



IMPERIAL IRRIGATION DISTRICT Energy Consumers Advisory Committee

MEETING MINUTES

Monday, June 8, 2020 · 6:00 P.M.

IID Boardrooms: 1285 Broadway, El Centro, CA · 81600 Avenue 58, La Quinta, CA

A. CALL TO ORDER / PLEDGE OF ALLEGIANCE / ROLL CALL

Chairperson Michael Anderson called the meeting to order at 6:01 p.m. and the Pledge of Allegiance was recited.

The following members attended the meeting:

- La Quinta – Vice Chair Steven Bayard and members Jacob Alvarez, Philip Bautista, Becky Broughton, Glenn Miller, John Peña, Oscar Ortiz, Lee Osborne and Patricia Saleh
- El Centro – Chair Michael Anderson and members Chad Cooper, Rosa Guerrero, Guillermo Hermosillo, Jeffrey Plourd, Eric Reyes, Haydee Rodriguez and David Salgado

Members Gerald Gauna and Shorty Hickingbottom were absent.

B. PUBLIC COMMENT

There were no public comments.

C. CONSENT AGENDA

1. ECAC Regular Meeting Minutes of March 2, 2020

Vice Chair Bayard moved and Ms. Saleh seconded a motion to approve the ECAC Regular Meeting Minutes of March 2, 2020. Motion carried with Mr. Hermosillo abstaining.

1-15, 17. Consent Items

Chairperson Anderson moved and Ms. Saleh seconded a motion to acknowledge receipt of Consent Items C.1 through C.15 and C.17. Motion carried unanimously.

16. Energy Regulation Nos. 9 and 10

Ms. Jamie Asbury, associate counsel, reported that the CFO's office took amendments to Energy Regulations 9 and 10 to the IID board in March, which were subsequently passed. One regulation relates to the payment of bills and the other relates to the billing dispute process. Although the IID Board of Directors approved the regulations, IID is still under a mandate by the Governor of the State of California to suspend disconnections for non-payment and suspended dunning, as well. IID is monitoring bills that are pending before Congress to forgive or suspend disconnections and substantive collection proceedings until April 2021. IID is not engaging in any cost recovery on those delinquent bills or making any moves to disconnect at this time. The regulations are forward looking in how IID will treat non-payment and the dispute process after getting past the pandemic, she concluded.

Mr. Plourd asked how many total delinquent accounts there are between Imperial Valley and the La Quinta area. Ms. Asbury advised that a presentation in the packet lays out the information per the date the agenda

was prepared. The split is about 53/47 percent with the greater percentage in Coachella Valley and with the uncollected delinquency running in the \$10 million range.

Mr. Plourd commented that the delinquencies outlined in the packet for March, April and May add up to about 8,000. Ms. Asbury indicated that 8,000 customers seemed right; the number may change daily because payments are trickling in and there has been a significant message delivered by the IID board that a partial payment is acceptable.

Mr. Plourd requested an electronic listing of those 8,000 people. Ms. Asbury stated that IID would not be able to provide the identity of the customers as they are entitled to privacy. IID would be precluded from providing any substantive information with regard to those customers.

Mr. Plourd inquired about Ms. Asbury's statement that IID would not be able to enforce any collection for about a year. Ms. Asbury clarified that it is being proposed at the federal level, but IID is currently under the state mandate. There may be some disagreement between the State of California and the federal government, but ultimately there is a bigger push at the federal level for safety, Homeland Security and control of the grid. Those [issues] are percolating through the political process and IID does not know what they will look like long term. Public power utilities may eventually be treated differently because they have a different business model than investor-owned utilities. There is much lobbying at the state and federal levels with regard to how publicly owned utilities are fundamentally different from a shareholder-owned organization—particularly the district due to its focus and the large number of low-income ratepayers surviving below the poverty level.

Mr. Henry Martinez, general manager, added that IID is reviewing its policies going forward and is making changes to make up the loss of revenue and cash flow. IID is not implementing disconnect orders, but asking customers to make partial payments and looking at potential adjustments to that message. If IID lets this go too long, the concern is that some customers will face an overwhelming debt at the end of the summer and be unable to recover. IID is trying to help the customer not accumulate so much debt and end up with an unmanageable bill. As Ms. Asbury explained, IID is under the no disconnect policy, but taking a serious look at how to change that in the next few weeks. Mr. Plourd expressed that was his concern and thanked Mr. Martinez.

Ms. Saleh asked if there was any provision by the state to compensate IID for the missing revenue. Ms. Asbury said there is none, but there are a number of programs, such as LIHEAP, that offer grant funding. She was not quite sure of the extent to which IID's customers were availing themselves of such programs. IID is doing internal problem solving and finding solutions to assist them, but those things are not fully formed at this time. There are grant opportunities, such as the City of El Centro's grant funding for commercial customers and the federal government [offers the] Payroll Protection Program for employers. There might be some relief for businesses, but most delinquencies IID is seeing are residential.

Mr. Plourd moved and Chairperson Michael Anderson seconded a motion to acknowledge receipt of C.16, Energy Regulation Nos. 9 and 10. Motion carried unanimously.

D. ACTION ITEMS

1. Maintenance Service Agreement Between IID and OWB Packers LLC

Ms. Marilyn Gilbert, energy manager, welcomed the committee and thanked them for reconvening the meetings. She presented the Maintenance Service Agreement between IID and One World Beef Packers LLC, which is located in Brawley. OWB has requested that IID provide maintenance service and [the service charge] be included in its electric bill. OWB will pay IID for the cost of service pursuant to IID's rates and has

agreed to pay a monthly service charge of \$1.50 per every \$1,000 on its monthly electric bill--similar to the agreement for its predecessor.

Vice Chair Bayard inquired about OWB's average monthly electric bill is and Ms. Gilbert revealed she did not have that information, but thought it was \$8,000. Mr. Plourd suggested it is more like \$80,000. Chairperson Anderson inquired with Vice Chair Bayard if the information could be emailed to the ECAC and he agreed.

Vice Chair Bayard moved and Mr. Plourd seconded a motion to approve the IID and OWB Packers LLC Maintenance Service Agreement. Motion carried unanimously.

- 1 & 2. **SRFP Nos. 379 and 380, Service Agreements for Construction and Maintenance Services, were pulled from the agenda.**

E. REPORTS AND INFORMATIONAL ITEMS

1. COVID-19 Update

Ms. Gilbert related the year-to-date [electric kWh] sales as of April 30, 2020, including a 2019/2020 comparison of 2019 and 2020 indicate kWh sales are slightly down partially due to milder [weather]. The electric kWh sales are approximately 2 percent lower than April 30, 2019. The billing is \$3 million higher as a result of the higher Energy Cost Adjustment as the ECA was discounted last year due to prior year overcollections. Overall, customer payments are 14.25 percent lower as compared to the same time last year, equating to about \$10 million less. Pay station transactions are down 33 percent from 51,673 in 2019 to 34,377 in 2020 as more payments are made via mail. Delinquencies have increased compared to the same time last year by 17.19 percent, amounting to approximately \$3 million. Low-income [program] applications increased by 19 percent between March and May as compared to the same time in 2019. A comparison of 2019 versus 2020 accounts ready for disconnect from March through May was also provided with each month showing the number of accounts increasing. Imperial Valley accounts for 46 percent of delinquencies and the Coachella Valley accounts for 54 percent.

Ms. Saleh asked which cities are predominantly delinquent. Ms. Gilbert responded that the cities in the northern part of the [service area] have 54 percent of the delinquencies as compared to Imperial Valley's 46 percent.

Ms. Saleh inquired if the delinquencies were primarily in unincorporated areas or cities. Ms. Gilbert assured that staff would provide a by-city breakdown without customer account information.

Ms. Broughton asked if there is a plan for ending the forgiveness policy as people have to start paying their bills. She also inquired what IID would be able to do to help these people that end up with huge bills and no job or finally getting back to work. Ms. Gilbert answered that IID is looking into that and is proactively calling customers to [request] they pay which they can pay and payment arrangements are being made. IID is also working on additional arrangements so that bills do not get so far behind that customers cannot pay. The CFO can make a presentation to explain the Finance Department's plan with those customers. Mr. Henry Martinez, general manager, stated that IID is treating this very carefully and looking at different angles. On one side, IID sees the decline in revenue and on the flip side the heat is coming so IID is concerned about people needing air conditioning, as well. He has requested staff come up with a balanced approach to [encourage] additional payments and a soft approach with disconnection. IID must have a careful, balanced message to customers and local and state elected officials. When IID takes this approach, it will probably be one of the first utilities in California that is not following the non-disconnect order. He did not want to put IID in a position where it is alone in implementing disconnect orders, particularly in the summer. This is a two-pronged problem: the first is the revenues; the second is the political backlash IID may get from elected officials because IID is not a good neighbor and not looking after the disadvantaged and those that do not have jobs.

Ms. Guerrero inquired if there is an application process for those who are affected by COVID-19 or whether they are simply not paying their bill and IID is assuming it is COVID-related. Mr. Martinez conveyed that Customer Service is making phone calls to every single account that is [delinquent], inquiring and providing additional information so they may start making payments. IID knows some customers are flat out not paying because they do not have to; others are not paying because they do not have the money; and other customers are making partial payments.

Ms. Guerrero asked if there is an application process. Mr. Martinez indicated there is no formal application process, but there is an application process for disadvantaged customers. Right now, IID is asking customers to [explain] the problem verbally with no application. [The application] is a very good idea and he will follow up with the CFO and Customer Service to "dig in" and understand why the payments are not being made. Mr. Martinez also said a plan will be introduced to the board for discussion so that staff has a well-vetted program seen from all angles, ensuring IID is doing the right thing.

Mr. Reyes requested a breakdown between residential versus business accounts. Ms. Asbury related that such a request was made to the CFO's office by the board at the last meeting when Ms. Valenzuela provided the update so staff will request that information and ensure it is tendered to the committee.

Ms. Saleh remarked that IID is [experiencing] such a loss and she believes the state would have to help. People who are poor and cannot pay their electric and other bills month-to-month will not be able to pay a whole year's worth of bills. She expressed hope that state or federal government grants/aid can be employed as this is a nationwide problem. For things that people cannot do without, such as electricity, it is important to seek some kind of remuneration for IID that is bearing the brunt. Mr. Martinez stated he is on a weekly call with the CEOs of the largest municipalities in the nation and advocates in Washington, DC. to address the issue of relief for municipalities knowing there is no mechanism to recover that money other than raising rates for the rest of the customers. The advocacy is for directing money to organizations, such as IID, that have limited resources and a large population of underserved communities. It is a struggle because every city, county and state is looking for some relief from the federal government. Nonetheless, IID is pursuing that avenue through advocates in Washington, DC, including the Large Public Power Council, an organization with the 27 largest municipalities in the United States. IID is also working with its lobbyist seek some ability to influence [legislation] to provide relief for these areas and organizations, such as IID. IID is not waiting for something to happen, but is heavily involved in all aspects. In California, the situation is different with the deficit the Governor announced. He is not providing any relief, except for environmental or health issues. IID is looking at the budget Sacramento is proposing, providing testimony through various communication links and advocating on behalf of its customers. Mr. Martinez assured the ECAC would be kept apprised of this topic. Ms. Saleh added that as a non-profit, IID does not have the big reserves the for-profits do.

Mr. Anderson commented that the group would look forward to getting another report on the COVID-19.

An attempt was made by the ECAC coordinator to receive a public comment through the phone line.

2. Federal and State Legislative Platform

Mr. Emmanuel Martinez, government affairs specialist, reported the following:

- The fiscal situation at the state level is very dismal--the Department of Finance, the Legislative Analyst's Office and the Legislature are currently battling to address a \$54.3 billion deficit. The last few weeks have been heavy with Assembly and Senate budget hearings and IID has been actively engaged in that matter, specifically because this is not a traditional legislative year and there are not many legislative items moving. The Legislature has pared down its priorities and is only focused on bills related to COVID-19; therefore, IID is dealing with a slimmed down legislative packet.

- The deficit should last a few budget years and within that context there is some good news: As of now, the Salton Sea and the New River are currently in the budget for funding in the amounts of \$19.3 million and \$20 million, respectively. As these are regional issues that impact Imperial and Riverside counties, staff has been actively engaged in providing testimony to show strong support.
- Assembly Bill 3256 (Eduardo Garcia) contains language that would make Salton Sea projects eligible for funding and this is the only bond bill moving out of the Assembly, but must go to voters for approval.
- AB 2629 (Chad Mayes) is not moving as it was not a priority in the context of the pandemic; nonetheless, IID is committed to keeping Assembly Member Chad Mayes and his staff abreast of that which IID is doing to address this matter legislatively.
- The [state] budget must be passed by June 15, which is also the tax-filing deadline for individuals. Once the state receives revenues from income taxes, it will start assessing additional cuts or changes to the budget to address the shortfall. June 19 and June 26 are the Assembly and Senate House of Origin deadlines, respectively.
- At the federal level, the President signed a \$3.75 million COVID-19 relief package that makes changes to the Paycheck Protection Program, which allows for increased overhead expenses by businesses, allowing more money to pay utility bills.
- There was discussion for relief to local governments impacted by COVID-19 in the Senate. There is a desire to move forward with the Heroes Act to provide flexible spending for local governments; therefore, staff is working with the American Public Power Association and the LPPC to ensure IID's voice is heard in Washington, DC.
- The CLEAN Energy Future Act creates a clean energy standard that follows California's Renewables Portfolio Standard.
- The House Infrastructure Committee released a draft transportation bill, which has some components related to energy.
- The House is voting by proxy and is moving slow. The Senate is waiting on the House transportation bill, but is focused on COVID-19. Congress is working this month, the House is working remotely and the Senate is in session until its July break then continue until the August summer break.

The legislative platform includes energy-related legislative broken down into the state and federal level.

3. Energy Efficiency Program Portfolio Update

Ms. Gilbert summarized the SB 1037, AB 2021 and SB 350 laws involving utility requirements for energy efficiency programs, targets and reports. Per the mandates, IID provides annual reporting: In 2019, IID's estimated energy savings were 30 million kWh with the greatest savings coming from the Custom Energy Solutions Program that offers energy efficiency incentives to non-residential customers and technical assistance to identify qualifying measures. Also illustrated in the pie chart were the energy savings generated by the Quality AC Tune-Up Program, Green Grants, as well as the Energy Rewards rebate program for residential and commercial customers to offset the cost of qualifying energy efficiency measures. Energy Rewards is also equipped with an online tool to allow customers to submit and check applications. Although CESP had the greatest energy savings, its expenditure footprint was smaller at \$1.4 million; the Energy Rewards program spent \$1.8 million; and QACTU, \$1.7 million. She highlighted the list of the 2020 Energy Efficiency Programs' projected savings and the remaining allocated budget. Also included in her report were participation levels for January through March for various programs. To meet the state mandates, IID sets annual targets as listed on Page 212 of the ECAC packet, she concluded.

4. First Quarter 2020 Energy Department Project Status Report

Ms. Gilbert presented the First Quarter Project Status Report, including 18 projects that were active during the First Quarter, identifying those funded by customers or the capital budget and any projects experiencing

schedule lapses. She elaborated on the Naval Special Warfare Group One Project—the completion date was in 2018, but the customer put the project on hold and recently resumed construction. The total approved amount for all projects is about \$26 million with \$10.7 million in costs, to date. She also presented a list of approved MWAs by Project Type and Status for the First Quarter and MWAs Planned for Action in the Second Quarter, along with other projects in the energy portfolio. She summarized by stating that this report gives the ECAC an understanding of where the projects they approve are in the process.

5. APPA RP3 Designation – Diamond Level

Ms. Gilbert said she was happy to announce the award from the American Public Power Association, which has a Reliable Public Power Provider (RP3) Designation Program in which a panel of IID's peers review information and tell how the district is doing. She is proud of the staff because they all ended up with a Diamond Level designation, having received a score of 98 and above. The designation is valid for three years and every year the bar is raised for other member utilities. IID was ranked on four important disciplines measured: safety, reliability, workforce development and system improvement. The designation levels consist of Diamond, Platinum and Gold. Based on a rigorous evaluation of IID's practices and accomplishments, it was awarded the highest designation, exceeding 98 percent of the criteria.

Chairman Anderson and Mr. Salgado congratulated Ms. Gilbert for reaching [the RP3 designation].

F. ENERGY DEPARTMENT GENERAL MATTERS

Ms. Gilbert reported the following:

- On Friday, a fire in Niland threatened the "F" and the "M" lines. IID's vegetation management program saved some of those lines from burning down and the fire burning out of control.
- Immediately thereafter, a windstorm hit the Coachella Valley and IID lost 43 transmission poles on the "K" line. Crews are working around the clock to restore service; in fact, crews from Imperial Valley are working out of Coachella Valley as is Irby Construction, IID's external contractor. She expressed thanks to the many staff members who worked through the weekend engineering and redesigning [the infrastructure]. IID has started setting new poles in place, which involved two miles of damage on Avenue 68 from Grant to Garfield in the Thermal area. The system is crippled and is still under repair, including distribution poles.
- Ms. Gilbert introduced Ms. Sandra Blain, the new deputy energy manager. Ms. Blain shared her background: She has 25 years' experience in the utility business, predominantly with Southern California Edison. She handled land development through the renewable energy program, including power purchase agreements, siting and licensing. She has a [strong] background in regulatory through legislative acts and other programs enacted by the state and CPUC. She has done a lot of transmission and distribution infrastructure to support deliverability and improve reliability for all generator interconnects that came through the RPS portfolio, bringing on about \$3 billion in infrastructure redevelopment over a five-year period. After leaving SCE, she worked throughout the country, including with Nevada Power in wildfire mitigation and related land use and redevelopment programs underneath transmission rights of way. She also helped with the Hurricane Harvey restoration and reinforcement in Texas as they changed wind load conditions for sustainability of infrastructure. She set up program management and financial reporting in Indiana for its major infrastructure rebuild. She is happy to be part of the team--she's following Jamie's footprint, who managed all the generator interconnections, and Joe Piscotty's engineering and project management.

Chairperson requested a brief report of the 43 poles that were toppled. Ms. Gilbert assured the committee would be given a report of the restoration, along with the status, pictures and details. Chairman Anderson gave kudos to the crews.

F. MEMBER COMMENTS

Mr. Broughton thanked everyone for putting this [meeting] together because it was great to get together again.

Ms. Saleh agreed with Ms. Broughton's statements and asked the new deputy energy manager how it is to work at a non-profit as opposed to SCE. Ms. Blain said it has been a lot of fun, but utility work is utility work. She is engaged with generators and reliability, and that focus is true with investor-owned utilities, but they have a bigger bank to draw from at the state level. She enjoys the smaller venue with more personal interaction--there's a lot less dialogue down the organization and more layers at the IOU. People feel free to talk and ask questions and she likes the transparency and candidness that happens.

Ms. Salgado commended staff and management for rising to the challenge of the times in which we are working. He thanked IID for meeting [the challenge] head on and continuing to do the good work they do.

Ms. Rodriguez echoed Mr. Salgado's comments; she typed something in the chat regarding the IBEW Local 465 pictures of the unfortunate situation in Coachella [Valley]. She hopes everyone continues to stay healthy because it is getting tough with COVID-19. Also, there is a nurse among the committee members, Ms. Guerrero, and she expressed her infinite gratitude to her and her colleagues for the work they are doing and their sacrifices.

Chairperson Anderson asked Ms. Gonzales to send those IBEW pictures to the committee.

Ms. Guerrero encouraged everyone to stay safe and practice social distancing. She also welcomed Ms. Blain.

Mr. Reyes thanked everyone.

Mr. Hermosillo thanked IID for the face mask he received in the mail.

Mr. Alvarez encouraged everyone to stay safe as the COVID numbers in both areas are increasing. He said the group is thanking Rosa, but must not give too much work to [Ms. Guerrero] by taking self-precautions.

Mr. Miller thanked everyone for their hard and diligent work in such a trying time.

Mr. Peña conveyed that these are trying times, especially for customers. He expressed certainty that IID is doing anything it can do to help customers. IID needs to be able to collect from people who have the ability to pay, but are not paying for various reasons. He commended Mr. Martinez on the approach that he will be taking, trying to get payment from some of those people that are able to pay.

Chairman Anderson added that he appreciated that Mr. Martinez took the suggestion made by Ms. Guerrero. He also expressed that more members commented today than in all the previous ECAC meetings. He thanked Mr. Manuel Zarate, Mr. Juan Lopez, [Mr. Rodrigo Avila] and Ms. Gonzales for putting the meeting together. He also thanked Ms. Gilbert for taking care of that [street]light at a local church. He asked everyone to give the crews a honk and a wave if driving by those 43 poles.

G. NEXT MEETING

H. ADJOURNMENT

There being no further business, Chairman Anderson adjourned the meeting at 7:36 p.m.