements that may be considered low value or fall under a stipulated price/cost threshold.

**Invitation for Bids (IFB)** – A procurement method used to solicit competitive sealed bid responses, sometimes called a formal bid, when price is the basis for award.

**Offeror** – A generic term that refers to a person or business who submits an offer in response to a solicitation.

**Piggyback** – A form of intergovernmental cooperative purchasing in which an entity will be extended the pricing and terms of a contract entered into by another entity. Generally, an entity will competitively award a contract that will include language allowing for other entities to utilize the contract which may be to their advantage in terms of pricing, thereby gaining economies of scale that they normally would not receive if they competed on their own.

**Procurement** – Purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration. The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storekeeping, salvage, and disposal operations.

**Procurement Card** – A payment method whereby internal customers (requisitioners) are empowered to deal directly with suppliers for purchases using a credit card issued by a bank or major credit card provider. Generally, a pre-established credit limit is established for each card issued. If a Procurement Card method is utilized by CVPA, card usage is to be governed by a separate CVPA policy.

**Procurement Representative** – A person responsible for sourcing and buying products and services for CVPA as designated by the Executive Director.

**Professional Services** – Services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training, or direct assistance (e.g., financial, legal, economic, accounting, engineering, information services, technical, architectural, or other administrative professional matters).

**Project Lead** – Designated individual within CVPA to administer a specific task or contract.

**Public Works** – Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by a public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, “construction” includes work performed during the design, site assessment, feasibility study, and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work, regardless of whether any

further construction work is conducted, and work performed during the postconstruction phases of construction, including, but not limited to, all cleanup work at the jobsite. For purposes of this paragraph, "installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

**Qualified Vendor List (QVL)** – A list of qualified vendors maintained by CVPA to enable informal and formal bidding opportunities and provide a ready pool of vendors for recurring and routine goods and services.

**Request for Information (RFI)** – A document, which is issued by CVPA to obtain information necessary to complete a purchase or fulfill a contract. An RFI surveys the marketplace to understand what products or services may be available and to approximate the dollars that may be needed for procurement(s). An RFI may be used to validate information, project objectives, and functions for possible future solicitations.

**Request for Proposals (RFP)** – The document used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of best and final offers. May be a single-step or multi-step process.

**Request for Qualifications (RFQ)** – A document, which is issued by a procurement entity to obtain statements of the qualifications of potential responders (development teams or consultants) to gauge potential competition in the marketplace, prior to issuing the solicitation.

**Request for Quotation (RFQ)** – A document which is issued by CVPA to obtain from suppliers price quotes typically, but not exclusively, for materials, supplies, equipment.

**Responsible Bidder** – A bidder that possesses the minimum qualifications, licensure, experience, financial stability, expertise and workforce to perform the work.

**Responsive Bid/Proposer** – A bid or proposal that fully conforms in all material respects to the Invitation for Bids (IFB)/Request for Proposals (RFP) and all of its requirements, including all form and substance.

**Scope of Work (SOW)** – A scope of work is developed at the beginning of the procurement cycle and is a written description of the entity's needs and desired outcomes for the procurement and becomes the basis for any resulting solicitation. The scope of work helps to ensure that the product or service meets the stated outcome and establishes the parameters of the resulting contract.

**Single Source Procurement** – A non-competitive method of procurement used when, although two or more vendors supply the commodities or service(s), the department selects one for substantial reasons, eliminating the competitive bidding process. A written justification shall be required from staff explaining why only this vendor fulfills the requirement.

**Sole Source Procurement** – A non-competitive method of procurement used when only one vendor provides the needed public works project, contractual service, professional service or materials, supplies, and equipment or a product to ensure compatibility with other CVPA products and equipment, CVPA shall work to procure these items in the best interest of CVPA, or possesses the unique ability or capability to meet the particular requirements of the entity or

because only one vendor is practicably available. A written justification shall be required from staff explaining why only this vendor can fulfill the requirement.

**Staff** – The individual or department who uses a procured good or service.

**Standard Specification** - A specification that is to be used for all or most purchases of an item; describes all required physical and functional characteristics of goods, services, or construction.

**Task Order** – Task order contract means a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract.

### 3. Standards of Conduct

Transactions relating to the expenditure of public funds require the highest degree of public trust and impeccable standards of conduct. CVPA's contracting activity shall be conducted in a manner above reproach, with the highest of ethical standards and, except as authorized by law, with complete impartiality and without preferential treatment. It is CVPA's policy to strictly avoid any conflict of interest or even the appearance of a conflict of interest in all of its procurement and contracting practices.

All staff shall comply with all applicable laws regarding conflicts of interest, including, but not limited to, the California Political Reform Act, and the provisions of the California Government Code regarding Prohibited Interests in Contracts, as these laws may be amended from time to time.

All staff shall also specifically comply with CVPA's Personnel Rules and Benefits Manual, including the policies addressing conflicts of interest and ethical standards.

Contracts/Procurement shall have adequate internal controls to ensure all contracts and purchases processed are in accordance with the policies specified in that:

All internal requests contain proper approvals before being converted into a contract or purchase order;

Staff have a mechanism to report unauthorized activities as well as any suspicions of fraud, waste, or abuse; and

Any violation of these standards may be cause for disciplinary action, including dismissal, if appropriate.

### 4. Delegation of Authority

The Executive Director has authority to approve expenditures up to the dollar amounts shown in the following table:

<b>TABLE 1</b>		
<b>PUBLIC WORKS PROJECTS</b>	<b>CONTRACTUAL AND PROFESSIONAL SERVICES</b>	<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>
<u>\$100,000</u>	<u>\$100,000</u>	<u>\$100,000</u>

Limits established in Table 1 may be modified by the CVPA Board. The Executive Director may issue a contract up to \$100,000 under his or her authority, which does not require approval by the CVPA Board. Contracts greater than \$100,000 require the approval of the CVPA Board. Only the Executive Director (or designee) is authorized to sign contracts and agreements binding upon CVPA. Contracts or agreements in excess of the thresholds established in Table 1 above shall require approval of the CVPA Board and the signature of the Chair, unless express authority is granted to the Executive Director by the CVPA Board.

The intent of this delegation of authority shall not be circumvented by breaking up an expenditure into smaller contract amounts or breaking up expenditures across more than one fiscal year. Expenditures shall be considered on an individual project basis in the aggregate for each fiscal year as well as across more than one fiscal year. For example, four expenditures for contractual or professional services; or materials, supplies & equipment for CVPA in the amount of \$100,000 each to a single vendor for the same project during the same fiscal year shall not be provided without Board approval. Likewise, four expenditures for contractual or professional services; or materials, supplies & equipment for CVPA in the amount of \$100,000 each to a single vendor for the same project spanning three fiscal years shall not be provided without governing body approval. The intent of this delegation of authority shall apply similarly to public works project expenditures. The Agency’s fiscal year is from July 1 to June 30. In the event the Executive Director or Chair is absent or unavailable to sign the contract, the designee shall sign on that person’s behalf.

**5. Competitive Procurement Thresholds and Methods**

To establish uniform thresholds and procedures for the acquisition of goods or services, subject to the exceptions set forth in Section 6.

**5.1. Procurement Thresholds**

Table 2 below provides thresholds for competitive purchasing for public works projects; contractual and professional services; and materials, supplies & equipment. These thresholds shall supersede and replace thresholds for the Qualified Vendor List established prior to the adoption of this Policy as updated.

<b>TABLE 2</b>			
<b>PROCUREMENT METHOD</b>	<b>PUBLIC WORKS PROJECTS</b>	<b>CONTRACTUAL OR PROFESSIONAL SERVICES</b>	<b>MATERIALS, SUPPLIES &amp; EQUIPMENT</b>
<b>Informal, one (1) written quote</b>	<u>\$0 - \$10,000</u>	<u>\$0 - \$10,000</u>	<u>\$0 - \$10,000</u>
<b>Informal, three (3) written quotes</b>	<u>\$10,001 - \$100,000</u>	<u>\$10,001 - \$100,000</u>	<u>\$10,001 - \$100,000</u>
<b>Formal Solicitation</b>	<u>Over \$100,000</u>	<u>Over \$100,000</u>	<u>Over \$100,000</u>

Splitting of purchases (“fragmenting”) in order to avoid competitive procurement requirements is prohibited. The Executive Director (or designee) at his/her/their discretion shall have the authority to authorize a formal procurement method less than the limits established if it is deemed to be in the best interest of CVPA.

### **5.2. Procurement Methods**

Informal Procurement (\$0 - \$10,000): Staff shall make and document a reasonable effort to solicit the quote/proposal for the goods or services that offer the best value to CVPA, in CVPA’s sole and absolute discretion. Contracts for the acquisition of professional services shall be awarded to the best qualified vendor on the basis of demonstrated competence, professional qualifications, and at fair and reasonable prices to CVPA.

Informal Procurement (\$10,001 - \$100,000): Staff shall make a reasonable effort to solicit and obtain three (3) competitive quotes/proposals via email, mail, fax or any other reasonable solicitation method. When three (3) quotes/proposals are unable to be obtained, Staff must provide documentation as to how the quotes were requested and document its findings prior to the approval of any purchase.

Formal Procurement (over \$100,000): Staff in consultation with the Board, General Counsel (or other designee) will determine the best method of solicitation (i.e., RFP, IFB, or RFQ) depending on the nature of the desired goods or services. The Executive Director (or designee) shall be the main point of contact for any formal solicitation to avoid any unethical practices. All formal procurement methods shall be publicly advertised for a minimum of fourteen (14) days and opened or received electronically and reviewed as described in the bid documents. Purchases of supplies and equipment of an estimated value of greater than one hundred thousand dollars (\$100,000) shall be by written contract.

### **5.3. Materials, Supplies, and Equipment**

Staff shall use the procurement methods per Section 5.2.

#### 5.4. Contractual Services

Staff shall use the procurement methods per Section 5.2.

#### 5.5. Professional Services – Government Code 4526

Contracts for professional services such as private architectural, landscape architectural, professional engineering, environmental, land surveying, and construction project management services shall be engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to CVPA, pursuant to California Government Code Section 4526.

Staff shall use the procurement methods per Section 5.2 and shall evaluate proposals received based on competence and qualifications. Costs shall be submitted and evaluated as described in the bid documents. The cost proposal shall be submitted separately from the balance of the proposal (in a sealed envelope) and opened for comparison only after evaluation and ranking of the proposals is complete. CVPA shall have the option to negotiate the cost with the top-ranked firm. Should CVPA and the top-rank firm fail to agree on a cost, CVPA shall have the option to reject the top rank firm's proposal and start negotiations with the next highest ranked firm and so on until an agreement is made.

The awarding authority shall have the right to reject any quote, bid, or proposal if doing so is determined to be in the best interest of CVPA and to re-advertise for bids, and to waive any irregularity in any bid so long as doing so does not create an unfair advantage.

The above process may be utilized at the discretion of the Executive Director for the solicitation of professional services other than those enumerated above.

#### 5.6. Public Works Projects

The procurement thresholds and methods governing CVPA public works projects are as follows:

One hundred thousand dollars or less. For public works projects in an amount up to one hundred thousand dollars (\$100,000), staff shall solicit three price quotes and award to the lowest responsible and responsive bidder. If unable to obtain a minimum of three price quotes, staff shall document that reasonable efforts were made to obtain price quotes including, that a notice was posted for not less than seven business days; that there were no other vendors to solicit quotes from; or that they solicited other vendors and one or more declined to provide a quote. In lieu of soliciting three price quotes, staff may elect to procure by formal bidding procedures per Section 5.2.

Over one hundred thousand dollars. Public projects in an amount more than one hundred thousand dollars (\$100,000) shall be solicited pursuant to the formal bidding procedure (Section 5.2) and awarded to the lowest responsive and responsible bidder. The Board may reject any or all bids received and may waive any irregularities in each bid received.

## **5.7. Recycled, Energy Efficient or Environmentally Friendly Supply Products**

### **Specification**

If in procuring supplies a recycled, energy efficient or environmentally friendly product can achieve the necessary CVPA performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled, energy efficient or environmentally friendly materials be bid. If the Executive Director (or designee) determines that: (1) a recycled, energy efficient or environmentally friendly product lacks performance capabilities or needed quality levels; or (2) a sufficient amount of said product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to non-recycled, non-energy efficient or nonenvironmentally friendly materials.

## **5.8. Qualified Vendor List (“QVL”)**

As CVPA takes on more regional project delivery, establishing a bench of prequalified and vetted professional service vendors will reduce procurement and contracting time. Many public agencies, including some CVPA member jurisdictions, use this procurement method to streamline contracting for routine and project-related professional service needs.

CVPA may utilize the RFQ process to receive Statements of Qualifications (“SOQs”) from professional service vendors interested in providing a variety of professional services CVPA may need. The CVPA Board may approve establishing a Qualified Professional Services Vendor List (“QVL”). CVPA can use the QVL for contracting recurring and routine professional services for capital project and non-capital needs. While establishing and using a vendor list certainly reduces the time for procurement and contracting, it will not limit CVPA to only those listed vendors. CVPA will remain able to conduct formal and informal procurements outside the vendor list as unique needs arise.

The QVL will remain in effect until a certain date and then be re-procured by CVPA. The Executive Director may be authorized to accept and approve SOQs on an ongoing basis with the Board ratifying updates on an annual basis.

## **6. Exceptions to Competitive Procurement**

This Section 6 sets forth exceptions to competitive procurement. The following is a list of services and expenditures that fall outside the requirements of the competitive process:

- Utility Expenses
- Cooperative Purchases
- Piggyback Purchases
- Emergency Expenditure (further defined below)
- Association Fees
- Subscriptions
- Membership Dues
- Leases or Purchase of Real Property
- Government Permits & Fees, Advertisement
- Conferences & Seminars
- Office and Routine Program Supplies
- Environmental Permits & Fees
- Travel Expenses, Lodging, & Meals
- Insurance Premiums & Fees
- Application Fees
- Medical Services
- Taxes, such as property or payroll taxes
- Memoranda of Understanding (MOUs)

### 6.1. Emergency Expenditures

An emergency exists when life or property is in immediate danger due to an Act of God or other catastrophic circumstance and prevention of loss requires a deviation from normal competitive procurement procedures.

#### 6.1.1. Procedures for Emergency Expenditures

The staff making the purchase must document (email or memo) the specific reasons for the purchase.

The staff making the purchase must obtain approval from the Executive Director (or designee).

The use of the emergency purchase policy must not be considered a substitute for regular purchasing procedures or a method of circumventing established purchasing controls.

Staff may request expenditure reimbursements by submitting a Payment Request Form. Original receipts are required as proof of purchase and must be attached to the payment request form, approved by the Executive or Department Director, and submitted to CVPA's accounting department.

### 6.2. Special Expertise Services

A contract for professional services agreement may be awarded without competition when it is determined that an unusual or unique situation exists, in that due to experience and expertise demonstrated in prior contracts for professional services with CVPA's particular contractor is uniquely qualified for a particular task, that makes the application of all requirements of competitive sealed bidding or competitive sealed proposals contrary to the public interest. Any special procurement under this section shall be made with such competition as is practicable under the circumstances.

### **6.3. Matters with Time Constraints**

Due to CVPA's meeting schedules, there could be instances where a good or service is needed in an exigent manner, and where a formal procurement method would not be in the best interest of CVPA. The Executive Director, in consultation with the Chair, may authorize an informal bid process for matters that fall within his authorized expenditure in such instances. Staff shall make every effort to obtain proposals/quotes from a minimum of three (3) firms. The term of the contract shall not exceed one (1) year or the Executive Director's expenditure authority. If it is determined the service or good will be reoccurring, exceed the maximum one (1) year, or exceed the Executive Director's expenditure authority, CVPA shall solicit with a formal procurement for said goods or service. CVPA shall notify the Board of such award at CVPA's next meeting.

### **6.4. Cooperative Purchasing with Other Agencies**

The bidding requirements of Section 5.2 shall not apply to the purchasing of any equipment or supplies which the end user decides to obtain through a cooperative competitive bidding procedure, being prepared by and processed through another local, Tribal, State, or Federal governmental agency. If staff determines it to be in the best interest of CVPA, is authorized to "piggy-back" onto or join into an existing written purchase contract, which contract was obtained within the last 12 months through a competitive bidding process prepared by and awarded by another local, state or federal government agency. Approval of a "piggy-back" or cooperative purchase shall be obtained from the Board for an award exceeding the Executive Director's signing authority.

Multiple Awarded Bids. It is not uncommon to have multiple awarded bids. A competitive bidding process is conducted for a specified product. Several vendors whose product meets the specification are awarded the contract. Maximum item price and contract terms are established.

If staff determines it to be in the CVPA's best interest, the staff is authorized to use Federal, state or other government agency multiple awarded contracts. Staff must obtain quotes from at least three vendors on the list and award the bid to the lowest responsible bidder. Approval shall be obtained from the Board for purchases exceeding the Executive Director's signing authority.

### **6.5. Single Source or Sole Source Justification**

Procurement by single source or sole source for goods or services requires submission, vetting, and approval of a Single Source or Sole Source Justification form. Final approval of a single source or sole source procurement requires the signature of the Executive Director (or designee). A single source or sole source shall not be used to limit competition in any way. A letter or memo from the vendor explaining the product or service, or statement of geographic territory on a formal letter, shall be attached to the Single Source or Sole Source Justification form when applicable.

## **7. Procurement Card (P-Card)**

The procurement card is an alternative payment method for acquiring goods and some services at a low dollar value while adhering to the procurement policy guidelines. If a procurement card is to be utilized, CVPA shall establish a Board approved procurement card policy.

## **8. Grant Funds**

Procurement of services or goods paid for with grant funds will be subject to the guidelines specified in the funding agreement(s) which supersedes this Policy in such instances.

## **9. Federal Funds**

When money has first been secured from a federal source, CVPA's Project Lead for the project shall determine whether expenditures of said money are subject to any federal purchasing policies or procedures, which shall thereafter be adopted as restrictions on the administration of those funds.

## **10. Procurement Guidance – Federal and State Funded Projects**

Federal and state funded electrical infrastructure projects must adhere to contract management procedures which comply with state and federal requirements as required by enacted statutes and regulations.

## **11. Contracts (or Agreements) and Purchase Orders**

Contracts (or Agreements) shall be used when an initial expenditure exceeds \$25,000 for goods and/or services. Prior to the issuance of any Contract (or Agreement), the Director of Finance/Administration (or designee) shall ensure the proper procurement methods established in this Policy were followed.

When negotiating terms, it may be determined by the Director of Finance/Administration (or designee) that it is in the best interest of the agency to issue Purchase Orders for goods and services requested. Prior to the issuance of any Purchase Order, the department director shall ensure the proper procurement methods established in this Policy are followed.

## **12. Subsequent Contract Awards, Amendments, Extensions or Renewals**

Notwithstanding any extension clauses in a contract or anything herein to the contrary, the Executive Director (or designee) shall not award a subsequent contract to the same individual or entity for the same or similar services on the same project, or amend, extend or renew such a contract, without obtaining the next highest approval authority (i.e., the governing body), when the award, amendment, extension or renewal will result in CVPA paying an aggregate amount in excess of the approval authority of the Executive Director to the individual or entity in any given fiscal year or the cumulative total of the project. For purposes of this section, the phrase "same project" shall include an on-call or as-needed contract.

### 13. Insurance

Prior to the execution of a contract, evidence of proper insurance coverage is required for any procurement involving services that put CVPA at risk. If a consultant requests CVPA to waive or alter any of its insurance requirements, the Executive Director may elect to waive certain insurance requirements, depending upon his/her/their assessment of the risks and liabilities posed to CVPA's.

### 14. Performance and Payment Bonds

Payment Bond. Per Civil Code §9550, a direct contractor that is awarded a public works contract involving an expenditure in excess of twenty-five thousand dollars (\$25,000) shall, before commencement of work, give a payment bond to and approved by the CVPA by whom the contract was awarded.

Performance Bond. The Executive Director (or designee) shall have the authority to require, at his/her/their sole discretion, a performance bond for a direct contractor that is awarded a service contract involving in expenditure in excess of twenty-five thousand (\$25,000) before commencement of work. The performance bond shall be provided to and approved by the officer or public entity by whom the contract was awarded when applicable. A performance bond in an amount equal to 100 percent of the contract amount shall be required for all public works contracts.

### 15. Protests for Formal Solicitations

This protest process applies only to contracts awarded through a formal bidding process (e.g., RFP or IFB). This does not apply to CVPA purchase orders.

Written protests must be filed with CVPA's Executive Director within five (5) workdays after posting the Notice of Intent to Award on CVPA's website. No verbal protest will be accepted. The protest must be detailed, referencing the solicitation number, project name, and the name of the administrator listed on the bid documents. The protest must be submitted to CVPA's Executive Director via certified mail using the following address:

Executive Director  
Coachella Valley Power Agency  
74-199 El Paseo, Suite 100  
Palm Desert, CA 92260

Any entity that submits a bid or proposal may protest a CVPA contract award.

There is no basis for protest if CVPA rejects all proposals/bids based on the best interest of CVPA.

The Executive Director shall respond to the offeror protesting the solicitation in writing and acknowledge receipt of the offerors' protest. The Executive Director shall notify Contracts/Procurement and the Project Lead of the protest received. The Executive Director, in consultation with Contracts/Procurement, the Project Lead, and legal counsel, if necessary, shall determine whether the basis of the protest has merit and is permissible. If so, the

Executive Director shall notify all offerors, including the awardee, that the protest will be decided by reviewing submissions of written material to support each party's position and set the date of submission thereof. If the protest is deemed to be insufficient and without merit, the awarding authority shall notify the offeror protesting the solicitation the protest is denied.

#### **16. Pre-Bid/Pre-Proposal Meetings**

The Project Lead in consultation with the Executive Director (or designee) shall determine if a pre-bid/proposal meeting is necessary. A pre-bid/pre-proposal meeting shall not be mandatory, unless stated in the bid documents. The meeting is held after the RFP or IFB is released and before bids/proposals are due. The meeting will allow the Project Lead to further elaborate on the Scope of Work in more detail and to answer questions from prospective bidders/proposers.

Except for questions raised during a pre-bid/pre-proposal meeting, prospective proposers shall submit all questions pertaining to the bid documents in writing by mail or email.

DRAFT

## CVPA Policy 25-05 INVESTMENT POLICY

**Purpose:** This Investment Policy (Policy) establishes guidelines for the management of cash, deposits, and investments (together, "Funds") at Coachella Valley Power Agency (CVPA).

It is the policy of CVPA to invest Funds in accordance with the requirements of the State of California (State) law to achieve an expected average market rate of return while minimizing the potential for losses, to meet daily cash flow needs of CVPA and to comply with all laws of the State regarding the investment of public funds. The ultimate goal is to enhance CVPA's financial condition while protecting its financial assets.

This investment policy is intended to provide guidelines for the prudent investment of CVPA's temporarily idle cash and to identify CVPA's policies regarding the investment process. Investments of Funds shall be made in accordance with the following policy.

### I. Investment Objectives

When managing Funds, CVPA's primary objectives, in the following order of importance, shall be to (1) safeguard the principal of the Funds, (2) meet the liquidity needs of CVPA, and (3) achieve a reasonable return on investment on Funds under CVPA's control.

**A. Safety:** Safety of principal is the foremost objective of cash and investment management activities. The investment of Funds shall be undertaken in a manner that seeks to ensure the preservation of principal. It is recognized, however, that in a diversified portfolio, occasional measured losses may occur, and must be considered within the context of overall investment return. Principal shall be preserved by mitigating:

1. **Credit Risk**, the risk of loss due to the failure of the issuer of a security shall be mitigated by investing in only the highest quality securities; by diversifying investments; and by pre-qualifying securities brokers and public depositories; **and**
2. **Market Risk**, the risk of loss due to a decline in bond prices because of rising market interest rates, shall be mitigated by structuring the portfolios so that issues mature concurrently with the CVPA's anticipated cash requirements, thereby eliminating the need to sell securities prematurely on the open market.

**B. Liquidity:** The Funds of CVPA shall remain sufficiently liquid to meet all operating needs that may be reasonably anticipated. Since all possible cash demands cannot be anticipated, the investment of Funds should consist largely of relatively short-duration securities with active secondary markets.

**C. Return on Investment:** The deposit and investment portfolio shall be designed with the objective of attaining an average market rate of return throughout the economic cycle

while considering risk and liquidity constraints. The return on deposits and investments is of secondary importance compared to the safety and liquidity objectives described in I.A. and I.B., above.

## II. Standard of Care

CVPA will manage Funds in accordance with the Prudent Investor Standard pursuant to California Government Code (CGC) Section 53600.3:

*“Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”*

Pursuant to CGC Section 53607, the CVPA Board hereby delegates responsibility to manage Funds to CVPA’s Executive Director or his/her designee.

## III. Acceptable and Prohibited Investment Types

A. The following types of investments as well as deposits at banking institutions which are members of the Federal Deposit Insurance Corporation are permitted:

Type of Investment	% of Portfolio Authorized	Additional Approvals
<b>United States Treasury</b> bills, notes, bonds, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.	0-100%	Maximum maturity: 5 Years
<b>Federal Agency</b> or United States government- sponsored enterprise (“GSE”) obligations, participations, or other instruments, including those that Federal Agencies or GSEs have either issued or fully guaranteed as to principal and interest.	0-100%	Maximum maturity: 5 years  No more than 30% of the portfolio may be invested in any single issuer.
<b>Local Government Investment Pools</b> , such as CAMP or California county investment pools.	0-75%	N/A
<b>State of California Local Agency Investment Fund (“LAIF”)</b> that the State Treasurer’s Office manages.	Up to LAIF Maximum (\$75,000,000 per account)	N/A

<b>California State and Local Agency</b> debt obligations that a state or local agency, or a department, board, agency, or authority of a state or local agency has issued as general obligation bonds or revenue bonds.	0-25%	Maximum maturity: 5 Years  Rated "A" or higher by S&P <i>or</i> by Moody's.
<b>Commercial Paper</b> ("CP") (Non-Pooled Fund) that general corporations organized and operating in the United States with assets exceeding \$500 million issue.	0-25%	Maximum maturity: 270 days Rated "A-1" by S&P or "P-1" by Moody's. No more than 10% of the portfolio may be invested in the CP and MTNs of a single issuer. Asset-backed CP is ineligible for purchase.
<b>Negotiable Certificates of Deposit</b> ("NCO") that a nationally- or state-chartered bank, a savings association, a federal association, or a state-licensed branch of a foreign bank issue. <b>Time Certificates of Deposit</b> ("TCD") that qualified public depositories issue.	0-25%	Maximum maturity: 5 Years
<b>Medium-Term Notes</b> ("MTNs") that corporations organized and operating in the United States, or depository institutions operating in the United States and licensed by the United States or by any state, issue.	0-25%	Maximum maturity: 5 years Rated "A" or higher by S&P <i>or</i> by Moody's. No more than 10% of the portfolio may be invested in the CP and MTNs of any single issuer.
<b>Money Market Mutual Funds</b> ("MMF") that are registered with the SEC under the Investment Act of 1940.	0-20%	<b>Either</b> rated "AAA" by S&P, "Aaa" by Moody's, or "AAA-V-1+" by Fitch (2 of 3), <b>or</b> retains an investment advisor registered or exempt from registration with SEC, with at least 5 years of experience managing a MMF with \$500 million or more in assets.
<b>Repurchase Agreement</b> ("RP") that authorized brokers sell.	0-10%	Maximum maturity: 30 Days Collateral must be United States Treasury, Federal, Agency, or GSE obligations. Zero coupon and stripped coupon instruments are not acceptable as collateral. Collateral must be valued at 102% of cost and adjusted weekly. CVPA must have first lien and security interest in all collateral. CVPA's custodian must hold collateral. An authorized broker must file a Public Securities Association ("PSA") Master Repurchase Agreement with CVPA, and CVPA's attorney must review the agreement, prior to the transaction of RP business with that broker. Reverse Repurchase Agreements are specifically not authorized under this investment policy.
<b>Structured Notes</b> in the form of callable securities or "STRIPS" that the United States Treasury, Federal Agencies, or government-sponsored enterprises ("GSEs") issue.	0-20%	Maximum maturity: 5 Years

## B. Prohibited Investment Types

The purchase of inverse floaters, range notes, mortgage-derived, interest-only strips, and securities that result in zero-interest accrual if held to maturity are prohibited (CGC Section 53601.6). The purchase of asset-backed securities, bond mutual funds, mortgage-backed securities, reverse-repurchase agreements, and derivative contracts (forwards, futures, options, and swaps) are prohibited. Active investment strategies, such as market timing, sector rotation, or benchmark indexing are prohibited. Securities lending, short selling, and other hedging strategies are also prohibited.

Local government investment pools and market mutual funds will be exempt from the prohibitions on derivative contracts, derivative securities, reverse repurchase agreements, securities lending, short selling, and other hedging strategies.

### **IV. Portfolio Rebalancing**

If portfolio percentage constraints are violated due to a temporary imbalance in the portfolio, securities should be held to maturity in order to avoid capital losses; however, if no capital loss would be realized upon the sale, the expected length of time that the portfolio will be imbalanced shall be evaluated and presented to the CVPA Board. Portfolio limits are in place to ensure diversification of the portfolio; a small, temporary imbalance will likely not impair the purpose of this policy.

### **V. Bids and Purchase of Securities**

Prior to the purchase of any investment pursuant to this Policy the persons authorized to make such investments shall assess the market and market prices using information obtained from available sources including investment services, broker or dealers, and the media. A competitive bid process, when practical, will be used to place investment purchases and sales transactions. Any competitive bid process used pursuant to this Policy shall be exempt from CVPA's Procurement Policy.

### **VI. Brokers**

Broker/dealers shall be selected by the Executive Director or his/her designee, as appropriate. Selection of broker/dealers shall be based upon the following criteria: the reputation and financial strength of the company or financial institution, the reputation and expertise of the individuals employed, and pursuant to the requirements of CGC Section 53601.5. The Executive Director or his/her designee shall require any selected broker, brokerage firm, dealer, or securities firm to affirm that it has not, within any 48-consecutive month period, made a political contribution to any member of the CVPA Board, or any candidate who may join the CVPA Board in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, the Political Reform Act, including section 84308, or any applicable CVPA Policy, as may be amended from time to time. The selected broker or dealers shall be provided with, and acknowledge receipt of this Policy.

## **VII. Losses**

Losses are acceptable on a sale before maturity and may be taken if required to meet the liquidity needs of CVPA or if the reinvestment proceeds will earn an income flow with an anticipated present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

## **VIII. Delivery and Safekeeping**

The delivery and safekeeping of all securities shall be made through a third-party custodian when practical and cost effective as determined by the Executive Director or his/her designee and in accordance with CGC Section 53608.

## **IX. Conflict of Interest**

CVPA staff shall comply with State law and applicable CVPA policies regarding conflict of interest.

## **X. Audits**

CVPA's Funds shall be subject to a process of independent review by its external auditors. CVPA's external auditors shall review the investment portfolio in connection with CVPA's annual audit for compliance with this Policy pursuant to CGC Section 27134. The results of the audit shall be reported to the CVPA Board.

## **XI. Reporting**

**A. Quarterly:** Under provisions of the CGC Section 53646, there shall be a report, at least quarterly, to the CVPA Board on the status of all CVPA investments. This quarterly report will include the following information: amounts on deposit, market value, source for market values, yield (rate of interest), types of Investment and institution, if applicable. It shall also list individual securities by investment type, issuer, credit risk rating, CUSIP number, settlement date of purchase, date of maturity, par value and dollar amount invested on all securities, the market value and source of the market value information. In addition, quarterly report shall:

1. Indicate compliance of the portfolio to CVPA's investment policy or manner in which the portfolio is not in compliance; and
2. Include a statement denoting the ability of CVPA to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

**B. Annual Review:** This Policy will be reviewed annually by the Executive Director or his/her designee. This policy will be updated, as appropriate, and will remain in effect until and unless a superseding policy is adopted.