

**COACHELLA VALLEY POWER AGENCY
MEETING AGENDA**

**MONDAY, JULY 28, 2025
3:00 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/89850512386?pwd=hNvLMjuzKO36TB9tsaZVTHIGE6vI82.1>

**Dial In: +1 669 900 9128 US
Webinar ID: 898 5051 2386
Password: 590306**

**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 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** – Chair Waymond Fermon, Councilmember, City of Indio

2. **ROLL CALL**

A. **Member Roster**

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3. **PLEDGE OF ALLEGIANCE**

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

5. **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.

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

7. **CONSENT CALENDAR**

A. **Approve the minutes from the meeting of June 12, 2025**

P5

B. **Authorize the establishment of signature cards and designation of signatories for CVPA investment and banking accounts**

P10

C. **Approve establishing the Coachella Valley Power Agency’s regular meeting schedule for Fiscal Year 2025-26**

P11

7.1 **ITEMS HELD OVER FROM CONSENT CALENDAR**

8. **DISCUSSION / ACTION**

A. **Presentation: Overview of Coachella Valley infrastructure needs and opportunities –**
Jamie Asbury, Imperial Irrigation District’s General Manager

B. **Cooperation Agreement with Imperial Irrigation District –** Emmanuel Martinez

P13

Recommendation: Authorize the CVPA Chair to execute the Cooperation Agreement with the Imperial Irrigation District to achieve CVPA goals and establish a framework for proposing, evaluating and implementing proposals

C. **Initiate one or more revenue options to sustain CVPA’s budget –** Emmanuel Martinez

P22

Recommendation: Authorize the Executive Director to either 1.) initiate planning and coordination with the Imperial Irrigation District for the establishment and collection of a surcharge to cover the administrative and operational costs or 2.) initiate the establishment of membership contributions on CVPA member jurisdictions; and then return to the Board with next steps

9. **INFORMATION**

a) Board Attendance Record

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10. **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.

11. **ANNOUNCEMENTS**

The next meeting of the CVPA Board of Directors will be held at 3 p.m. on August 25, 2025, at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, in Palm Desert.

12. **ADJOURNMENT**

COACHELLA VALLEY POWER AGENCY BOARD MEMBER ROSTER

Voting Members	Seat on Board	Representative
City of Indio	Chair	Waymond Fermon Councilmember
City of La Quinta	Vice Chair	Linda Evans Mayor
County of Riverside	Director	V. Manuel Perez Supervisor
Staff Support		
Tom Kirk <i>CVAG Executive Director</i>		
Emmanuel Martinez <i>CVAG Assistant Director – Energy & External Affairs</i>		

ITEM 7A

**Coachella Valley Power Agency
Meeting Minutes
June 12, 2025**

1. CALL TO ORDER

The inaugural meeting of the Coachella Valley Power Agency (CVPA) was called to order by Riverside County Supervisor V. Manuel Perez at 12:02 p.m. at the Coachella Valley Association of Governments' (CVAG) conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert.

2. ROLL CALL

Roll call was taken, and it was determined that a quorum was present.

Members Present

Councilmember Waymond Fermon
Mayor Linda Evans
Supervisor V. Manuel Perez

Member Jurisdiction

City of Indio
City of La Quinta
County of Riverside

3. AGENDA MODIFICATIONS (IF ANY)

Chief Operating Officer Erica Felci announced the incorrect staff recommendation was listed in Item 7D on the agenda, but is correct in the attached staff report

4. PUBLIC COMMENTS ON AGENDA ITEMS

Donald Ziegler, resident of Palm Desert, provided public comment on Item 7C. Mr. Ziegler encouraged the Board to include in the Bylaws the opportunities for other cities to join the governing body of the CVPA at future dates.

Krystal Otworth from the Leadership Counsel for Justice and Accountability joined the meeting via Zoom and addressed the Board regarding item 7C. Ms. Otworth expressed her concern about the Bylaws, particularly quorum and voting structures.

Mariela Loera, also from the Leadership Counsel for Justice and Accountability, joined the meeting via Zoom and echoed the concerns from Ms. Otworth. She also requested the Board delay today's vote to allow the public more time to review the Bylaws.

Supervisor Perez led the Pledge of Allegiance and asked that future agendas include it.

5. BOARD MEMBER/EXECUTIVE DIRECTOR COMMENTS

A. Update on progress to date

Executive Director Tom Kirk provided a background of the road that led up to today's inaugural meeting of the CVPA thanked key members and contributors that helped make this possible, including Imperial Irrigation District.

Board members, Imperial Irrigation District Director JB Hamby and General Manager Jamie Asbury took turns reflecting on the progress to date, noting the significance of today's inaugural meeting and noting the collaboration that it took to form the CVPA.

6. CONSENT CALENDAR

Prior to the vote, Councilmember Fermon expressed concern that there were no other options for legal counsel presented for the board to discuss or consider.

Member discussion ensued. It was agreed upon to modify the recommendation to engage BB&K for a limited engagement of 100 days and bring this item back in a future agenda.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY SUPERVISOR PEREZ TO Authorize the Board Chair and/or Executive Director to execute a 100-day engagement letter with Best Best & Krieger LLP to provide legal service to CVPA

THE MOTION CARRIED WITH 3 AYES.

Councilmember Fermon	Aye
Mayor Evans	Aye
Supervisor Perez	Aye

6.1 ITEMS HELD OVER FROM CONSENT CALENDAR

None

7. DISCUSSION / ACTION

A. Election of CVPA Officers

Mr. Kirk opened the floor for nominations.

Supervisor Perez nominated Councilmember Fermon as Chair and Mayor Evans as Vice Chair. No other nominations were received.

IT WAS MOVED BY SUPERVISOR PEREZ AND SECONDED BY MAYOR EVANS TO ELECT COUNCILMBER FERMON AS CHAIR AND MAYOR EVANS AS VICE CHAIR FOR THE COACHELLA VALLEY POWER AGENCY'S BOARD FOR FISCAL YEAR 2025-26

THE MOTION CARRIED WITH 3 AYES.

Councilmember Fermon	Aye
Mayor Evans	Aye
Supervisor Perez	Aye

B. CVPA Budget for Fiscal Year 2025-26

Program Manager Emmanuel Martinez provided the staff report and a recommendation to adopt a \$1.07 million budget and authorize the Executive Director to take steps to establish a surcharge to cover administrative and operational expenses.

Lengthy member discussion ensued, with members stating their reservations about a surcharge and the budget. Staff addressed members questions. The Board requested staff bring back additional details about a surcharge, other revenue and the possibility of other agencies joining the CVPA.

After discussion, the Board reached a consensus to approve a budget of \$500,000, with none of that budget going towards consulting costs, and bring the matter back within 100 days.

IT WAS MOVED BY COUNCILMEMBER FERMON AND SECONDED BY SUPERVISOR PEREZ TO ESTABLISH THE CVPA'S INITIAL BUDGET AT \$500,000 TO COVER STAFFING COSTS AND ADMINISTRATIVE COSTS, WITH NO FUNDS ALLOCATED TO CONSULTING COSTS, AND RETURN TO THE BOARD WITH ADDITIONAL INFORMATION ON REVENUE OPTIONS

THE MOTION CARRIED WITH 3 AYES.

Councilmember Fermon	Aye
Mayor Evans	Aye
Supervisor Perez	Aye

C. Establishing Bylaws for the Coachella Valley Power Agency

Mr. Martinez presented the staff report and draft Bylaws.

Lengthy member discussion ensued with Board members expressing concerns related to voting, frequency of meetings, and clarification about how to amend Bylaws in the future if necessary.

After further discussion, the Board agreed to table this item and return to it later in the meeting after other agenda items that would affect this vote, were discussed.

D. CVAG staffing agreement

Mr. Martinez provided the staff report. Brief member discussion ensued.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY SUPERVISOR PEREZ TO AUTHORIZE THE CHAIR TO FINALIZE AND EXECUTE A STAFFING AGREEMENT FOR COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS (CVAG) TO ADMINISTER THE CVPA

THE MOTION CARRIED WITH 3 AYES.

**Councilmember Fermon
Mayor Evans
Supervisor Perez**

**Aye
Aye
Aye**

E. Administrative and Financial Polices

Mr. Martinez provided the staff report.

Member discussion ensued. Staff addressed questions, including background on the procurement policy.

After discussion, the Board amended Policy 25-01 to include the word 'Bylaws' so that this includes the process for amending and adopting those as well.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY SUPERVISOR PEREZ TO ADOPT THE FOLLOWING FOUNDATIONAL ADMINISTRATIVE AND FINANCIAL POLICIES WITH MODIFICATIONS TO SUPPORT THE EFFECTIVE, TRANSPARENT, AND ACCOUNTABLE OPERATION OF THE CVPA:

- **POLICY 25-01: PROCESS FOR AMENDING AND ADOPTING POLICIES AND BYLAWS**
- **POLICY 25-02: RECORDS RETENTION POLICY**
- **POLICY 25-03: ELECTRONIC SIGNATURE POLICY**
- **POLICY 25-04: PROCUREMENT POLICY**
- **POLICY 25-05: INVESTMENT POLICY**

THE MOTION CARRIED WITH 3 AYES.

**Councilmember Fermon
Mayor Evans
Supervisor Perez**

**Aye
Aye
Aye**

F. Establishing a meeting schedule

Mr. Kirk opened up the floor for discussion of a meeting schedule

Member discussion ensued with members agreeing that the Board needs to meet more frequently than four times per year. Based on the discussion, a consensus was reached to establish the next meeting dates for Monday, July 28th at 3 p.m. and August 25th at 3 p.m. Staff will come back with a proposed schedule next meeting based on the feedback.

No action was taken on this discussion.

The Board returned to tabled Agenda Item 7C.

C. Establishing Bylaws for the Coachella Valley Power Agency

After additional discussion, the Board agreed to state the number of meetings per year as a minimum of six in lieu of the proposed quarterly meeting schedule. The Board also

included a reference back to the Joint Powers Agreement (JPA) indicating that the Bylaws can be amended at any time as long as it is not in conflict with the JPA agreement.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY SUPERVISOR PEREZ TO ADOPT THE BYLAWS FOR THE COACHELLA VALLEY POWER AGENCY WITH MODIFICATIONS

THE MOTION CARRIED WITH 3 AYES.

Councilmember Fermon	Aye
Mayor Evans	Aye
Supervisor Perez	Aye

8. PUBLIC COMMENT ON NON-AGENDA ITEMS

None

9. ANNOUNCEMENTS

The next CVPA Board meeting will be held on Monday, July 28, 2025, at 3 p.m. at the CVAG conference room, 73-710 Fred Waring Drive, Suite 104, Palm Desert, 92260.

11. ADJOURNMENT

There being no further business, Chair Fermon adjourned the meeting at 1:20 p.m.

Respectfully submitted,

Elysia Regalado
Management Analyst

ITEM 7B

**Coachella Valley Power Agency
July 28, 2025**

STAFF REPORT

Subject: Authorization of Signature Cards

Contact: JJ Cheng, Senior Accountant (jcheng@cvag.org)

Recommendation: Authorize the establishment of signature cards and designation of signatories for CVPA investment and banking accounts

Background: To effectively manage its forthcoming investment and banking accounts, CVPA must designate authorized individuals. Staff is currently exploring options with banks and investment institutions that serve the Coachella Valley Association of Governments (CVAG) and its associated agencies. The establishment of signature cards and the appointment of signatories at this stage will help expedite the account opening process, which is a crucial step when forming a new entity. Staff will also leverage existing banking relationships previously procured by CVAG to streamline this transition.

With the Board’s approval, the signature card will reflect the following authorized signatories:

- 1) Bank Signature Cards and Investment Signatories is granted to the following CVPA/CVAG employees and the CVPA Chair:

Name	Title	Type
Waymond Fermon	CVPA Chair	New
Tom Kirk	Executive Director	New
Erica Felci	Deputy Executive Director	New
Lisa McNeilly	Director of Energy and Sustainability	New
Claude T. Kilgore	Director of Finance	New

Fiscal Analysis: There is no fiscal impact.

ITEM 7C

Coachella Valley Power Agency July 28, 2025

STAFF REPORT

Subject: Establishing Coachella Valley Power Agency's Regular Meeting Schedule

Contact: Emmanuel Martinez, Assistant Director – Energy & External Affairs
(emartinez@cvaq.org)

Recommendation: Approve establishing the Coachella Valley Power Agency's regular meeting schedule for Fiscal Year 2025-26

Background: At the CVPA meeting in June, the Board discussed establishing its regular meeting schedule. The Board provided staff with direction to amend the CVPA Bylaws to establish at minimum six meetings per calendar year and indicated a desire to meet more frequently if needed.

Establishing a regular meeting schedule for the Coachella Valley Power Agency is a legal requirement per the Ralph M. Brown Act. Approval of the schedule may be done via ordinance, resolution, bylaws or other rule. In alignment with the practice of other joint power authorities managed by CVAG, the attached calendar schedule of regular meeting, if approved, would satisfy the requirement.

To adhere to the wishes of the CVPA Board to meet at least six times per year and ensure that the Board is in compliance with legal requirements, the CVPA's regular meeting schedule provides dates for meetings of the CVPA for the remainder of the fiscal year. The meeting schedule provides for eight meetings, generally at 3 p.m. on the last Monday of the month. The Board would not meet in the months of October; November, which is combined with December on the first of that month; March; or May, due to the holiday. The meeting schedule provides for a total of eight meetings, which is above the minimum.

Fiscal Analysis: There is no cost to the budget for establishing a regular meeting schedule of the CVPA JPA.

Attachments:

1. CVPA Meeting Schedule for Fiscal Year 2025-26

COACHELLA VALLEY POWER AGENCY SCHEDULE OF MEETINGS FISCAL YEAR 2025-26

STANDING COMMITTEES & GOVERNING BODIES	DAY	TIME	JULY	AUG	SEPT	OCT (Dark)	NOV	DEC (Dark)	JAN	FEB	MAR (Dark)	APR	MAY (Dark)	JUN
COACHELLA VALLEY POWER AGENCY	Last Monday	3:00 p.m.	28	25	29		H Dec 1	-	26	23		27	H -	22*

H = Holiday * = Special Meeting

AGENDAS CAN BE FOUND AT: <https://cvag.org/cvpa/>.

UPDATED: July 2, 2025

PLEASE NOTE: When it becomes necessary to have a special meeting or to change the date of a meeting, committee members will be alerted and the change will be noted on the CVPA website calendar.

ITEM 8B

**Coachella Valley Power Agency
July 28, 2025**

STAFF REPORT

Subject: Cooperation Agreement with Imperial Irrigation District

Contact: Emmanuel Martinez, Assistant Director – Energy & External Affairs
(emartinez@cvag.org)

Recommendation: Authorize the CVPA Chair to execute the Cooperation Agreement with the Imperial Irrigation District to achieve CVPA goals and establish a framework for proposing, evaluating and implementing proposals.

Background: The CVPA was established to address electrical service issues in the Coachella Valley portion of the Imperial Irrigation District (IID) service area. To help meet the goals and objectives of the CVPA, a partnership with Imperial Irrigation District (IID) is necessary to implement potential projects, policies, plans, or programs. Cooperation between stakeholders in the Coachella Valley and IID builds on the work of the Coachella Valley Energy Commission.

Staff is now recommending approval of a Cooperation Agreement with IID. The attached Cooperation Agreement outlines the collaborative efforts and responsibilities of both CVPA and IID in achieving the goals set forth in the CVPA's Joint Powers Agreement. The Cooperation Agreement outlines a process for advancing CVPA proposals within the boundaries of the CVPA. Proposals could be infrastructure projects, policies, plans or programs up to and including evaluating a pathway to transition into a standalone provider of electric generation and distribution services in the eastern Coachella Valley, if the CVPA decides to pursue that outcome. The Cooperative Agreement describes the process CVPA and IID will use to determine which proposals should advance and how they should advance. Note that some proposals, particularly those involving the financing, construction, and ownership of infrastructure, would likely entail subsequent focused agreements.

The agreement was vetted by the city managers of the Cities of Indio and La Quinta, as well as Riverside County's Chief Operating Officer and Coachella Valley Water District staff. The term of the agreement is for five years from the effective date and can be renewed automatically for another five-year term unless either party provides written notice to terminate it.

As outlined in the agreement, both parties agree to work together in good faith to propose, process, evaluate, and implement Proposals. To help work towards accomplishing this goal, the parties agree to commit time and the necessary resources to help evaluate proposals and work towards arriving at solutions to implement any such proposal should it not be deemed infeasible. For instance, the agreement calls for quarterly meetings in which the agency's chief executives or their delegates meet to discuss ongoing, under review, or anticipated proposals, ensuring consistent and open communication.

Per the proposed agreement, CVPA initiates proposals by submitting a Proposal Application, accompanied by a resolution from the CVPA Board. Proposals should have been discussed at the quarterly meetings, to ensure proper vetting and due diligence to determine its feasibility or possible solutions to make it feasible. Once the application is submitted, IID will evaluate proposals based on legal compliance, industry standards, economic and technical feasibility, and alignment with cooperation goals. Additionally, other key items will need to be completed to move forward with a proposal per the agreement, such as confirming the proposal is limited to the geographic area within the jurisdiction of CVPA's members and that it does not unduly burden IID's authority and obligations.

As part of the proposal review, IID will assess whether any proposal is limited to generation and distribution aspects of the services and does not extend to transmission-related facilities or balancing authority functions of IID. IID will complete its evaluation of a proposal application within 60 days; if more time is needed, it will let CVPA know and will work with CVPA towards making a determination. After IID has completed the application proposal review, IID will respond to proposal applications as either feasible, feasible with modifications, or infeasible. Ultimately, the Cooperation Agreement aims to contractually ensure fairness and equity as CVPA and IID move forward to address electrical infrastructure service issues in the Coachella Valley.

The agreement also includes miscellaneous provisions to help administer and manage the working relationship between CVPA and the IID.

Staff recommends the CVPA Chair be authorized to execute the Cooperation Agreement with IID to establish a structured and collaborative approach to achieving the goals of the CVPA, while ensuring protection of IID's transmission balancing authority and other related authorities. The agreement also ensures both parties work together in good faith, maintain open communication, and follow a clear process for proposal evaluation and implementation. The agreement also provides mechanisms for resolving disputes and outlines miscellaneous provisions to ensure smooth operation and compliance. With Board approval, the Board is permitting CVPA staff and legal counsel to make non-substantive edits, as necessary.

Fiscal Analysis: There is no cost to execute this agreement.

Attachments:

1. Cooperation Agreement between Imperial Irrigation District and the Coachella Valley Power Agency

**COOPERATION AGREEMENT BETWEEN IMPERIAL IRRIGATION DISTRICT
AND THE COACHELLA VALLEY POWER AGENCY**

This Cooperation Agreement is made by and between Imperial Irrigation District (“IID”), an irrigation district established under Division 11 of the California Water Code, sections 20500 et seq., and the Coachella Valley Power Agency (“CVPA”), a California joint powers agency. (IID and CVPA are sometimes referred to herein individually as a “Party,” and collectively as “the Parties.”)

RECITALS

- A. IID has been a public power provider since 1936. In 1943, following IID’s acquisition of certain assets from the California Electric Power Company, IID began serving the retail electrical needs of the eastern Coachella Valley. This transaction, which granted IID both the authority and ability to provide retail electric service in the area, was approved by the California Railroad Commission and the California Districts Securities Commission.
- B. IID's responsibilities include the generation, transmission, and distribution of electric power through infrastructure it owns and operates, as well as providing the administrative functions for retail electrical service, including, for instance, management, compliance, maintenance, repair, operations, accounting, and customer service in accordance with multiple separate legal and regulatory structures and obligations (collectively, “Services”).
- C. CVPA was created pursuant to the Coachella Valley Power Agency Joint Powers Agreement (“CVPAJPA”) dated May ____, 2025 in order for the members of CVPA to collectively: (i) work collaboratively and in good faith with IID to enable flexibility in addressing the unique needs of CVPA, subgroups of its Members and each of its Members individually concerning generation and distribution of electric services in the eastern Coachella Valley, and (ii) evaluate pathways to transition into a standalone provider of electric generation and distribution services in the eastern Coachella Valley should CVPA decide to pursue that outcome.
- D. The CVPAJPA dated May ____, 2025 set out several goals and objectives of CVPA, which goals and objectives IID desires to assist CVPA in achieving in accordance with the provisions of this Cooperation Agreement (collectively, the “Cooperation Goals”).
- E. The Parties wish to formalize their commitment to cooperate and work collaboratively in support of the Cooperation Goals and to provide a contractual framework for the Parties to propose, process, evaluate and, if determined to be feasible and consistent with the goals of the Parties, implement Proposals (as defined in Section 1) in manner that is fair and equitable for both Parties and is consistent with the Cooperation Goals.

In consideration of the mutual promises and covenants herein contained, the Parties agree as follows:

1.0 Purpose of Agreement

1.1 The purpose of this Cooperation Agreement is to formalize the Parties' commitment to cooperate with each other and work collaboratively in support of the Cooperation Goals, and to provide a contractual framework for the Parties to propose, process, evaluate and, if determined to be feasible and consistent with the Cooperation Goals and fair and equitable for both Parties, implement Proposals whereby CVPA will take on all or portions of the generation and/or distribution aspects of the Services currently provided by IID related to retail electrical service exclusively within the boundaries of the CVPA (a "Proposal").

2.0 Term of Agreement

2.1 This Cooperation Agreement becomes effective on the date of the last signature below ("Effective Date") and shall remain in effect for an initial term of five years from the Effective Date. Subject to section 2.2 below, at the end of the initial five-year term this Cooperation Agreement will automatically renew for another five-year term.

2.2 If, on the first day of the month prior to the end of the initial five-year term there are no pending Proposal Applications (defined in Section 4 below), either Party can prevent the automatic renewal of this Cooperation Agreement by providing written notice to the other Party that it wishes to terminate the Cooperation Agreement at the end of the initial five-year term.

2.3 A termination of the Cooperation Agreement after the initial five-year term shall have no effect on any Proposal previously approved and implemented by the Parties.

3.0 The Parties' Responsibilities

3.1 The Parties agree to work together in good faith to propose, process, evaluate, and, if determined to be feasible and consistent with the Cooperation Goals, implement Proposals.

3.2 The Parties' chief executive or chief staff person, or a person delegated by the chief executive or chief staff person, shall meet quarterly (or more if the Parties agree) to discuss the status of any ongoing, under review, or anticipated Proposals, and any other topics of concern or interest related to the Cooperation Goals. It is the intent of this Cooperation Agreement and the Parties that through regularly scheduled meetings between principals of the Parties there will be consistent, open communication regarding issues related to the Cooperation Goals. The Parties' good faith obligation under this Cooperation Agreement includes the obligation to use the regularly scheduled meetings between the Parties to raise issues of concern related to the Cooperation Goals before those concerns become conflicts between IID, CVPA, or one or more of its Members.

4.0 Processing Proposal Requests.

4.1 CVPA shall initiate a request for IID's participation in a Proposal by submitting a Proposal Application on a form made available by IID. All Proposal Applications submitted to IID shall be accompanied by a resolution of the Board of CVPA approving the submission of the Proposal Application. No Proposal Application shall be submitted to IID without

the subject of the Proposal Application having been raised and discussed at a quarterly or special meeting described in section 3.2 above.

4.2 Upon receipt of a Proposal Application, IID will promptly, and in good faith evaluate the Proposal for feasibility and consistency with the Cooperation Goals. IID will complete its evaluation of the Proposal not later than sixty (60) days following receipt of a Proposal Application, or such additional period of time as IID may identify in any written response to CVPA as to any Proposal Application if more than sixty (60) days are necessary to evaluate such Proposal. IID's evaluation will include determining if the proposed Proposal:

- 4.2.1 can be accomplished without violating any law, rule, or regulation;
- 4.2.2 is consistent with electrical industry standards and good utility practice;
- 4.2.3 is economically feasible;
- 4.2.4 is technically feasible from design, engineering, and construction perspectives;
- 4.2.5 would not put IID in breach of any existing contractual obligation;
- 4.2.6 is limited to the geographic area within the jurisdiction of the CVPA's members and which does not unduly burden IID's authority and obligations with respect to Services IID performs;
- 4.2.7 is limited to generation and distribution aspects of the Services and which do not extend to or encompass any transmission-related facilities or the balancing authority functions of IID;
- 4.2.8 can be accomplished in manner that is fair and equitable for both Parties; and
- 4.2.9 is consistent with the Cooperation Goals.

4.3 Following its evaluation of the Proposal, IID will respond to the Proposal Application as follows;

- 4.3.1 FEASIBLE response, indicating the Proposal is submitted in a form as to make implementation of the proposed Proposal possible with minimal modification;
- 4.3.2 FEASIBLE WITH MODIFICATION response, indicating the Proposal has merit but requires modification or additional vetting, exploration, and/or investigation; or
- 4.3.3 An INFEASIBLE response, indicating the Proposal as proposed is contrary to law, inconsistent with electrical industry standards and

good practice, economically or technically infeasible, would put IID in breach of a current contractual obligation, cannot be accomplished in a manner that is fair and equitable for both Parties, or is inconsistent with the Cooperation Goals.

4.4 If a Proposal receives a FEASIBLE response, the Parties will promptly negotiate in good faith an agreement formalizing the implementation of the Proposal (a “Proposal Agreement”). A Proposal Agreement shall contain a description of the Proposal, the Parties respective rights, duties, and obligations in furtherance of the Proposal, and indemnity, insurance, and other provisions appropriate for the Proposal. To the extent a Proposal deemed FEASIBLE requires IID to incur costs or expenses, the Proposal Agreement shall, unless waived by IID, include a provision requiring CVPA to reimburse IID for such costs or expenses.

4.5 If a Proposal receives a FEASIBLE WITH MODIFICATION response, the Parties will meet, either at the next regularly scheduled meeting or at a special meeting, to discuss what required modification or additional vetting, exploration, and/or investigation IID needs in order to complete its evaluation of the Proposal Application in order to achieve a FEASIBLE response.

4.6 If a Proposal receives an INFEASIBLE response, IID will provide CVPA with an explanation of the reasons the Proposal Application was denied.

5.0 Dispute Resolution

5.1 Party Cooperation. It is the desire and intent of the Parties by and through this Agreement to cooperate fully and resolve potential conflicts and disputes amongst them regarding this Agreement, the Cooperation Goals and all other matters contemplated herein and to avoid, to the fullest extent practicable, resort by any Party to legislation or litigation with respect to any such matters.

5.2 Good Faith Negotiation. In the event of any dispute, controversy, or claim arising out of or relating to this Agreement or the breach, termination, or validity thereof (a “Dispute”), the parties agree to first attempt to resolve the Dispute through good faith negotiations. Either party may initiate this process by providing written notice to the other party describing the nature of the Dispute (the “Notice of Dispute”). The Notice of Dispute shall describe what is disputed or claimed and include an identification of the alleged facts and Cooperation Agreement sections relevant to such dispute or claim. Such negotiations shall be conducted promptly and in good faith by senior executives of each Party no later than fifteen (15) business days of receipt of such Notice of Dispute by either Party. All negotiations shall be conducted in person or by such other medium as may be agreed then by the Parties.

5.3 Escalation to Mediation. If the Dispute has not been resolved within thirty (30) calendar days of the initial Notice of Dispute (or such longer period as the Parties may agree in writing), then before initiating arbitration or litigation, the parties shall submit the Dispute to mediation administered by a mutually agreed mediator to be held at a location mutually agreeable to the Parties. The costs of mediation shall be shared equally.

5.4 Final Dispute Resolution. If the Dispute is not resolved through mediation (or if mediation is waived), then either Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Cooperation Agreement.

5.5 Each Party shall be responsible for its own costs incurred during the assisted negotiation (under Section 5.2) or mediation process and for one half of the cost of the mediator(s) chosen to assist the Parties (under Section 5.3).

5.6 This Cooperation Agreement will be governed by the laws of the State of California. Each Party hereby authorizes service of process sufficient for personal jurisdiction in any action against it at the address and in the manner for the giving of notice as set forth in this Cooperation Agreement

6.0 Miscellaneous Provisions

6.1 The CVPA acknowledges IID's authority and obligations with respect to the Services provided by IID.

6.2 The Parties acknowledge and agree that to the extent any action by IID done pursuant to this Cooperation Agreement constitutes the imposition of a rate, rule, regulation, or order in an area outside its boundaries that is different than the rates, rules, regulations, or orders imposed within its boundaries, CVPA consents to such action as required by Water Code section 22123.

6.3 Nothing in this Cooperation Agreement bars or prevents any member of CVPA or other public agency or tribal entity from entering into separate agreements with IID.

6.4 Rights Reserved: All authority and obligation of IID to the extent of any Services not subject to any Proposal under this Cooperation Agreement are reserved unto IID.

6.5 Prohibition on Assignment: Neither Party may assign any right, matter, or thing, referenced by this Cooperation Agreement, in whole or in part, without the prior written consent of the other party and any attempt to so assign or transfer which is not in accordance herewith shall be null and void and of no force or effect.

6.6 Any change or amendment to this Cooperation Agreement must be in writing and signed by both Parties.

6.7 Successor and Assigns: This Cooperation Agreement shall be binding on both Parties and their successors and permitted assigns.

6.8 Severability: If any provision of this Cooperation Agreement shall be held void, voidable, invalid, or inoperative, no other provision of this Cooperation Agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this Cooperation Agreement shall remain in full force and effect as though such void, voidable, invalid, or inoperative provisions had not been contained herein.

6.9 Representation: Both parties acknowledge and agree that each was represented by legal counsel during the negotiation and execution of this Cooperation Agreement.

7.0 Authorized Representatives and Notices

7.1 Representatives Prior to commencement of the work under the Cooperation Agreement, IID and CVPA shall each designate a representative authorized to act on behalf of each Party and shall advise the other Party in writing of the name, address and telephone number of such designated representative and shall inform the other Party of any subsequent change in such designation.

7.2 Notices and Communications Are to be given as follows:

7.2.1 Day-to-Day Notice and Communications – All communications relating to the day-to-day activities under this Cooperation Agreement shall be exchanged between the following representatives of IID and the CVPA:

TO: IID

[name/title]
Imperial Irrigation District
Post Office Box 937
333 East Barioni Boulevard
Imperial, CA 92251
Telephone: (760) 339-9550
Facsimile: (760) 339-9063

TO: CVPA

[name/title]

7.2.2 Legal Notices and Communications – All legal notices and communications required under or related to this Cooperation Agreement shall be in writing, and shall be delivered personally or mailed by certified mail, postage prepaid, return receipt requested, to the representatives of IID and CVPA identified below. Notice shall be effective on the date of delivery.

TO: IID

[name/title]
Imperial Irrigation District
Post Office Box 937
333 East Barioni Boulevard
Imperial, CA 92251
Telephone: (760) 339-9477
Facsimile: (760) 339-9392

TO: CVPA

[name/title]

[address]

Telephone:
Facsimile:

7.3 Either Party may change or supplement the information exchanged concerning authorized representatives and notices by giving the other Party written notice of the new information in the manner set forth above.

IID

IMPERIAL IRRIGATION DISTRICT

By: _____

Chairwoman, Board of Directors

Date: _____

CVPA

By: _____

President / Chief Operating Officer

Date: _____

DRAFT

ITEM 8C

Coachella Valley Power Agency July 28, 2025

STAFF REPORT

Subject: Initiate one or more revenue options to sustain CVPA's budget

Contact: Emmanuel Martinez, Assistant Director – Energy & External Affairs
(emartinez@cvag.org)

Recommendation: Authorize the Executive Director to either 1.) initiate planning and coordination with the Imperial Irrigation District for the establishment and collection of a surcharge to cover the administrative and operational costs or 2.) initiate the establishment of membership contributions on CVPA member jurisdictions; and then return to the Board with next steps

Background: The CVPA JPA Agreement provides expressed powers, which include, but are not limited to, leasing, acquiring, constructing, infrastructure works, or improvements; to establish policies, rules, rates, fees, charges and surcharges, related to the acquisition, generation, and distribution of energy; and to enter into service agreements to support any projects, programs or policies that are in alignment with the CVPA's goals. In order to financially support the efforts of the CVPA and have the necessary resources to begin to identify and address key electrical service needs, a sustainable source of revenue will be needed.

At its June meeting, staff presented a proposed Fiscal Year 2025-26 Budget of \$1.07 million to initiate the work of the CVPA by covering staff, administrative and overhead, legal, and consulting costs. As part of the budget, staff also sought authorization for the Executive Director to work with Imperial Irrigation District (IID) to determine and implement a surcharge that would commensurate an amount sufficient to cover the proposed FY 25-26 Budget expenses. After deliberation, the Board approved a \$500,000 budget that allows for CVPA staffing and operational expenditures and eliminates the allocation for consulting costs. The Board also directed staff to return within 100 days to further discuss the budget and associated matters, including revenue options.

To provide a revenue source to help meet the operational budget goals to begin to advance the objectives of the CVPA, the Board may consider establishing membership dues, an energy-consumption based surcharge, or a fixed meter charge that would be equal across customer classes. With this staff report, staff is providing additional information about what those revenue options might look like and is recommending the Board take action to establish a surcharge or membership contributions.

Surcharge

A surcharge could be socialized among ratepayers in CVPA member jurisdictional boundaries, collected by IID and be remitted to the CVPA.

The surcharge process is similar to how IID works with other agencies to collect user utility taxes or similar surcharges. CVPA staff would work with IID to determine exact kilowatt per hour (kWh) surcharge amount to cover the costs of the CVPA's first year budget. 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.

In working with the Imperial Irrigation District, the following provides an initial estimate of surcharge amount to correspond to the various budget levels:

CVPA Budget	Surcharge Estimate
\$500,000	\$.0003
\$1,000,000	\$.0006
\$1,500,000	\$.0009
\$2,000,000	\$.0012

The surcharge estimate provided above will need to be refined but provides the Board with a perspective of what energy consumers within the CVPA member boundaries could be assessed to help support CVPA's goals.

To provide additional context of the monthly cost impact to the various customers' classes for each surcharge corresponding to the proposed budget levels, staff used average monthly consumption per customer class which was provided by the latest data gathered by IID as part of its 2025-2028 Rate Update.

Customer Class	Monthly Average KWH Usage	Monthly Average Cost Increase			
		0.0003	0.0006	0.0009	0.0012
Residential	1070	\$ 0.32	\$ 0.64	\$ 0.96	\$ 1.28
Mobile Home (mastered metered)	820	\$ 0.25	\$ 0.49	\$ 0.74	\$ 0.98
Small General Service	2370	\$ 0.71	\$ 1.42	\$ 2.13	\$ 2.84
Large General Service	63,980	\$ 19.19	\$ 38.39	\$ 57.58	\$ 76.78
Municipal Service	4,530	\$ 1.36	\$ 2.72	\$ 4.08	\$ 5.44
Agricultural General Service	54,970	\$ 16.49	\$ 32.98	\$ 49.47	\$ 65.96
Agricultural Pumping	4,850	\$ 1.46	\$ 2.91	\$ 4.37	\$ 5.82
Wholesale General Service	38,760	\$ 11.63	\$ 23.26	\$ 34.88	\$ 46.51

Fixed per Meter Surcharge

Another option is to socialize the budget level via a fixed surcharge across all meters within the CVPA jurisdictional boundary. Although this would need to be refined, the following provides an approximate estimate of the annual impacts to IID ratepayers within the CVPA.

	Customer Count
City of La Quinta	27,512
City of Indio	35,329
Bermuda Dunes	2,020

CVPA Budget	Annual Surcharge Per Installation
\$500,000	\$7.45
\$1,000,000	\$14.90
\$1,500,000	\$22.35
\$2,000,000	\$29.81

Although this approach would be simple to implement, the Board may want to consider the cross-subsidization of customer classes. For example, residential customers would pay the same as large users despite large energy consumers using or needing more infrastructure to support their operations.

The Board could also consider a combination of these approaches, however, at the risk of increasing complexity. For example, if the budget goal was \$1 million, there could be per installation charge of \$7.45 and a \$.0003 consumption charge through a combined approach.

Member Contributions

Alternatively, the Board could establish membership contributions to cover the operational expenses for CVPA’s first year. If equally shared among its members, the breakdown would be as follows:

Budget	City of La Quinta	City of Indio	County of Riverside
\$500,000	\$166,666	\$166,666	\$166,666
\$1,000,000	\$333,333	\$333,333	\$333,333
\$1,500,000	\$500,000	\$500,000	\$500,000
\$2,000,000	\$666,666	\$666,666	\$666,666

A member agency contribution could be established based on the number of meters or energy used in each jurisdiction. For example, a member contribution based on energy usage would result in the following:

Budget	City of La Quinta – 34%	City of Indio – 45%	County of Riverside – 21%
\$500,000	\$ 172,016.43	\$ 225,183.89	\$ 102,799.68
\$1,000,000	\$ 344,032.86	\$ 450,367.78	\$ 205,599.36

\$1,500,000	\$ 516,049.29	\$ 675,551.67	\$ 308,399.04
\$2,000,000	\$ 688,065.73	\$ 900,735.56	\$ 411,198.72

Member contributions based on meters within respective jurisdictional boundaries would result in approximately the following:

Budget	City of La Quinta – 34%	City of Indio – 49%	County of Riverside – 17%
\$500,000	\$ 171,284.75	\$ 243,696.57	\$ 85,018.68
\$1,000,000	\$ 342,569.49	\$ 487,393.15	\$ 170,037.36
\$1,500,000	\$ 513,854.24	\$ 731,089.72	\$ 255,056.04
\$2,000,000	\$ 685,138.99	\$ 974,786.30	\$ 340,074.72

The consumption and meter data used to calculate the estimated membership dues are from the 2022 data that IID provided to the Imperial and Riverside County Local Agency Formation Commissions as part of the Governance and Electrical Services study that was conducted.

Whether it be member dues, a consumption-based, or meter-based charge, the revenue that is needed for the first year of the CVPA is to cover operational costs associated with administering the CVPA. As the CVPA moves forward, there will also be a need to assess the infrastructure needs and identify projects and financing that is specific for those projects, which may include grants, or bonds, among other public financing tools.

Next steps

Should the Board initiate membership dues, CVAG staff would invoice each of the member agencies for the amount due. If the Board desires to implement a consumption-based or meter-based funding stream, CVPA staff would be required to work with IID to accurately implement the collection of such funding. First, to authorize CVPA to begin work with IID, the Board will be required to take formal action on the method of collection via a resolution. This would also authorize the IID to formally begin work and release necessary information to CVPA staff. The process from initiating a collection to actually collecting it generally takes six-to-nine months. IID requires a formal resolution approved by the CVPA governing body before implementing any charge. A servicing agreement will be required to be entered into between the CVPA and the IID, which would authorize the IID to collect the charge on behalf of the CVPA. Thereafter, once the billing charge structure is complete, IID will work to define the service area based on the CVPA membership. Accurate mapping via GIS will be required, including verification of service boundaries.

Staff is recommending that the Board initiate the process of establishing a revenue stream by providing direction. Once initiated, staff will return to the Board with details, including refined numbers, customer impacts, and a resolution that formally captures the Board's direction.

Fiscal Analysis: As of July 1, CVPA is incurring expenses under its Board-approved budget of \$500,000. This includes staff time, legal fees and administrative costs. There is currently no revenue stream associated with this budget.


Up until the formation of the CVPA, staff time and related efforts to set up the new agency were incurred by the Coachella Valley Association of Governments (CVAG). CVAG recovered some

staff costs through a Memorandum of Understanding with IID. CVAG also had funding associated with the facilitation work of Leading Resources Incorporated, which was completed under the Coachella Valley Energy Commission. Coachella Valley Water District and the IID approved the fund balance to be used towards the efforts to address representation and electrical service matters. The total budget for LRI was \$230,000 and the fund balance after their work was completed was \$112,495.18. The agencies have agreed to use the remaining funds to cover any additional CVAG's staff time, overhead and legal costs related to CVPA. But the balance is not sufficient to carry on the work of the CVPA through this fiscal year.

ITEM 9a

CVPA ATTENDANCE ROSTER JUNE 2025- JULY 2026

CVPA JURISDICTION	JUN	JUL	AUG	SEP	OCT	NOV(Dec)	DEC	JAN	FEB	MAR	APR	MAY	JUN
Indio	✓						-					-	
La Quinta	✓						-					-	
Riverside County	✓						-					-	

Absent 
No Meeting -
Present ✓