

**RESOLUTION NO. 2023-01**

**RESOLUTION OF THE INDIO ELECTRIC FINANCING AUTHORITY ESTABLISHING AND AUTHORIZING THE CHARGE OF A SURCHARGE FOR ELECTRIC SERVICE WITHIN THE BOUNDARIES OF THE CITY OF INDIO, AUTHORIZING THE EXECUTION AND DELIVERY OF A SERVICING AGREEMENT AND AUTHORIZING CERTAIN RELATED ACTIONS**

**WHEREAS**, the Indio Electric Financing Authority (the "Authority"), a public entity duly organized and existing under a Joint Exercise of Powers Agreement, dated June 21, 2023 (the "JPA"), between the City of Indio ("Indio"), a municipal corporation and general law city duly organized and existing under and by virtue of the Constitution and laws of the State of California ("State"), and the Imperial Irrigation District, an irrigation district that is duly organized and existing under and by virtue of the laws of the State ("IID" and, together with Indio, the "Members"), was formed for the express purpose of providing and enhancing electrical service within the territorial boundaries of Indio through the acquisition, design, construction, financing, leasing, ownership, operation and maintenance of energy system improvements, system efficiency and reliability improvements and energy service enhancements; and

**WHEREAS**, the Authority has the power to exercise the common powers of the Members and certain other powers authorized by law and consistent with the JPA, including the power to provide electrical service and to establish charges for the provision of such electrical service; and

**WHEREAS**, IID currently provides retail electric service within the boundaries of Indio; and

**WHEREAS**, the Authority has identified certain improvements that can be incorporated into the current IID electric system infrastructure located in Indio that the Authority has determined would enhance the reliability and resiliency of city-wide electric power service for electric power consumers within Indio; and

**WHEREAS**, at its regular meeting held on July 19, 2023, the Board of Directors of the Authority (the "Board") received and reviewed a report titled "Indio Electric Financing Authority Surcharge Addressing Adequate Substation Capacity to Meet Increasing Needs of Existing Indio Electric Customers – A Project Summary Report" prepared by Bill D. Carnahan, President, BD Carnahan Management Services Inc., dated July 13, 2023 (the "Report"), which such report identifies the current need for additional substations in Indio, the potential impact on the electric system within Indio that governmental regulations and legislation are expected to have on electricity consumption and the system, the enhancement to the reliability and resiliency of the electric system in Indio that the procurement and construction of additional substations would have, the electrical services to be provided by the Authority and the estimated costs of providing such services, the findings of which are hereby incorporated by reference; and

**WHEREAS**, as set forth in the Report, the burden on electric infrastructure is expected to increase in the coming years with the implementation of legislative and regulatory mandates requiring greater electrification, including the electrification of vehicles and appliances, promotion of policies to reduce the consumption of fossil fuels (in favor of electricity) and compliance with other applicable regulations and policies that require electricity intensive compliance measures, such as water treatment and increasing access to housing; and

**WHEREAS**, based on the foregoing, the Authority has determined to establish a surcharge for electrical service provided by the Authority that will be charged to electric power consumers located within the territorial boundaries of Indio; and

**WHEREAS**, in establishing the surcharge in the amount specified herein, the Authority has considered the findings of the Report, including the costs of procuring and constructing the substations that would provide and enhance electrical service to energy consumers within Indio; and

**WHEREAS**, pursuant to the terms of a servicing agreement (the "Servicing Agreement") by and between the Authority and IID, IID will include the surcharge on the bills provided to IID electric customers located within the territorial boundaries of Indio and will collect the surcharge and remit the surcharge to the Authority; and

**WHEREAS**, capital improvements funded with the proceeds of such surcharge or proceeds of bonds issued by the Authority (collectively the "Projects," each, a "Project") will be designed, developed, constructed, procured, acquired, operated and maintained pursuant to the terms of individual project agreements for each Project (each, a "Project Agreement"), which such Project Agreement will be approved by IID and the Authority on a future date or dates, prior to the commencement of the respective Projects; and

**WHEREAS**, the Authority considered the requirements of the California Environmental Quality Act (Public Utilities Code sections 21000, *et seq.*) and State CEQA Guidelines (Title 14 of the California Code of Regulations, *et. seq.*, collectively "CEQA") and found that the proposed surcharge, as set forth in the Report, is established to obtain funds for capital project(s) necessary to maintain service levels within an existing service area is exempt from CEQA regulations pursuant to Public Resources Code section 21080(b)(8) and California Code of Regulations Title 14, section 15273(a)(4).

**NOW, THEREFORE, THE INDIO ELECTRIC FINANCING AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** All of the recitals herein contained are true and correct.

**Section 2.** The Board has reviewed and considered the Report, the staff report, the Servicing Agreement and the comments at the Regular Meeting, and based on such review and consideration, finds that establishment of the surcharge, approval of the Servicing Agreement and actions related thereto are statutorily exempt from CEQA pursuant to Public Resources Code section 21080(b)(8)(D) and California Code of Regulations Title 14, section 15273(a)(4). The Board adopts the findings in the Report

that show the surcharge is for the purpose of obtaining funds for Projects that are necessary to continue providing electric power at current levels to consumers located within the territorial boundaries of Indio.

**Section 3.** The Board hereby establishes the surcharge and authorizes the charge of such surcharge on electric power consumers receiving power from IID, or any successor thereto, within the territorial boundaries of Indio. The surcharge shall be a flat charge of \$0.0055 cents per kilowatt hour used by each class of customer and shall apply to all electric sales within the territorial boundaries of Indio.

**Section 4.** The surcharge shall take effect on or about November 1, 2023.

**Section 5.** The form of the Servicing Agreement, on file with the Secretary of the Authority, is hereby approved, and the Chair and the Executive Director of the Authority, and any designee thereof (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Servicing Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The officers and agents of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to effect the actions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including but not limited to taking any actions necessary to allow IID to place the surcharge on bills provided by IID to IID electric customers in accordance with the terms of the Servicing Agreement, and filing a Notice of Exemption under CEQA, if necessary. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are included in the permissions included in this resolution and are thereby approved, confirmed and ratified upon its adoption.

**Section 7.** If any section, subsection, sentence, clause, or phrase of this resolution is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the resolution. The Authority hereby declares that it would have adopted this resolution and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

**Section 8.** This resolution shall take effect immediately upon its passage.

**Section 9.** Upon adoption, the Secretary shall certify to the adoption of this resolution and shall cause the same to be published, posted, or maintained in the manner prescribed by law.

**PASSED, APPROVED AND ADOPTED** this 19<sup>th</sup> day of July, 2023.

  
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**OSCAR ORTIZ**  
**CHAIR**

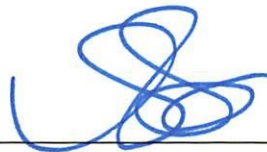
**ATTEST:**   
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**SABDI SANCHEZ, CMC**  
**SECRETARY**

**CERTIFICATION**

I, Sabdi Sanchez, City Clerk Administrator of the City of Indio, California, hereby certify that **Indio Electric Financing Authority Resolution No. 2023-01** was duly and regularly adopted at a meeting of the Board of Directors of the Indio Public Finance Authority at its meeting held on the 19th day of July, 2023, by the following vote, to wit:

Ayes: Holmes, Miller, Fermon, Ramos Amith and Ortiz  
Noes: None

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Indio, California, this 19th day of July, 2023.



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SABDI SANCHEZ, CMC  
City Clerk Administrator  
City of Indio

