

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: April 15, 2021

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the HPUD Board President to sign a letter of opposition of AB 1021.

ISSUE: Shall the Heber PUD Board authorize the President to sign a letter of opposition of AB 1021, Assemblymember Mayes 42nd District – Riverside and San Bernardino Counties.

GENERAL MANAGER'S RECOMMENDATION:

Authorize.

FISCAL IMPACT:

NONE

BACKGROUND:

Amended: 3/18/21

Status: Introduced by Assembly Member Mayes on February 18, 2021.

AB 1021 Summary: Legislation that would alter the governance structure of the IID Board of Directors by adding new members from Riverside County. It would add three unelected members to the IID Board all appointed by the Riverside County Fourth District Supervisor. Although these members would be non-voting, they have all other rights as the existing directors. Furthermore, the bill requires Riverside and Imperial County LAFCO's to conduct a study of voting rights in the IID service area.

In 1934, IID and the Coachella Valley Water District settled long-time conflicts and differences between our agencies over water rights and other disputes. In doing so, our local agencies formed a durable partnership to cooperatively serve our communities that lasts to this day 87 years later. AB 1021 undermines the continued viability of this unique joint-agency partnership.

The Imperial Irrigation District has requested that HPUD once again stand in opposition of this legislation.

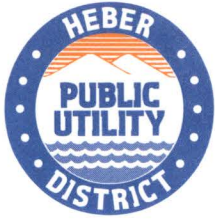
CONCLUSION:

Staff recommends that the Board authorize the HPUD Board President to sign a letter of opposition of AB 1021.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Letter of Opposition AB 1021



Heber Public Utility District

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April 15, 2021

Honorable Cecilia M. Aguiar-Curry, Chair
Assembly Local Government Committee
1020 N Street, Room 157
Sacramento, CA 95814

RE: AB 1021 - Strongly Opposed

Dear Chair Aguiar-Curry,

The Heber Public Utility District submits this letter in strong opposition to AB 1021 authored by Assemblymember Mayes. The concerns raised by the bill's author as they relate to the Imperial Irrigation District and the customers they serve electric service to in the Coachella Valley should be addressed at the local government level.

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 1934 and requires IID to make annual lease payments that it estimates have reached approximately \$50 million to date. AB 1021 could have a direct impact on these beneficial agreements.

While there are some who publicly have said the Coachella Valley has no representation on the IID, this is not the case. IID's customer service record and its ratepayer focused programs are tailored to all its customers. 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 both the Imperial and Coachella Valleys and its Energy Consumers Advisory Committee is comprised of ratepayers from both Valleys.

In closing, we ask you to closely consider the unintended negative impacts of AB 1021 and instead urge Assemblymember Mayes to work directly with IID and CVWD, the principal parties, to understand the existing agreements but also learn more about the efforts and discussions currently taking place between IID and Coachella Valley stakeholders regarding this matter.

Sincerely,

Pompeyo Tabarez, Jr.
President, Heber Public Utility District

AMENDED IN ASSEMBLY MARCH 18, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1021

Introduced by Assembly Member Mayes

February 18, 2021

~~An act to amend Section 21550 of the Water Code, relating to irrigation districts. An act to add Section 56378.2 to the Government Code, and to add Section 21562.6 to the Water Code, relating to irrigation districts.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1021, as amended, Mayes. ~~Irrigation districts; divisions. Imperial Irrigation District.~~

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

This bill would require the commissions for the County of Imperial and the County of Riverside to conduct and publish on their internet websites, by December 1, 2022, a joint study of voting rights, and options for providing electricity, in the Imperial Irrigation District. The bill would require the joint study to include a description of voting rights in the district and a determination of whether and how the district can extend voting rights to its residents, as well as options for providing electricity in the district's jurisdiction and other affected service areas,

in the circumstance that the district desires to no longer provide electrical service in its jurisdiction. By imposing new duties on the specified local agency formation commissions, the bill would impose a state-mandated local program.

(2) 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 8 members, with the 3 additional directors being nonvoting members with all of the other rights as the existing directors, and meeting certain qualifications. The bill would require the 3 nonvoting directors to be appointed by the county supervisor who represents the Fourth District on the Board of Supervisors of the County of Riverside, thereby imposing a state-mandated local program.

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

(4) 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.

~~Existing law, the Irrigation District Law, provides for the formation of irrigation districts with prescribed powers. The law authorizes an irrigation district to control, distribute, store, spread, sink, treat, purify, recapture, and salvage any water, as specified. Existing law provides that each district shall contain 5 divisions unless otherwise specified.~~

~~This bill would make a nonsubstantive change to the law providing for those 5 divisions.~~

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

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

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

3 56378.2. *Notwithstanding any other law, the commissions for*
4 *the County of Imperial and the County of Riverside shall conduct*
5 *and publish on their internet websites, by December 1, 2022, a*
6 *joint study of both of the following:*

7 (a) *Voting rights in the Imperial Irrigation District. The joint*
8 *study shall include a description of voting rights in the district and*
9 *a determination of whether and how the district can extend voting*
10 *rights to its residents.*

11 (b) *Options for providing electricity in the Imperial Irrigation*
12 *District's jurisdiction and other affected service areas, in the*
13 *circumstance that the district desires to no longer provide electrical*
14 *service in its jurisdiction.*

15 SEC. 2. *Section 21562.6 is added to the Water Code, to read:*

16 21562.6. (a) *This section applies to the Imperial Irrigation*
17 *District.*

18 (b) *Notwithstanding Sections 21100 and 21550 and Division 3*
19 *(commencing with Section 56000) of Title 5 of the Government*
20 *Code, the membership of the board of directors shall increase*
21 *from five to eight.*

22 (c) *The directors of the board added pursuant to subdivision*
23 *(b) shall be nonvoting directors with all of the other rights as*
24 *existing directors.*

25 (d) *The nonvoting directors shall be appointed by the county*
26 *supervisor who represents the Fourth District on the Board of*
27 *Supervisors of the County of Riverside and shall be appointed*
28 *subject to the following conditions:*

29 (1) *One director shall be a representative of local cities and be*
30 *an elected member of city government.*

31 (2) *One director shall be a representative of the County of*
32 *Riverside.*

33 (3) *One director shall be a representative of the environmental*
34 *justice community.*

35 (e) *The nonvoting directors shall represent the electrical service*
36 *area and shall live in the service area at the time of their*
37 *appointment.*

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

4 SEC. 3. The Legislature finds and declares that a special statute
5 is necessary and that a general statute cannot be made applicable
6 within the meaning of Section 16 of Article IV of the California
7 Constitution because of the conditions unique to the Counties of
8 Imperial and Riverside and the Imperial Irrigation District.

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

14 SECTION 1. ~~Section 21550 of the Water Code is amended to~~
15 ~~read:~~

16 ~~21550. Each district shall contain five divisions unless~~
17 ~~otherwise provided by the more recent of any of the following:~~

- 18 ~~(a) The order on final hearing on the formation petition.~~
- 19 ~~(b) An order made pursuant to this article.~~
- 20 ~~(c) An order made pursuant to Article 2 of this chapter.~~