

IMPERIAL IRRIGATION DISTRICT
RESOLUTION NO. 2-2008

Review of Water/Power Rate Structures in 2008

WHEREAS, the Imperial Irrigation District Board of Directors has yet to adopt a budget for 2008 and is, in the interim, funding its ongoing programs, projects and initiatives through a continuing resolution passed by the board on December 18, 2007, and,

WHEREAS, management recognizes the need to furnish the board with a 2008 budget that meets the following criteria: no change in the rates charged to IID Energy customers in 2008; continue to meet minimum cash-on-hand requirements and recommended debt ratio; provide phase-one funding for the Midway-to-Bannister renewable transmission line in the current budget year and avert any wholesale reduction in staff, and,

WHEREAS, board members recognize that 2008 is a pivotal year in the transformation of IID and they have a responsibility to ensure that any rate studies and cost-of-service analyses already under way will be completed in the current budget year so that the board has the best information at its disposal to revisit the rate structure in 2009, and,

WHEREAS, the district has ongoing capital and operational funding needs that will, according to its chief financial officer and outside bond counsel, require it to obtain long-term financing through the issuance of certificates of participation, and,

WHEREAS, the IID board has the legal authority to set its own rates and the fiduciary responsibility to manage its rate structure in the most prudent manner possible.

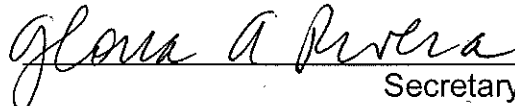
NOW THEREFORE BE IT RESOLVED that the Imperial Irrigation District Board of Directors commits itself to performing a comprehensive review of the rate structure in 2008 and, once it is satisfied that it can arrive at the most informed decision based on the best available data, makes plain its willingness to consider revising its rates to reflect the realities of the marketplace.

PASSED AND ADOPTED this 19th day of February, 2008.



IMPERIAL IRRIGATION DISTRICT


President


Secretary