

DATE SUBMITTED 3/13/19
 SUBMITTED BY CITY MANAGER'S OFFICE
 DATE ACTION REQUIRED 3/20/19

COUNCIL ACTION (X)
 PUBLIC HEARING REQUIRED ()
 RESOLUTION ()
 ORDINANCE 1ST READING ()
 ORDINANCE 2ND READING ()
 CITY CLERK'S INITIALS 

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: OPPOSITION LETTER TO AB 854 1. APPROVAL TO SUBMIT LETTER OF OPPOSITION REGARDING ASSEMBLY BILL 854 AS IT RELATES TO IMPERIAL IRRIGATION DISTRICT RETAIL ELECTRIC SERVICE	
DEPARTMENT INVOLVED: CITY MANAGER'S OFFICE	
BACKGROUND/SUMMARY: The City of Imperial is requesting the approval of the City Council to submit a letter of opposition to AB 854 as it relates to Imperial Irrigation District's Retail Electric Service. On February 20, 2019 Assemblymember Chad Hayes introduced AB 854 for consideration. AB 854 would require the membership of the existing IID Board of Directors to go from five (5) to eleven (11); adding six (6) additional director positions with the majority residing in Riverside County. Please see the attached information for further details in this matter. If approved, the letter will come from the Mayor of the City with copies provided to representatives Assemblymember Garcia and Senator Hueso.	
FISCAL IMPACT: N/A	FINANCE INITIALS _____
STAFF RECOMMENDATION: N/A	DEPT. INITIALS _____
MANAGER'S RECOMMENDATION: It is the City Manager's recommendation for the City Council to review and consider this letter in opposition to AB 854. IID is in strong opposition to the proposed legislation as the change would be detrimental to the Imperial County.	CITY MANAGER'S INITIALS 
MOTION:	
SECONDED: AYES: NAYES: ABSENT:	APPROVED () REJECTED () DISAPPROVED () DEFERRED () REFERRED TO:

ASSEMBLY BILL

No. 854

Introduced by Assembly Member Mayes

February 20, 2019

An act to add Section 21562.7 to the Water Code, relating to irrigation districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 854, as introduced, Mayes. Imperial Irrigation District: retail electric service.

Existing law, the Irrigation District Law, with certain exceptions, requires a director on the board of an irrigation district that provides electricity for residents of the district to be a voter of the district and a resident of the division that the director represents. Existing law authorizes an irrigation district to sell, dispose of, and distribute electricity for use outside of the district's boundaries.

This bill would require the membership of the board of directors of the Imperial Irrigation District to increase from 5 to 11 members, with the 6 additional directors meeting certain qualifications, including that each be a resident of and qualified as eligible to vote in the County of Riverside. The bill would provide for the election of the additional directors at the 2020 general district election. The bill would authorize the district board to adopt a resolution decreasing the number of directors and the divisions from which they are elected from 11 to 5 if a public utility district is formed that provides electricity outside the territory of the Imperial Irrigation District and consists of a board of directors with a majority of seats representing the County of Riverside. By imposing new duties on an irrigation district, this bill would impose a state-mandated local program.

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

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

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

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to encourage an
2 irrigation district that provides retail electricity outside its
3 boundaries to allow representation of those extraterritorial
4 customers on the district's board of directors because these
5 customers have no ability to petition grievances to the district or
6 to the Public Utilities Commission.

7 SEC. 2. Section 21562.7 is added to the Water Code, to read:
8 21562.7. (a) This section applies to the Imperial Irrigation
9 District.

10 (b) Notwithstanding Sections 21100 and 21550 and Division 3
11 (commencing with Section 56000) of Title 5 of the Government
12 Code, the membership of the board of directors of the district and
13 the divisions from which they are elected shall increase from 5 to
14 11.

15 (c) Each of the six directors added to the board pursuant to this
16 section shall meet the following qualifications:

- 17 (1) Reside in the County of Riverside.
- 18 (2) Qualify as eligible to vote in the County of Riverside.
- 19 (3) Reside in the division the director represents at the time of
20 their nomination or appointment and through their entire term.

21 (d) The six directors shall be elected at the 2020 general district
22 election.

23 (e) If a public utility district is formed pursuant to Division 7
24 (commencing with Section 15501) of the Public Utilities Code
25 that provides electricity outside the territory of the Imperial

1 Irrigation District and consists of a board of directors with a
2 majority of seats representing the County of Riverside, the board
3 of the directors of the district may adopt a resolution that decreases
4 the number of directors and the divisions from which they are
5 elected from 11 to 5 upon the expiration of the terms of the
6 members of the board qualified pursuant to subdivision (c).

7 SEC. 3. The Legislature finds and declares that a special statute
8 is necessary and that a general statute cannot be made applicable
9 within the meaning of Section 16 of Article IV of the California
10 Constitution because of the unique circumstances in the County
11 of Riverside and the Imperial Irrigation District.

12 SEC. 4. If the Commission on State Mandates determines that
13 this act contains costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.



March 20, 2019

The Honorable Chad Mayes
California State Assembly
State Capitol, Suite 4098
Sacramento, CA 94249

RE: AB 854 - Strongly Opposed by the City of Imperial City Council

Dear Assembly Member Mayes,

The City of Imperial must respectfully oppose your AB 854. This legislation would bring about far-reaching and negative impacts to ratepayers and local governments of both the Imperial and Coachella Valleys at the behest of a very small group of constituents you represent in those areas. Furthermore, this bill ignores the long-standing relationships and legal agreements that exist and have resulted in affordable and reliable energy service to the people of those Valleys over the past 85 years.

The City of Imperial strives to be an economically vibrant and culturally rich community with a strong sense of identity, pride and prosperity. The Imperial Irrigation District (IID) has continued to provide reliable electric service to our residents at half the rates of other electric service providers. Municipalities like us depend on IID to deliver electrical and water resources without fail and regardless of circumstances.

It is important to recognize IID's energy service area covers only a small portion of eastern Riverside County, yet AB 854 would allow any registered voter of that County to serve on the eleven-member Board of Directors your bill seeks to establish. Moreover, your bill also requires that a majority of the total board seats be filled by those elected by from Riverside County.

Proponents of AB 854 have publicly stated they have no "representation" when referring to the IID. While this statement may grab headlines, it is not an accurate reflection of IID's customer service record or its ratepayer focused programs. IID has permanent offices in the city of La Quinta complete with a customer service center and full-time staff. The Board of Directors holds public meetings in the Imperial and Coachella Valleys and its Energy Consumers Advisory Committee is comprised of ratepayers from both Valleys.

Finally, it is our understanding the rights which allow IID to serve customers in the Coachella Valley are tied to complex water and energy legal agreements with the Coachella Valley Water District and Southern California Edison. The agreement with CVWD, for example, dates back to

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Darrell Pechtl - Mayor Pro Tem
Geoff Dale - Councilmember
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1934 and requires IID to make annual royalty payments that it estimates have reached approximately \$45 million to date.

In closing, we urge you to closely consider the far-reaching and negative impacts of your legislation to all the communities served by IID and instead open a constructive dialogue with the principal parties to better understand their unique roles and responsibilities.

Sincerely,

Robert Amparano
Mayor of the City of Imperial

cc: Senator Ben Hueso, S.D. 40
Senator Jeff Stone, S.D. 28
Assembly Member Eduardo Garcia, A.D. 56